

FLORIDA HOUSE OF REPRESENTATIVES FINAL BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

BILL #: HB 4043	COMPANION BILL: None
TITLE: Citrus County Hospital Board, Citrus County	LINKED BILLS: None
SPONSOR(S): Grow	RELATED BILLS: None
FINAL HOUSE FLOOR ACTION: 113 Y's 0 N's	GOVERNOR'S ACTION: Pending

SUMMARY

Effect of the Bill:

The bill repeals the special acts comprising the charter of the Citrus County Hospital Board (Board) and dissolves the district as of October 1, 2026. The bill requires the Board to adopt a dissolution plan to wind down its affairs by September 30, 2026.

The bill authorizes the Citrus County Community Charitable Foundation, a not-for-profit corporation established to manage the proceeds of the lease of the hospital facility previously operated by the Board, to continue to function as provided by general law.

The bill transfers all assets and liabilities of the district to the Board of County Commissioners of Citrus County to distribute according to the dissolution plan after satisfying any outstanding liabilities of the district.

Fiscal or Economic Impact:

According to the Economic Impact Statement, the Board will incur legal costs of \$350,000 associated with the unwinding of the district's affairs. An additional \$150,000 will be placed in escrow for future possible litigation costs by the county for the enforcement of the lease between the Board and operator of the hospital formerly controlled by the district.

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ANALYSIS

EFFECT OF THE BILL:

The bill repeals the special acts comprising the charter of the [Citrus County Hospital Board \(Board\)](#) and dissolves the Board as of October 1, 2026. (Sections [2](#) and [3](#))

The bill requires the Board to wind down its affairs by September 30, 2026, which includes adopting a dissolution plan that consists of satisfying all of its obligations and indebtedness and making provisions for the use of any remaining assets of the district, including, but not limited to, distributions to the [Citrus County Community Charitable Foundation](#), a [not-for-profit corporation](#) that was established to manage the proceeds of the lease of the hospital facility previously operated by the Board. (Section [1](#))

The bill authorizes the Citrus County Community Charitable Foundation to continue to operate as a not-for-profit corporation, as otherwise provided by general law, notwithstanding the repeal of the special act that originally authorized its creation. (Section [4](#))

The bill provides that any outstanding assets and liabilities are transferred from the Citrus County Hospital Board to the Board of County Commissioners of Citrus County effective October 1, 2026. The bill requires all assets received by the county to first be used to satisfy all liabilities of the former district. All assets remaining after the satisfaction of the former district's liabilities must be used by the county according to the dissolution plan adopted by the Board before its dissolution. (Section [5](#))

STORAGE NAME: h4043z.IAS

DATE: 3/20/2026

Subject to the Governor’s veto powers, the effective date of this bill is upon becoming a law, except as otherwise provided. (Section [6](#))

FISCAL OR ECONOMIC IMPACT:

LOCAL GOVERNMENT:

According to the Economic Impact Statement, there will be a revenue decrease of approximately \$4,000,000 to \$6,000,000 due to the distribution of assets to other authorized entities, that will continue to earn interest. The legal costs to perform the unwinding are \$350,000 and another \$24,000 plus limited benefits for a maximum of 48-60 months to fund employee costs for lease monitoring and enforcement.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Special Districts

A “special district” is a unit of local government created for a particular purpose, with jurisdiction to operate within a limited geographic boundary.¹ Special districts are created by general law, special act, local ordinance, or rule of the Governor and Cabinet.² A special district has only those powers expressly provided by, or reasonably implied from, the authority provided in the district’s charter. Special districts provide specific municipal services in addition to, or in place of, those provided by a municipality or county.³ Special districts are funded through the imposition of ad valorem taxes, fees, or charges on the users of those services as authorized by law.⁴

Special districts may be classified as dependent or independent based on their relationship with local general-purpose governments. A special district is classified as “dependent” if the governing body of a single county or municipality:

- Serves as governing body of the district;
- Appoints the governing body of the district;
- May remove members of the district’s governing body at-will during their unexpired terms; or
- Approves or can veto the budget of the district.⁵

A district is classified as “independent” if it does not meet any of the above criteria or is located in more than one county, unless the district lies entirely within the boundaries of a single municipality.⁶

Special districts are governed generally by the Uniform Special District Accountability Act (USDAA).⁷ The USDAA centralizes provisions governing special districts and applies to the formation,⁸ governance,⁹ administration,¹⁰

¹ See *Halifax Hospital Medical Center v. State of Fla., et al.*, 278 So. 3d 545, 547 (Fla. 2019).

² See [ss. 189.02\(1\), 189.031\(3\)](#), and [190.005\(1\), F.S.](#) See generally [s. 189.012\(6\), F.S.](#)

³ Intergovernmental Affairs Subcommittee, *Local Government Formation Manual*, p. 56 (last visited Jan. 12, 2026).

⁴ The method of financing a district must be stated in its charter. Ss. 189.02(4)(g) and [189.031\(3\), F.S.](#) Independent special districts may be authorized to impose ad valorem taxes as well as non-ad valorem special assessments in the special acts comprising their charters. See, e.g., [ch. 2023-335, s. 1\(6\), Laws of Fla.](#) (East River Ranch Stewardship District). See also, e.g., ss. [190.021](#) (community development districts), [191.009](#) (independent fire control districts), [197.3631](#) (non-ad valorem assessments), [298.305](#) (water control districts), and [388.221, F.S.](#) (mosquito control). See also [ch. 2004-397, s. 3\(27\), Laws of Fla.](#) (South Broward Hospital District).

⁵ [S. 189.012\(2\), F.S.](#)

⁶ [S. 189.012\(3\), F.S.](#)

⁷ [S. 189.01, F.S.](#), but see ch. 190, F.S. (community development districts), ch. 191, F.S. (independent special fire control districts), ch. 298, F.S. (water control districts), ch. 388, F.S. (mosquito control districts), and ch. 582, F.S. (soil and water conservation districts).

supervision,¹¹ merger,¹² and dissolution¹³ of special districts, unless otherwise expressly provided in law.¹⁴ The USDAA requires notice and publication of tentative budgets and final budgets.¹⁵ Certain budget amendments are allowed up to 60 days following the end of the fiscal year.¹⁶

Special districts do not possess “home rule” powers and may impose only those taxes, assessments, or fees authorized by special or general law. The special act creating an independent special district may provide for funding from a variety of sources while prohibiting others. For example, ad valorem tax authority is not mandatory for a special district.¹⁷

Not-for-profit Corporations

Not-for-profit corporations are regulated by the Florida Not For Profit Corporation Act (Non-profit Act), which outlines the requirements for creating and managing a private not-for-profit corporation as well as the powers and duties of the corporation.¹⁸ The Non-profit Act authorizes not-for-profit corporations to be created for any lawful purpose or purposes that are not for pecuniary profit and that are not specifically prohibited to corporations by other state laws.¹⁹ The Non-profit Act specifies that such purposes may include charitable, benevolent, eleemosynary, educational, historical, civic, patriotic, political, religious, social, fraternal, literary, cultural, athletic, scientific, agricultural, horticultural, animal husbandry, and professional, commercial, industrial, or trade association purposes.

Florida law authorizes not-for-profit corporations to operate with the same degree of power provided to for-profit corporations in the state, including the power to appoint officers, adopt bylaws, enter into contracts, sue and be sued, and own and convey property.²⁰ Officers and directors of certain not-for-profit corporations are also protected by the same immunity from civil liability provided to directors of for-profit corporations.²¹ Unlike for-profit corporations, certain not-for-profit corporations may apply for exemptions from federal, state, and local taxes.²²

Not-for-profit corporations are required to submit an annual report to the Department of State that contains the following information:

- The name of the corporation and the state or country under the laws of which it is incorporated;
- The date of incorporation or, if a foreign corporation, the date on which it was admitted to conduct its affairs in Florida;
- The address of the principal office and the mailing address of the corporation;
- The corporation’s federal employer identification number, if any, or, if none, whether application has been made for one;
- The names and business street addresses of its directors and principal officers;
- The street address of its registered office in Florida and the name of its registered agent at that office; and

⁸ See [ss. 189.02](#) (creation of dependent special districts) and [189.031, F.S.](#) (creation of independent special districts).

⁹ See [s. 189.0311, F.S.](#) (charter requirements for independent special districts).

¹⁰ See [s. 189.019, F.S.](#) (requiring codification of charters incorporating all special acts for the district).

¹¹ See [s. 189.0651, F.S.](#) (oversight for special districts created by special act of the Legislature).

¹² [Ss. 189.071](#) and [189.074, F.S.](#)

¹³ [Ss. 189.071](#) and [189.072, F.S.](#)

¹⁴ See, e.g., [s. 190.004, F.S.](#) (Ch. 190, F.S. as “sole authorization” for creation of community development districts).

¹⁵ [S. 189.016\(4\), F.S.](#)

¹⁶ [S. 189.016\(6\), F.S.](#)

¹⁷ See, e.g., [ch. 2006-354, Laws of Fla.](#) (Argyle Fire District may impose special assessments, but has no ad valorem tax authority).

¹⁸ Ch. 90-179, Laws of Fla.

¹⁹ [S. 617.0301, F.S.](#)

²⁰ See [ss. 617.0302](#) and [607.0302, F.S.](#)

²¹ See [ss. 617.0834](#) and [607.0831, F.S.](#)

²² See, e.g., 26 U.S.C. s. 501, [s. 212.08\(7\)\(p\), F.S.](#)

- Such additional information as may be necessary or appropriate to enable the Department of State to carry out the provisions of the Non-profit Act.²³

A not-for-profit corporation may receive public funds from the state or a local government in certain situations. Public funds are defined as “moneys under the jurisdiction or control of the state, a county, or a municipality, including any district, authority, commission, board, or agency thereof and the judicial branch, and includes all manner of pension and retirement funds and all other funds held, as trust funds or otherwise, for any public purpose.”²⁴ The state or a local government may provide public funds to a not-for-profit corporation through a grant or through payment of membership dues authorized for governmental employees and entities who are members of certain types of not for profit corporations.²⁵

[Citrus County Hospital Board](#)

The Citrus County Hospital Board (Board) is an independent special district that was created in 1949 to operate a hospital system for the community and to provide medically necessary healthcare for all Citrus County residents regardless of their ability to pay.²⁶ The Board is governed by a five-member board of trustees appointed by the Governor to four-year terms.²⁷

In 1987, the Board created the Citrus Memorial Health Foundation, a private management corporation. In 1990, the Board leased Citrus Memorial Hospital to the Citrus Memorial Health Foundation.²⁸ This arrangement continued until 2014, when the Citrus County Hospital Board and Citrus Memorial Health Foundation transitioned the management of the hospital to the Hospital Corporation of America with a multi-decade lease.²⁹

As part of the transition to operating as a lessor to a for-profit entity, the Board was authorized to establish an irrevocable community trust or foundation to manage the proceeds of a lease of the hospital and its facilities.³⁰ Any profits from the lease are required to be used for medically-related needs of citizens and residents of Citrus County. A board of a foundation created for this purpose must contain at least two residents of Citrus County who are elected county-wide in a non-partisan election. The Board established the Citrus County Community Charitable Foundation for this purpose in December 2014.³¹

The district’s charter initially authorized the Board to levy ad valorem taxes, but this authority was removed in 2014.³² The Board’s most recent financial statement, published in June 2025, records \$11.9 million in assets and no outstanding liabilities.³³

Local Bill Forms

The Florida Constitution prohibits the passage of any special act unless a notice of intention to seek enactment of the bill has been published as provided by general law or the act is conditioned to take effect only upon approval

²³ [S. 617.1622, F.S.](#)

²⁴ [S. 215.85\(3\)\(b\), F.S.](#)

²⁵ See, e.g., [Pinellas County, Fla. Code s. 2-103\(a\)](#) (authorizing the board of county commissioners to expend monies from the county general fund for membership fees and dues for county employees and officials for professional associations); S. Fla. Water Mgmt. Dist. Admin. Policies s. 120-65(a)(2) (authorizing the district to pay for an employee’s membership in a professional organization not required by his or her job).

²⁶ Citrus County Hospital Board, [Healthcare for Citrus County Residents](#) (last visited Jan. 12, 2026). See also Ch. 25728, Laws of Fla. (1949).

²⁷ [Ch. 2011-256, s. 3\(3\)\(1\), Laws of Fla.](#)

²⁸ *Id.*

²⁹ Citrus County Hospital Board, [Healthcare for Citrus County Residents](#) (last visited Jan. 12, 2026).

³⁰ [Ch. 2011-256, s. 3\(5\), Laws of Fla.](#), as amended by [ch. 2014-254, s. 1 and \(3\)\(b\), Laws of Fla.](#)

³¹ Articles of Incorporation for the Citrus County Community Charitable Foundation, available at Fla. Dept. of State, Division of Corporations, [Citrus County Community Charitable Foundation](#) (last visited Jan. 12, 2026).

³² [Ch. 2011-256, s. 3\(6\), Laws of Fla.](#), repealed by [ch. 2014-254, s. 1, Laws of Fla.](#)

³³ Citrus County Hospital Board, [Citrus County Hospital Board Statement of Revenues, Expenditures, and Changes 2025](#), p. 3 (last visited Jan. 12, 2026).

by referendum vote of the electors in the area affected.³⁴ A legal advertisement of the proposed bill must be placed in a newspaper of general circulation or published on a publicly accessible website³⁵ at least 30 days prior to the introduction of the local bill in the House or Senate.³⁶ The bill was noticed in the [Citrus County Chronicle on November 19, 2025](#).

The House local bill policy requires a completed and signed Local Bill Certification Form and Economic Impact Statement Form be filed with the Clerk of the House at the time the local bill is filed or as soon thereafter as possible.³⁷ Under the policy, a committee or subcommittee may not consider a local bill unless these forms have been filed. The following forms have been submitted for the bill:

- [Local Bill Certification Form](#)
- [Economic Impact Statement Form](#)

³⁴ [Art. III, s. 10, Fla. Const.](#)

³⁵ [S. 50.0311\(2\), F.S.](#)

³⁶ [S. 11.02, F.S.](#) If there is no newspaper circulated throughout or published in the county and no publicly accessible website has been designated, notice must be posted for at least 30 days in at least three public places in the county, one of which must be at the courthouse.

³⁷ Intergovernmental Affairs Subcommittee, [Local Bill Policies and Procedures Manual](#), p. 11 (last visited Jan. 12, 2026).