

FLORIDA HOUSE OF REPRESENTATIVES

BILL ANALYSIS

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

BILL #: [CS/HB 229](#)

TITLE: Health Facilities

SPONSOR(S): Oliver

COMPANION BILL: [SB 68](#) (Martin)

LINKED BILLS: None

RELATED BILLS: [SB 68](#) (Martin)

Committee References

[Health Care Facilities & Systems](#)

17 Y, 0 N, As CS



[Intergovernmental Affairs](#)

16 Y, 0 N



[Health & Human Services](#)

SUMMARY

Effect of the Bill:

The bill expands the types of health facility corporate structures authorized to pursue financing from a Health Facilities Authority (HFA), and expands the types of financial activities HFAs may engage in for the benefit of health care facilities and providers.

Fiscal or Economic Impact:

None

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ANALYSIS

EFFECT OF THE BILL:

[Health Facilities Authorities](#) (HFAs) are special districts created by counties or municipalities pursuant to the [Health Facilities Authority Law](#) in ch. 154, F.S., to finance [health facility](#) projects if such local agency determines there will be a benefit or a cost savings to the health facility.

Current law allows HFAs to provide financial assistance only to not-for-profit corporations. As a result, a health facility or health care system that is organized as a not-for-profit limited liability company is precluded from receiving financing under the law. The bill authorizes not-for-profit limited liability companies and not-for-profit corporate parents of health systems to receive financing from a HFA. (Section [1](#)).

Current law allows HFAs to finance health facility projects only with lease agreements. Loan agreements are not permitted under the law.

The bill authorizes HFAs to structure their transactions as loan agreements. Specifically, the bill authorizes HFAs to make mortgages, or other secured or unsecured loans, to or for the benefit of a health facility, in accordance with an agreement between the HFA and the facility. The bill requires such loans to be used to finance the cost of a project, or to refund or refinance outstanding bonds, obligations, loans, indebtedness, or advances issued, made, given, or incurred by a health facility. Such loans may be made to any entity affiliated with a health facility that undertakes such financing, refinancing, or refunding, if the proceeds of such loan are made available to, or applied for, the benefit of the health facility. (Sections [2](#) and [3](#)).

The bill makes conforming changes throughout the bill to make the existing requirements for lease agreements applicable to loan agreements. (Multiple Sections)

The bill provides an effective date of July 1, 2025. (Section [12](#))

STORAGE NAME: h0229d.IAS

DATE: 3/12/2025

RELEVANT INFORMATION

SUBJECT OVERVIEW:

[Health Facilities Authorities](#)

The [Health Facilities Authorities Law](#) was enacted in 1974 to assist health facilities with additional means and assistance in the development and maintenance of health care related facilities and services as determined to be needed by the community. A [health facility](#) is eligible for this assistance if it is a not-for-profit private corporation authorized by law to provide:¹

- Hospital services in accordance with ch. 395, F.S.;
- Nursing home care in accordance with ch. 400, F.S.;
- Continuing care services in accordance with ch. 651, F.S.;
- Services for the developmentally disabled under ch. 393, F.S., provided by intermediate care facilities for the developmentally disabled;
- Services for the mentally ill under ch. 394, F.S., including crisis stabilization units, residential treatment facilities, and specialty psychiatric hospitals.

A health facility or health care system that is organized as a not-for-profit limited liability company is not eligible to receive financing under the law.

Health Facilities Authorities (HFAs) are the governing bodies that provide this assistance. A HFA is a public corporation created by [s. 154.207, F.S.](#); or any board, body, commission, or department of a county or municipality succeeding to the principal functions of the public corporation or to whom the powers and responsibilities authorized by the law are given by the county or municipality.² Current law authorizes a county or municipality to create a HFA, by adopting an ordinance or resolution, if their governing body determines there is a need for an authority. A governing body may abolish a HFA by ordinance or resolution if all its bonded debt has been paid.

An HFA consists of five individuals designated by the governing body of a county or municipality who are residents of the county or municipality, and serve 4-year terms. Members of an HFA annually elect a chair and a vice chair.

There are currently 22 HFAs operating in Florida, including 14 county HFAs and 8 municipal HFAs.³

Powers of HFAs

Section [154.247, F.S.](#), authorizes HFA to issue bonds to a not-for-profit health facility to finance projects within the geographical boundaries of their county or municipality, or for another not-for-profit corporation under common control with that health facility, if the HFA finds that there will be a benefit or a cost savings to the health facility. The bonds can be used to assist facilities in the acquisition, construction, financing, and refinancing of health facility projects.⁴

Health facility projects include any structure, facility, machinery, equipment, or other property suitable for use by a health facility in connection with its operations.⁵

Current law grants certain powers of authority to HFAs to complete health facility projects, including, among other things, the ability to:⁶

¹ S. [154.205\(8\), F.S.](#)

² S. [154.205\(2\), F.S.](#)

³ County HFAs: Alachua, Brevard, Collier, Escambia, Highlands, Martin, Miami-Dade, Orange, Osceola, Palm Beach, Pasco, Pinellas, Santa Rosa, and Sarasota. Municipal HFAs: Altamonte Springs, Cape Coral, Miami, South Miami, St. Petersburg, Jacksonville, Miami Beach, and Mount Dora. See Florida Department of Commerce, Official List of Special Districts, available at <https://specialdistrictreports.floridajobs.org/OfficialList/SpecialDistrictProfiles> (last visited February 28, 2025).

⁴ S. [154.209, F.S.](#)

⁵ S. [154.205\(10\), F.S.](#)

⁶ S. [154.209\(6\), \(8\), \(9\), \(13\), and \(18\), F.S.](#)

- Make and execute agreements of lease, contracts, deeds, mortgages, notes, and other instruments necessary or convenient in the exercise of its powers and functions;
- Pledge or assign any money, rents, charges, fees, or other revenues and any proceeds derived from sales of property, insurance, or condemnation awards;
- Fix, charge, and collect rents, fees, and charges for the use of any project;
- Acquire existing projects and to refund outstanding obligations, mortgages, or advances issued, made, or given by a health facility for the cost of such project;
- Participate in and issue bonds and other forms of indebtedness for the purpose of establishing and maintaining an accounts receivable program on behalf of a health facility, which may include the financing of accounts receivable acquired by a health facility from other not-for-profit health care corporations, regardless of location within or outside the geographical boundaries of Florida.

Lease Agreements

An HFA may lease a project to a health facility for operation and maintenance. Such lease agreements may include, among other provisions, that:⁷

- The lessee shall, at its own expense, operate, repair, and maintain the project;
- The rent payable under the lease shall not be less than an amount sufficient to pay all the interest, principal, and redemption premiums, if any, on the bonds that shall be issued by the authority to pay the cost of the project or projects leased thereunder;
- The bonds issued by the HFA to pay the cost of the project;
- The lessee shall pay all costs incurred by the HFA in connection with the acquisition, financing, construction, and administration of the project, except as may be paid out of the proceeds of bonds or otherwise, including, but not limited to:
 - Insurance costs;
 - The cost of administering the bond resolution authorizing such bonds and any trust agreement securing the bonds; and
 - The fees and expenses of trustees, agents, attorneys, consultants, and others.
- The terms of the lease shall terminate not earlier than the date all such bonds and all other obligations incurred by the HFA in connection with the project are to be paid in full; and
- The lessee's obligation to pay rent shall not be subject to cancellation, termination, or abatement by the lessee until payment of the bonds or provision for such payment are made.

A lease agreement may also contain provisions for extensions of the term, renewals of the lease, and vesting in the lessee an option to purchase the project. An option to purchase a project may not be exercised unless all bonds issued for such project, including all principal, interest, and redemption premiums, and all other obligations incurred by the HFA have been paid in full or deposited in trust for payment. The purchase price of such project must be sufficient to pay in full all the bonds, including all principal, interest, and redemption premiums issued for the project, and all other obligations incurred by the HFA in connection with the project.⁸

Loan agreements are not permitted under the law.

Revenues

Section [154.225, F.S.](#), authorizes an HFA to fix and collect fees, rents, and charges for the use of any project. A HFA may require a lessee to operate, repair, and maintain a project as provided in a lease agreement or other contract. The fees, rents, and charges must be fixed to pay the principal of, and interest on such bonds, as they become due and payable. If deemed necessary to pay the principal and interest for such bonds, the fees, rents, and charges must also be fixed to create reserves.

⁷ S. [154.213\(1\), F.S.](#)

⁸ S. [154.213\(2\), F.S.](#)

The fees, rents, charges, and all other revenues derived from a project in which a bond has been issued must be set aside at regular intervals in a sinking fund. The sinking fund is pledged to, and charged with, the payment of the principal and interest from such a bond, and the redemption price or the purchase price of bonds retired by call or purchase. Such pledge must be valid and binding from the time it was made.⁹

Section [154.235, F.S.](#), authorizes a HFA to issue revenue bonds to refund any of its outstanding revenue bonds, including the payment of any redemption premium and any interest accrued.

Section [154.219, F.S.](#), authorizes any resolution used by an HFA to issue a revenue bond to include contractual provisions to address rentals and other charges, the amounts to be raised each year, and the use and disposition of revenues.

Trust Agreements

Section [154.221, F.S.](#), authorizes any bonds issued under the law to be secured by a trust agreement between the HFA and a corporate trustee, which may be any trust company or bank. The trust agreement providing for the issuance of such bonds may pledge or assign the fees, rents, charges, or proceeds from the sale of any project, insurance proceeds, condemnation awards, or other funds and revenues. Such a trust agreement may also provide for the mortgaging of any project as security for repayment of bonds and must contain provisions for protecting and enforcing the rights and remedies of the bondholders.

Section [154.229, F.S.](#), authorizes a bond-holder and a trustee to enforce and compel the performance of all duties to be performed by any lessee or HFA required under ch. 154 or a trust agreement, including the fixing, charging, and collecting of fees, rents, and charges.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Health Care Facilities & Systems Subcommittee	17 Y, 0 N, As CS	3/4/2025	Calamas	Guzzo
THE CHANGES ADOPTED BY THE COMMITTEE:	Clarified that a limited liability company that has been organized as a not-for-profit entity may receive financing from a health facilities authority.			
Intergovernmental Affairs Subcommittee	16 Y, 0 N	3/12/2025	Darden	Darden
Health & Human Services Committee				

THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.

⁹ Id.