

1                   A bill to be entitled  
2           An act relating to independent hospital districts;  
3           creating s. 189.0762, F.S.; providing definitions;  
4           providing requirements for the conversion of an  
5           independent hospital district to a nonprofit entity;  
6           requiring a certain evaluation by an independent  
7           entity; providing qualifications for such independent  
8           entity; providing for notice of public meetings and  
9           publication of certain documents; requiring that the  
10          evaluation of the conversion be completed and a final  
11          report presented to the governing body of the district  
12          within a specified timeframe; requiring that the final  
13          report be published on the district's website;  
14          requiring certification of the final report; requiring  
15          the governing body of the district to determine by a  
16          supermajority vote whether conversion is in the best  
17          interests of its residents within a specified  
18          timeframe; providing for negotiation of an agreement  
19          between each affected county and the independent  
20          hospital district; providing requirements for such  
21          agreement; providing for disposition of all assets and  
22          liabilities of the district; prohibiting members of  
23          the board of commissioners for an affected county from  
24          serving on the board of the succeeding nonprofit  
25          entity; authorizing members of the governing body of

26 | the independent hospital district to serve on the  
 27 | board of the succeeding nonprofit entity; requiring  
 28 | disclosure of all conflicts of interest; requiring  
 29 | certain documents to be published on the websites of  
 30 | the district and each county that is a party to the  
 31 | agreement for a specified timeframe; authorizing the  
 32 | governing body of the independent hospital district to  
 33 | approve by supermajority vote the conversion of the  
 34 | district to a nonprofit entity; requiring each board  
 35 | of commissioners for each affected county to approve  
 36 | the agreement at a public meeting; requiring a  
 37 | referendum under certain circumstances; requiring the  
 38 | independent hospital district to file a copy of the  
 39 | agreement with and provide certain notification to the  
 40 | Department of Economic Opportunity within a specified  
 41 | timeframe; providing for dissolution of the district  
 42 | within a specified timeframe; providing an effective  
 43 | date.

44 |  
 45 | Be It Enacted by the Legislature of the State of Florida:

46 |  
 47 | Section 1. Section 189.0762, Florida Statutes, is created  
 48 | to read:

49 | 189.0762 Conversion of an independent hospital district to  
 50 | a nonprofit entity.-

51 (1) For purposes of this section, the term:

52 (a) "Independent hospital district" means an entity  
53 created pursuant to a special act which operates one or more  
54 hospitals licensed under chapter 395 and is governed by the  
55 governing body of a special district or by the board of trustees  
56 of a public health trust created under s. 154.07.

57 (b) "Nonprofit entity" means a Florida not-for-profit  
58 corporation operating under chapter 617.

59 (2) The governing body of an independent hospital district  
60 may elect, by a majority vote plus one, to commence an  
61 evaluation of the benefits to the residents of the district of  
62 converting the independent hospital district to a nonprofit  
63 entity if the governing body of the district and each county  
64 within which any part of the district's boundaries are located  
65 execute an agreement that meets the requirements of subsection  
66 (5). In evaluating the benefits of converting the independent  
67 hospital district to a nonprofit entity, the governing body of  
68 the district must:

69 (a) Publish notice of and conduct a public meeting in  
70 accordance with s. 189.015(1) to provide the residents of the  
71 district with the opportunity to publicly testify regarding the  
72 conversion. The public hearing must be held at a meeting other  
73 than a regularly noticed meeting or an emergency meeting of the  
74 independent hospital district.

75 (b) Contract with an independent entity that has at least

76 5 years of experience conducting comparable evaluations of  
77 hospital organizations similar in size and function to the  
78 independent hospital district to conduct the evaluation  
79 according to applicable industry best practices. The independent  
80 entity may not have any affiliation with or financial  
81 involvement in the district or with any member of the governing  
82 body of the district.

83 (c) Publish all documents considered by the governing body  
84 of the independent hospital district on the website of the  
85 district.

86 (3) The evaluation must be completed and a final report  
87 presented to the governing body of the independent hospital  
88 district no later than 180 days after the date on which the vote  
89 is taken by the governing body of the district to evaluate the  
90 conversion. The final report shall be published on the  
91 district's website. The final report must include a statement  
92 signed by the presiding officer of the governing board of the  
93 independent hospital district and the chief executive officer of  
94 the independent entity conducting the evaluation that, based on  
95 each person's reasonable knowledge and belief, the contents and  
96 conclusions of the evaluation are true and correct.

97 (4) No later than 120 days after the date on which the  
98 governing body of the independent hospital district receives the  
99 final report, the governing body of the district must determine,  
100 by a majority vote plus one, whether the interests of the

101 residents of the district are best served by converting the  
102 independent hospital district to a nonprofit entity. If the  
103 governing body of the district determines conversion is in the  
104 best interests of its residents, the independent hospital  
105 district must negotiate and complete an agreement with the board  
106 of county commissioners for each county in which any part of the  
107 district's boundaries are located before conversion may occur.

108 (5) An agreement between the governing body of the  
109 independent hospital district and each county in which any part  
110 of the district's boundaries are located must be completed no  
111 later than 120 days after the date on which the public meeting  
112 is held to determine if conversion of the district is in the  
113 best interests of its residents. The agreement must be in  
114 writing, dispose of all assets and liabilities of the  
115 independent hospital district, and include:

116 (a) A description of each asset that will be transferred  
117 to each county.

118 (b) A description of each liability that will be  
119 transferred to each county.

120 (c) The estimated total value of the assets that will be  
121 transferred to each county.

122 (d) The estimated total value of the liabilities that will  
123 be transferred to each county.

124 (e) If the agreement is with more than one county, a  
125 description of the methodology used to allocate the assets and

126 liabilities of the district between the counties.

127 (f) A description of all assets that will be transferred  
 128 to the succeeding nonprofit entity.

129 (g) A description of all liabilities that will be assumed  
 130 by the succeeding nonprofit entity.

131 (h) The estimated total value of the assets that will be  
 132 transferred to the succeeding nonprofit entity.

133 (i) The total value of the liabilities to be assumed by  
 134 the succeeding nonprofit entity.

135 (j) If any debts remain, how those debts will be resolved.

136 (k) An enforceable commitment that programs and services  
 137 provided by the district will continue to be provided to all  
 138 residents of the former district in perpetuity so long as the  
 139 succeeding nonprofit entity is in operation or, if otherwise  
 140 agreed to by the independent hospital district and each county  
 141 that is a party to the agreement, until the succeeding nonprofit  
 142 entity has otherwise met all obligations set forth in the  
 143 agreement.

144 (l) A provision transferring the rights and obligations as  
 145 agreed to by the governing body of the independent hospital  
 146 district and each county that is a party to the agreement to the  
 147 succeeding nonprofit entity.

148 (m) Any other terms mutually agreed to by the governing  
 149 body of the independent hospital district and each county that  
 150 is a party to the agreement.

151 (6) (a) A member of the board of commissioners for any  
152 county that is a party to the agreement may not serve on the  
153 board of the succeeding nonprofit entity.

154 (b) A member of the governing body of the independent  
155 hospital district may serve on the board of the succeeding  
156 nonprofit entity.

157 (7) The members of the governing body of the independent  
158 hospital district and the board of commissioners for each county  
159 that is a party to the agreement must disclose all conflicts of  
160 interest as required by s. 112.313, including, but not limited  
161 to:

162 (a) Whether the conversion of the independent hospital  
163 district will result in a special private gain or loss to any  
164 member of the governing body of the independent hospital  
165 district or boards of commissioners for the affected counties or  
166 to any senior executive of the independent hospital district.

167 (b) If any member of the governing body of the independent  
168 hospital district will serve on the board of the succeeding  
169 nonprofit entity. Such intent to serve on the board of the  
170 succeeding nonprofit entity does not disqualify any member from  
171 voting on the proposed conversion.

172 (8) The evaluation, agreements, disclosures, and any other  
173 supporting documents related to the conversion of the  
174 independent hospital district must be published on the  
175 district's website and the website of each county that is a

176 party to the agreement under subsection (5) for 45 days before  
 177 the governing body of the independent hospital district and the  
 178 board of commissioners for each county that is a party to the  
 179 agreement may vote on the proposed conversion.

180 (9) (a) In a public meeting noticed as required pursuant to  
 181 subsection (2), the governing body of the independent hospital  
 182 district may approve, by a majority vote plus one, the  
 183 conversion of the district to a nonprofit entity and any  
 184 agreements related to the conversion.

185 (b) The agreement negotiated under subsection (5) must be  
 186 approved by each board of commissioners for each affected county  
 187 in a properly noticed public meeting.

188 (c) If the governing body of the independent hospital  
 189 district and the board of commissioners for each affected county  
 190 approve the proposed agreement, and the district exercises ad  
 191 valorem taxing powers, a referendum of the qualified electors of  
 192 the district must be conducted at the next general election as  
 193 required pursuant to s. 100.031. A referendum is not required  
 194 for independent hospital districts that have not levied,  
 195 collected, or received ad valorem taxes in the current fiscal  
 196 year and the previous 5 fiscal years.

197 (d) If approved by the qualified electors of the  
 198 independent hospital district voting in a referendum conducted  
 199 in accordance with paragraph (c), the agreement between the  
 200 independent hospital district and the board of commissioners for



201 each affected county shall be in full force and effect. The  
 202 independent hospital district shall file a copy of the agreement  
 203 with the department no later than 10 days after the date on  
 204 which the referendum approving the agreement and conversion  
 205 occurs.

206 (10) No later than 30 days after the complete transfer of  
 207 assets and liabilities as provided in the agreement under  
 208 subsection (5), the independent hospital district shall notify  
 209 the department. The district shall be dissolved automatically  
 210 upon receipt of the notice by the department.

211 (11) If the governing body of the independent hospital  
 212 district and the board of commissioners for each county that is  
 213 a party to the agreement are unable to reach an agreement that  
 214 would result in the conversion of the independent hospital  
 215 district to a nonprofit entity, the district shall continue in  
 216 existence.

217 Section 2. This act shall take effect July 1, 2022.