ORDINANCE NO. 26-____

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF MARION COUNTY, FLORIDA, AMENDING CHAPTER 17, SPECIAL ASSESSMENTS, ARTICLE VI, LOCAL PROVIDER PARTICIPATION FUND OF THE MARION COUNTY CODE OF ORDINANCES; AMENDING SECTION 17-293, PURPOSE; AMENDING SECTION 17-295, DEFINITIONS; AMENDING SECTION 17-297, ASSESSMENT; AMENDING SECTION 17-298, COMPUTATION OF ASSESSMENT; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the hospitals in Marion County's jurisdiction (the "Hospitals") annually provide millions of dollars of uncompensated care to those who qualify for Medicaid because Medicaid, on average, historically covers only 61% of the costs of the health-care services actually provided by Hospitals to Medicaid-eligible persons, leaving Hospitals with significant uncompensated costs; and

WHEREAS, the State of Florida (the "State") operates several supplemental payment programs designed to provide reimbursement to cover the Medicaid reimbursement shortfall, to provide resources to support charity care, and to ensure improvements in quality of care; and

WHEREAS, certain non-public Hospitals have asked Marion County (the "County") to impose assessments upon certain real property upon which Hospitals operate to help finance the non-federal share of the State's Medicaid program; and

WHEREAS, the only properties to be assessed are the real property sites of such Hospitals; and

WHEREAS, the funding raised by the County assessments will through intergovernmental transfers ("IGTs") consistent with federal guidelines, support additional funding for Medicaid supplemental payments to Hospitals; and

WHEREAS, the County acknowledges that the Hospital properties assessed can benefit directly and especially from the assessments as a result of the above-described additional funding; and

WHEREAS, the County has determined that a logical relationship exists between the services provided and the special and particular benefit to the real property upon which the Hospitals operate; and

WHEREAS, the County has an interest in promoting access to healthcare for its low-income and uninsured residents; and

WHEREAS, leveraging additional federal support through the above-described IGTs to fund supplemental payments to the Hospitals for healthcare services directly and specifically benefits the properties upon which Hospitals operate and supports their continued ability to provide those services; and

WHEREAS, imposing assessments limited to the properties upon which the Hospitals operate to help fund the provision of these services and the achievement of certain quality standards by the Hospitals to residents of the County is a valid public purpose that benefits the health, safety, and welfare of the citizens of the County; and

WHEREAS, the assessments support the financial stability and viability of the Hospitals providing such services; and

WHEREAS, the Hospitals are important contributors to the overall County's economy, and the financial benefit to these Hospitals directly and specifically supports their mission, as well as their ability to grow, expand, and maintain their facilities in concert with the population growth in the jurisdiction of the County; and

WHEREAS, the County finds that the assessments will enhance the Hospitals' ability to grow, expand, maintain, improve, and increase the value of their properties and facilities under all present circumstances and those of the foreseeable future; and

WHEREAS, the County is proposing properly apportioned assessments by which certain Hospitals will be assessed a uniform amount that is compliant with 42 C.F.R. § 433.68(d); and

WHEREAS, the County adopts this Ordinance enabling the County to levy uniform non-ad valorem special assessments, which are fairly and reasonably apportioned among the properties upon which Hospitals operate within the County's jurisdictional limits, to establish and maintain a system of funding for IGTs to support the non-federal share of Medicaid supplemental payments, thus directly and specially benefitting properties upon which Hospitals operate; and

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MARION COUNTY, FLORIDA:

SECTION 1. RECITALS. The foregoing recitals are hereby adopted as legislative findings of the Board of County Commissioners and are ratified and confirmed as being true and correct and are hereby made a specific part of this Ordinance upon adoption hereof.

SECTION 2. **CODE AMENDMENT**. Per section 1-6.3 – Amendments to Code; effect of new ordinance; amendatory language, of the Marion County Code, **Chapter 17** of the Marion County Code, Special Assessments, **Article VI**, Local Provider Participation Fund, is hereby amended to which section reads as follows (additions shown in underline text and deletions are shown in ~~strikeout~~ text):

Sec. 17-291. – Title.

This Article VI shall be known, and may be cited as the "Marion County Local Provider Participation Fund Ordinance."

Sec. 17-292. – Authority.

Pursuant to Article VIII, Section 1(f) of the Constitution of the State of Florida and Chapter 125 of the Florida Statutes, the Board is authorized to impose a special assessment against private for-profit and not-for-profit hospitals located within Marion County (the "Hospitals") to fund the non-federal share of Medicaid payments associated with Local Services.

Sec. 17-293. – Purpose.

The non-ad valorem special assessments authorized by this article shall be imposed, levied, collected, and enforced against the Assessed Properties located within Marion County. Proceeds from the Assessments shall be used to benefit the Assessed Properties through ~~enhanced~~ Medicaid Payment for Local Services. When imposed, the Assessment shall constitute a lien upon the Assessed Properties equal in rank and dignity with the liens of all state, county, district, or municipal taxes and other non-ad valorem assessments, and failure to pay may cause foreclosure proceedings to be instituted that could result in loss of title. The assessment shall be computed and assessed only in the manner provided for in this Ordinance.

Sec. 17-294. – Alternative Method.

This Ordinance and its implementing resolutions shall together be deemed to provide an additional and alternative method, as specified in § 197.3631, Fla. Stat., for the assessment and collection of the non-ad valorem special assessment described herein. The Ordinance shall be regarded as supplemental and additional to powers conferred by other laws and shall not be regarded as in derogation of any powers now existing or which may exist in the future. This Ordinance, being necessary for the health, safety, and welfare of the inhabitants of the County, shall be liberally construed to effect the purposes hereof.

Sec. 17-295. – Definitions.

When used in this Ordinance, the following terms shall have the following meanings, unless the context clearly requires otherwise:

Annual Final Assessment Resolution means the resolution described in Sections 17-304 and 17-305 hereof, which shall be the final proceeding for the imposition of an Assessment, establishing the rate for the non-ad valorem assessment for a specific Fiscal Year.

Assessed Property means an institutional Health Care Provider holding a right of possession and right of use to real property in the County through an ownership or leasehold interest, thus making it subject to the Assessment.

Assessment means a non-ad valorem special assessment imposed by the County on Institutional Health Care Providers located in the County limits to fund the non-federal share of Medicaid and Medicaid managed care payments <u>associated with</u> ~~directed to hospitals~~ providing Local Services in the County.

Assessment Coordinator means the person appointed to administer the Assessment imposed pursuant to this Article, or such person's designee.

Assessment Resolution means the resolution described in Section 17-299 hereof.

Board means the Board of County Commissioners of Marion County, Florida.

Comptroller means the Marion County Comptroller, ex officio Clerk to the Board, or other such person as may be duly authorized to act on such person's behalf.

County means Marion County, Florida.

Fiscal Year means the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law as the fiscal year for the County.

Institutional Health Care Provider means a <u>licensed</u> private for-profit or not-for-profit hospital that provides inpatient hospital services<u>, unless the Centers for Medicare and Medicaid Services (CMS) exempts the hospital through an approved or pending health care tax waiver</u>.

Local Services means the provision of inpatient and outpatient hospital services to Medicaid, indigent and uninsured members of the Marion County community.

<u>*Medicaid payments* mean funding received through the Directed Payment Program and any other supplemental or managed care quality incentive program or arrangement authorized by CMS and expressly designated in an assessment resolution as described in section 17-299 hereof.</u>

Non-ad valorem Assessment Roll means the special assessment roll prepared by the County.

Ordinance means the Marion County Local Provider Participation Fund Ordinance.

Tax Collector means the Marion County Tax Collector.

Sec. 17-296. – Interpretation.

Unless the context indicates otherwise, the terms "hereof," "hereby," "herein," "hereunder," and similar terms refer to this Article. The term "hereafter" means after, and the term "heretofore" means before the effective date of the Ordinance.

Sec. 17-297. – Assessment.

Pursuant to §125.01, Fla. Stat., the Board is hereby authorized to create a non-ad valorem special assessment that shall be imposed, levied, collected, and enforced against Assessed Property to fund the non-federal share of Medicaid payments benefitting Assessed Properties providing Local Services in the County. Funds generated as a result of the Assessment shall be held in a separate account called the local provider participation fund and shall be available to be used only to (1) provide to the Florida Agency for Health Care Administration (AHCA) the non-federal share for Medicaid payments to be made directly or indirectly in support of hospitals serving Medicaid beneficiaries and (2) reimburse the County for administrative costs associated with the implementation of the Assessment authorized by this Ordinance, as further specified in the Assessment Resolution.

The Assessment <u>must comport with federal and state requirements for health care-related assessments</u> ~~will be broad based, and the amount of the Assessment must be uniformly imposed~~

~~on each Assessed Property~~. The Assessment may not hold harmless any Institutional Health Care Provider, as required under 42 U.S.C. § 1396b(w). As set forth in Section 17-293, the Assessment shall constitute a lien upon the Assessed Properties equal in rank and dignity with the liens of all state, county, district, or municipal taxes and other non-ad valorem assessments. In addition to other remedies available at law or equity, the enforcement of the aforementioned Assessment may be at the same time and in like manner as ad valorem taxes and may be subject to all ad valorem tax enforcement procedures afforded to use of the official annual real property tax notice.

Creation and implementation of the Assessment will not result in any additional pecuniary obligation on the County, Board, or County residents as the Assessment shall be imposed, levied, collected, and enforced against only Assessed Properties, and the Assessment Resolution shall provide that the County's administrative costs shall be reimbursed from the collected amounts. The County's administrative costs shall not exceed $150,000.00**.** Any reasonable expenses the County incurs to collect delinquent assessments, including any attorney's fees incurred as a result of contracting with an attorney to represent the county in seeking and enforcing the collection of delinquent assessments, are not subject to the limitation on administrative costs.

Sec. 17-298. – Computation of Assessment.

The annual Assessment shall be specified for each Assessed Property. The amount of the Assessment required of each Assessed Property may not exceed an amount that, when added to the amount of other required assessments, equals an amount of revenue that exceeds the maximum percent of the aggregate net patient revenue of all Assessed Hospitals in the ~~County~~ <u>state</u> permitted by 42 C.F.R. §433.68(f)(3)(i)(A). Assessments for each Assessed Property will be derived from data contained in the Florida Hospital Uniform Reporting System, as available from the Florida Agency for Health Care Administration.

Sec. 17-299. – Assessment Resolution.

The Assessment Resolution shall describe (a) the Medicaid payments proposed for funding from proceeds of the Assessment; (b) the benefits to the Assessment Properties associated with the Assessment; (c) the methodology for computing the assessed amounts; and (d) the method of collection, including how and when the assessment is to be paid.

Sec. 17-300. – Non-Ad Valorem Assessment Roll.

The Assessment Coordinator shall prepare, or direct the preparation of, the Non-Ad Valorem Assessment Roll, which shall contain the following:

(1) The names of the Assessed Properties;
(2) The Assessment rate and amount of the Assessment to be imposed against each Assessed Property based on the Assessment Resolution.

The Non-Ad Valorem Assessment Roll shall be retained by the Assessment Coordinator and shall be open to public inspection. The foregoing shall not be construed to require that the Assessment Roll be in printed form if the amount of the Assessment for each Assessed Property can be determined by use of a computer terminal available to the public.

Sec. 17-301. – Notice by Publication.

Upon completion of the Non-Ad Valorem Assessment Roll, the Assessment Coordinator shall publish once in a newspaper of general circulation within the County, or on a publicly accessible website, pursuant to Chapter 50, Florida Statutes, in lieu of newspaper publication, notice stating that at a meeting of the Board on a certain day and hour, not earlier than 20 calendar days from such publication, which meeting shall be a regular, adjourned, or special meeting, the Board will hear objections of all interested persons to approve the aforementioned Non-Ad Valorem Assessment Roll. Such notice shall include:

(1) The Assessment rate;
(2) The procedure for objecting to the Assessment rate;
(3) The method by which the Assessment will be collected; and
(4) A statement that the Non-Ad Valorem Special Assessment Roll is available for inspection at the Office of the Assessment Coordinator.

Sec. 17-302. Notice by Mail.

In addition to the published notice required by Section 17-301, but only for the first year in which an Assessment is imposed by the Board against Assessed Properties, the Assessment Coordinator shall provide notice of the proposed Assessment by first class mail to the Assessed Properties. Such notice shall include:

(1) The purpose of the Assessment;
(2) The Assessment Rate to be levied against each Assessed Property;
(3) The unit of measurement applied to determine the Assessment;
(4) The total revenue to be collected by the County from the Assessment;
(5) A statement that failure to pay the Assessment may cause a tax certificate to be issued against the property or foreclosure proceedings to be instituted, either of which may result in a loss of title to the property;
(6) A statement that all affected and / or interested parties have a right to appear at the hearing and to file written objections with the Board within 20 days of the notice; and
(7) The date, time, and place of the hearing.

Notice shall be mailed at least 20 calendar days prior to the hearing, to each Assessed Property at such address as is shown on the Assessment Roll. Notice shall be deemed mailed upon delivery thereof to the possession of the United States Postal Service. The Assessment Coordinator may provide proof of such notice by affidavit. Failure of the Assessed Property to receive such notice, due to mistake or inadvertence, shall not affect the validity of the Assessment Roll or release or discharge any obligation for payment of the Assessment imposed by the Board pursuant to this Article.

Sec. 17-303. – Adoption of Assessment Resolution and Non-Ad Valorem Assessment Roll.

At the time named in the notice, the Board shall receive and consider any written objections of interested persons. All objections to the Assessment Resolution and Non-Ad Valorem

Assessment Roll shall be made in writing and filed with the Assessment Coordinator at or before the time or adjourned time of such hearing. At the date and time named in the notice, the Board may adopt the Assessment Resolution and Non-Ad Valorem Assessment Roll which shall:

(1) Set the rate of the Assessment to be imposed;
(2) Approve the Non-Ad Valorem Assessment Roll, with such amendments as the Board deems just and right; and
(3) Affirm the method of collection.

Sec. 17-304. – Annual Final Assessment Resolution.

The Board may revise the Non-Ad Valorem Assessment Roll during the Fiscal Year to change the Assessment rate if calculations suggest such change or correction is necessary. However, the Board must adopt an Annual Final Assessment Resolution during the Fiscal Year to memorialize the final rate applicable for the Fiscal Year.

Sec. 17-305. – Effect of Annual Final Assessment Resolution.

The adoption of the Annual Final Assessment Resolution shall be the final adjudication of the issues presented (including, but not limited to, the method of apportionment and Assessment, the Assessment rate, the initial rate of Assessment, the Non-Ad Valorem Assessment Roll, and the levy and lien of the Assessments), unless proper steps shall be initiated in a court of competent jurisdiction to secure relief within 20 days from the date of Board action on the Annual Final Assessment Resolution. The Non-Ad Valorem Assessment Roll shall be delivered to the Tax Collector or such other official as the Board by resolution shall designate.

Sec. 17-306. – Method of Collection.

The amount of the assessment may be collected pursuant to the Alternative Method, as specified in the Assessment Resolution.

Sec. 17-307. – Refunds.

If, at the end of the Fiscal Year, additional amounts remain in the local provider participation fund, the board is hereby authorized to make refund to Assessed Properties in proportion to the amounts paid in during the Fiscal Year for all or a portion of the unutilized local provider participation fund.

Sec. 17-308. – Responsibility for Enforcement.

The County and its agent, if any, shall maintain the duty to enforce the prompt collection of the Assessment by the means provided herein. The duties related to collection of assessments may be enforced at the suit of any holder of obligations in a court of competent jurisdiction by mandamus or other appropriate proceedings or actions.

Sec. 17-309. Correction of Errors and Omissions.

No act of error or omission on the part of the Comptroller, Property Appraiser, Tax Collector, Assessment Coordinator, Board, or their deputies or employees shall operate to release or discharge any obligation for payment of the Assessment imposed by the Board under the provisions of this Chapter.

SECTION 3. SEVERABILITY. It is hereby declared to be the intent of the Board of County Commissioners of Marion County that if any section, subsection, clause, phrase, or provision of this Ordinance is held invalid or unconstitutional, such invalidity or unconstitutionality shall not be construed as to render invalid or unconstitutional the remaining provisions of this ordinance.

SECTION 4. CONFLICTS. In the event that any other ordinances conflict with this ordinance, the provisions of this ordinance shall prevail to the extent of such conflict.

SECTION 5. INCLUSION IN COUNTY CODE. It is the intention of the Board of County Commissioners of Marion County, Florida, and it is hereby provided that the provisions of this ordinance shall become and be part of the Marion County, Florida Code of Ordinances; that the sections of this Ordinance may be re-numbered or re-lettered to accomplish such intent; and that the word "ordinance" may be changed to "section," "article," or other appropriate designation.

SECTION 6. EFFECTIVE DATE. A certified copy of this Ordinance shall be filed with the Secretary of State of Florida by the Clerk within ten (10) days after enactment by the Board and shall take effect upon receipt of official acknowledgement of filing as provided in Section 125.66(2)(b), Florida Statutes.

DULY ADOPTED on this ___ day of ____, 2026.

BOARD OF COUNTY COMMISSIONERS OF MARION COUNTY, FLORIDA

____
CARL ZALAK, III, CHAIRMAN

ATTEST:

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GREGORY C. HARRELL, CLERK