
Local Government Committee

HB 1341

Brief Description: Authorizing additional investment authority for specified hospital districts.

Sponsors: Representatives Simpson, P. Sullivan, Nixon, Buck, Springer, Hankins, Haler, Quall, B. Sullivan, Kessler, Morris, Roberts and Chase.

Brief Summary of Bill

- | |
|---|
| <ul style="list-style-type: none">Permits large public hospital districts to invest their funds and money in appropriate investment vehicles as determined by the finance or investment committees of such districts. |
|---|

Hearing Date: 2/3/05

Staff: Sonja Hallum (786-7092).

Background:

Public hospital districts are a type of special purpose district. Special purpose districts are governmental agencies that are created by the Washington legislature to carry out certain limited functions. Generally, these functions are not those carried out by the general purpose governments such as the counties, cities, or towns, and are for the benefit of the residents of the districts as well as other persons serviced by the districts. The most common types of special purpose districts are fire protection districts and school districts.

The powers and duties of the special purpose districts are defined by statute. Their powers are limited to those specifically authorized by law. As a special purpose district, a public hospital district is limited in its authority to take certain actions. Some of the statutorily authorized powers of a public hospital district are the ability to acquire property, borrow money for corporate purposes, issue and sell bonds, and raise revenue through the use of a levy.

Public hospital districts do not have statutory authorization to invest their funds or money.

Summary of Bill:

Public hospital districts with annual revenues exceeding one hundred million dollars, and which less than five percent of the revenue are derived from tax revenues, are permitted to invest their funds and money in appropriate investment vehicles. The finance or investment committees of such districts must reasonably and prudently determine where to invest the funds and money.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.