

FINAL BILL REPORT

SHB 1433

C 349 L 97

Synopsis as Enacted

Brief Description: Leasing property to counties for correctional facilities.

Sponsors: By House Committee on Capital Budget (originally sponsored by Representatives Sump, McMorris, Ballasiotes, DeBolt, Sheahan, Talcott, Quall, D. Sommers, Honeyford, Chandler, Schoesler, Crouse, Mastin and Mielke).

House Committee on Capital Budget
Senate Committee on Human Services & Corrections

Background: Many counties need additional capacity for housing juvenile offenders and adult inmates. Regional projects have been proposed under which groups of counties would act together in acquiring and operating shared facilities.

One such regional project the Martin Hall project, on the Medical Lake campus of Eastern State Hospital. Nine counties have formed a consortium and have negotiated an agreement with the Department of Social and Health Services (DSHS) to lease Martin Hall for renovation into a shared facility for housing the counties' juvenile offenders. The renovation of Martin Hall is under construction and is projected to be completed for occupancy in the fall of 1997. The \$6 million renovation project, financed by bonds issued by Stevens County, will house 52 juvenile offenders. The debt payments on the bonds and the operating costs of the facility will be shared by the participating counties on the basis of the number of beds used in the facility.

Legislation adopted in 1996 authorized the lease of property for uses such as the Martin Hall renovation project but stipulated that an initial lease must not exceed 20 years. The lease cannot charge more than \$1 per year for the land and facility, but the lease may include payment for reasonable operation and maintenance costs of DSHS. If the initial lease is renewed, however, the new lease must charge the fair rental value of the land and the facility. The proceeds from the lease payments must be used for programs at Eastern State Hospital for the long term care of patients with mental disorders.

Summary: A 50-year initial lease is authorized at Eastern State Hospital for the Martin Hall project. The current requirement that an initial consortium lease must not exceed 20 years is retained for any other projects.

The requirement that the fair rental value of the facilities be charged after the initial term of a lease expires is retained. However, it is clarified that no charge shall be made for improvements paid for by the contracting consortium.

Votes on Final Passage:

House 97 0

Senate 44 3 (Senate amended)

House 90 1 (House concurred)

Effective: May 13, 1997