

***HOUSE BILL ANALYSIS***

***HB 1433***

**LEASING PROPERTY TO COUNTIES FOR CORRECTIONAL FACILITIES**

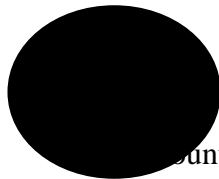
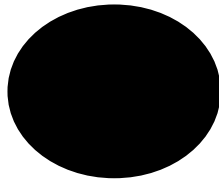
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counties need additional capacity for housing juvenile offenders and

adult inmates. Regional projects have been discussed under which groups of counties would act together in acquiring and operating shared facilities.

One such example is known as 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 so they can renovate it 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, authorizing the lease for the use of Martin Hall stipulated that the initial lease must not exceed 20 years. The lease cannot charge more than one dollar 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:** The initial lease for real property between a consortium of counties and DSHS may not exceed 50 years. The lease can be renewed by the consortium of counties under the same terms and conditions as the initial lease. The renewed lease is no longer required to charge fair rental value of the land and facility as determined by the commissioner of public lands.

The duration of any lease between DSHS and a consortium of counties signed after March 29, 1996, must be changed from 20 years to 50 years. No other terms of the lease may be changed unless both parties agree to renegotiation.

**FISCAL NOTE:** Requested.

**EFFECTIVE DATE:** This bill contains an emergency clause and takes

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