
Local Government Committee

HJR 4202

Brief Description: Authorizing investment of hospital district funds.

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

Brief Summary of Bill

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| <ul style="list-style-type: none">• Requires an amendment to the Washington constitution be submitted to the voters that would permit moneys of public hospital district to be invested by the public hospital district. |
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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 municipal corporations 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. The most common types of special purpose districts are fire protection districts and school districts.

Special purpose districts are created to carry out specific statutorily defined functions for the benefit of the residents of the districts as well as other persons serviced by the districts. The powers and duties of the special purpose districts are defined by statute. Their powers are limited to those specifically authorized by law, including the Washington Constitution.

As a special purpose district, a public hospital district is limited in its authority to take certain actions. A public hospital district is prohibited from taking actions that are not authorized by law and one such restriction prohibits the investment of the public hospital district's funds.

The Washington Constitution prohibits counties cities, town and municipal corporations from becoming the owner of any stock or bonds in any association, company or corporation.

In order to amend the constitution, a joint resolution must be passed by a two-thirds majority of both houses of the legislature. To be enacted, the proposed amendment must be placed on the next general election ballot and must be approved by a simple majority of the voters.

Summary of Bill:

At the next general election, an amendment to the Washington Constitution will be submitted to the voters for their approval or rejection of a proposal to permit public hospital districts to invest any public hospital district fund or account as authorized by law.

Appropriation: None.

Fiscal Note: Not requested.