

HOUSE BILL REPORT

SB 6504

As Passed House:

February 28, 2006

Title: An act relating to prohibiting employees of public hospital districts from serving as commissioners.

Brief Description: Prohibiting public hospital district employees from serving as commissioners.

Sponsors: By Senators Berkey and Mulliken.

Brief History:

Committee Activity:

Local Government: 2/20/06 [DP].

Floor Activity:

Passed House: 2/28/06, 97-0.

Brief Summary of Bill

- Prohibits a current employee of a public hospital district from holding office as a commissioner.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 6 members: Representatives Simpson, Chair; Clibborn, Vice Chair; Schindler, Ranking Minority Member; Ahern, Assistant Ranking Minority Member; Takko and Woods.

Staff: Stephanie Toby (786-7106).

Background:

Public hospital districts (PHDs) are municipal corporations authorized to provide hospital and other health care services, and to construct and operate hospitals and other health care facilities. Statute authorizes PHDs to impose regular property taxes and excess levies to finance their activities and facilities. A PHD is created by ballot proposition.

A PHD is governed by a board of commissioners, and may initially be established with three, five, or seven commissioners. The initial commissioners' terms of office are staggered, and the commissioner receiving the greater number of votes is assigned a longer term of office. Each term of an initial commissioner runs until a successor assumes office after being elected

at one of the three following district general elections, subject to prescribed requirements. The term of office for each successor is six years.

A PHD may initially be created with either three, five, or seven commissioner districts. Only registered voters who reside in a commissioner district may be candidates for or hold office as a commissioner.

Summary of Bill:

An employee of a PHD may not hold office as a commissioner of the PHD.

Technical changes are made to:

- reference the correct provisions in statute; and
- to specify that PHDs with seven commissioners will elect successors to two of the initial commissioners at the second general election following the establishment of the PHD.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: A public hospital district's administrator is responsible for the district's day to day activities. By law, the commissioners appoint and terminate the administrator. It is not in the public interest for an employee to be a commissioner because this could undermine public confidence in the board's objectivity. Due to a perceived or real conflict of interest, an employee commissioner may need to excuse him or herself from voting, and this could lead to a stalemate on important decisions. Washington law limits an employee from serving as a commissioner of a flood district or sewer district, among others. There should not be a problem finding non-employees to run for commissioner positions.

Testimony Against: None.

Persons Testifying: Dick Goldsmith, Association of Washington Public Hospital Districts.

Persons Signed In To Testify But Not Testifying: None.