SENATE BILL REPORT
SSB 6727

As Passed Senate, February 15, 2010

Title: An act relating to health sciences and services authorities.

Brief Description: Concerning health sciences and services authorities.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Marr and Brown).

Brief History:
   Committee Activity: Ways & Means: 2/02/10, 2/08/10 [DPS, w/oRec].
   Passed Senate: 2/15/10, 46-0.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6727 be substituted therefor, and the substitute bill do pass.
   Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Fairley, Hewitt, Hobbs, Honeyford, Keiser, Kline, Kohl-Welles, McDermott, Murray, Oemig, Pridemore, Regala, Rockefeller and Schoesler.

Minority Report: That it be referred without recommendation.
   Signed by Senators Carrell, Parlette and Pflug.

Staff: Dean Carlson (786-7305)

Background: In 2007 legislation was enacted that enabled a city, town, or county (local government) to establish by ordinance or resolution a Health Sciences and Services Authority (Authority) to promote bioscience-based economic development and advance new therapies and procedures to combat disease and promote public health.

An Authority has all the general powers necessary to carry out its purposes and duties such as make and execute agreements and contracts, establish special funds, hire staff, leverage the Authority's public funds with monies received from other public and private sources, hold funds received by the Authority in trust, and make grants to entities to promote bioscience-based economic development.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

A local government that creates an Authority may incur general indebtedness, and issue general obligation bonds, to finance the grants and other programs and retire the indebtedness. The bonds issued by a local government do not constitute an obligation of Washington, either general or special.

The legislative authority of a local jurisdiction that has created an Authority may impose a sales and use tax credited against the state portion of the sales tax from the local jurisdiction. The rate of the tax shall not exceed 0.020 percent. The authority to impose an additional sales and use tax expires January 1, 2023.

The authorizing statute allowed one Health Sciences and Services Authority to be created. There is one in Spokane County.

Summary of Substitute Bill: A Health Science and Services Authority is allowed to borrow money and incur indebtedness if the creating local government authorizes it through ordinance. Monies borrowed by an authority must be secured by funds derived from gifts or grants from any source. The authority must incur no expense or liability that is an obligation of the state or local government and must pay no expense from funds other than funds of the authority.

No more than 10 percent of the tax distribution an authority receives may be used for staff or for contracting with other individuals.

A Health Sciences and Services Authority may conduct an executive session to discuss the substance of grant applications and grant awards when public knowledge regarding the discussion would reasonably be expected to result in private loss to the providers of this information.

One more local jurisdiction in eastern Washington may create a health science and service authority. The additional authority may not receive funds from a credit against the state portion of the sales tax generated in the local jurisdiction.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: None.

Persons Testifying: No one.