

# SENATE BILL REPORT

## SB 5116

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As Reported by Senate Committee On:  
Government Operations, Tribal Relations & Elections, February 1, 2011

**Title:** An act relating to public health district authority as it relates to gifts, grants, conveyances, bequests, and devises of real or personal property.

**Brief Description:** Concerning public health district authority as it relates to gifts, grants, conveyances, bequests, and devises of real or personal property.

**Sponsors:** Senators Swecker, Hatfield and Parlette.

**Brief History:**

**Committee Activity:** Government Operations, Tribal Relations & Elections: 1/25/11, 2/01/11 [DP, w/oRec].

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS, TRIBAL RELATIONS & ELECTIONS

**Majority Report:** Do pass.

Signed by Senators Pridemore, Chair; Prentice, Vice Chair; Swecker, Ranking Minority Member; Chase and Nelson.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Roach.

**Staff:** Diane Smith (786-7410)

**Background:** The enabling legislation for public hospital districts (PHD) was enacted in 1945. PHDs are special purpose districts. They are created by a process that begins either by petition of 10 percent of the voters in the proposed district, or by resolution of the county legislative authority. In either case, creation of the district requires a hearing and a simple majority vote of the voters of the proposed district with the total votes cast being more than 40 percent of the total number of votes cast in the proposed district at the preceding state general election.

A PHD may be county-wide, less than county-wide, or encompass an area lying in more than one county. In no event may the boundaries divide any existing precinct boundaries or voting precincts.

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*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.*

Governance is by a board of three, five, or seven commissioners who must be registered voters residing in the commissioner district from which they are elected. Voters of the entire PHD may vote at a primary or general election to elect the commissioners of their respective commissioner districts.

PHDs are junior taxing districts. Besides regular property taxes of up to \$0.75 per \$1000 of assessed valuation, excess property taxes may be levied by a vote of the voters of the PHD.

PHDs also have the authority to contract or join with any other PHD, corporations, individuals, or others to provide health care services. This may be accomplished by establishing a nonprofit corporation or other legal entity of the PHD's choosing.

**Summary of Bill:** PHDs may solicit and accept gifts of personal or real property; sell, invest or spend the proceeds from the gifts; and enter into contracts with for-profit or nonprofit organizations for these purposes, including, but not limited to, contracts for the use of the PHD's facilities, property, personnel, or services.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: This bill responds to multiple audit findings. The express authority to expend public money to raise money will resolve these findings. Almost one half of the public hospitals in the state are public hospital districts.

**Persons Testifying:** PRO: Linda Long, State Auditor's Office; Ben Lindekugel, Association of Washington Public Hospital Districts.