

SENATE BILL REPORT

SB 6004

As Reported by Senate Committee On:
Governmental Operations, January 21, 2014

Title: An act relating to election of public hospital district boards of commissioners.

Brief Description: Concerning the election of public hospital district boards of commissioners.

Sponsors: Senators Hasegawa, Roach, Keiser and Hobbs.

Brief History:

Committee Activity: Governmental Operations: 1/21/14 [DP].

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: Do pass.

Signed by Senators Roach, Chair; Hasegawa, Ranking Member; Conway, Dansel and McCoy.

Staff: Sam Thompson (786-7413)

Background: Public hospital districts are local government entities that may be created to provide health care facilities and services. Voters must approve a local ballot proposition to create a public hospital district. Since 1945 when they were authorized in state law, more than 50 public hospital districts have been created in Washington. Many provide facilities and services in rural areas. To finance operations, districts may levy property taxes, issue bonds, and charge user fees.

Public hospital districts are governed by three, five, or seven-member boards of commissioners. All voters in the entire public hospital district elect commissioners representing commissioner districts and at-large commissioners.

Cities may provide for election of each member of the city council by voters in districts, rather than by voters in the entire city, and approximately 20 have done so. Similarly, counties that adopt home rule charters may provide for election of each member of the county legislative body by voters in districts, rather than by voters in the entire county.

Summary of Bill: A public hospital district with a population over 290,000 must establish commissioner districts and provide for election of each board member solely by voters in the

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member's commissioner district, rather than by voters in the entire public hospital district. A board resolution implementing the new system may not reduce the term of a sitting commissioner, but later-elected commissioners must be elected under the new system.

A public hospital district with a population over 290,000 as of the effective date of the act must comply with the act within eight months of the effective date of the act. A public hospital district with a population below 290,000 as of the effective date of the act must establish a commissioner district-based election system by June 1 of the year following release of an estimate indicating that the district's population has risen over 290,000.

Population figures are determined based on estimates annually compiled for each public hospital district by the Office of Financial Management (OFM) and posted annually by October 1 on OFM's website.

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: The current commissioner election system has worked well for rural districts, but does not work well today for districts that have grown to become very populous. King County Hospital District No. 1 (Valley Medical Center of Renton) is the only district affected by this legislation and now has a population of over 293,000, larger than the combined populations of 71 percent of hospital districts in the state and twice as large as the population of a state legislative district. It is difficult and expensive for a commissioner candidate to campaign in and represent citizens in a district with such a large population. If this legislation were enacted, King County Hospital District No. 1 voters would elect commissioners from commissioner districts with populations of 58,700, which is still larger than 90 percent of hospital districts in the state.

CON: The current commissioner election system has existed for 69 years and works well, allowing all voters in a hospital district to vote for all board members. Election of commissioners solely by voters in a commissioner district could result in a Balkanized system, focused on politics rather than health. While this legislation currently affects only King County Hospital District No. 1, the second largest hospital district in the state, King County Hospital District No. 2 (Evergreen Health of Kirkland) is nearing the 290,000 population level. Commissioners in that district oppose this measure. None of the other hospital districts in the state have indicated support.

Persons Testifying: PRO: Anthony Hemstad, former hospital commissioner, King County Public Hospital District No. 1; Martin J Durkan, King County Hospital District No. 1.

CON: Ben Lindekugel, Assn. of WA Public Hospital Districts.