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## Local Government Committee

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### HB 1659

**Brief Description:** Modifying dates related to the application due date for health sciences and services authorities and their sales and use tax authority.

**Sponsors:** Representatives Corry, Riccelli, Dufault, Dent, Mosbrucker, Chandler, Ybarra and Ormsby.

<p><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Changes applicable dates related to a Health Science Authority's application and ability to impose a sales and use tax from 2010 to 2019.</li></ul>
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**Hearing Date:** 2/8/19

**Staff:** Robbi Kesler (786-7153).

**Background:**

A city or county may establish 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.

The local government must establish the Authority by ordinance or resolution. At a minimum, the ordinance or resolution must:

- specify the powers to be exercised;
- reserve the local government's right to dissolve the Authority after contractual obligations have expired;
- establish an administrative board;
- establish the Authority's boundaries;
- ensure that private and public funds will be segregated;
- establish investment guidelines;
- provide requirements for auditing the Authority's records; and
- require the local government's legal counsel to provide legal services to the Authority.

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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.*

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 moneys 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.

The Student Achievement Council is responsible for approving or rejecting applications submitted by local governments for an area's designation as an Authority. Applications to establish an Authority were due by December 31, 2010. There is a limit of two Authorities state-wide and may only be created east of the Cascade Mountains in a county with a population of less than one million.

An Authority is overseen by a board with no more than 14 members. Board members must have some experience with the mission of the Authority. The board members shall be appointed as follows:

- the Governor shall appoint three members;
- the county legislative Authority in which the authority resides shall appoint three members;
- the mayor of the city in which the Authority is created, or the mayor of the largest city within the authority if created by a county, shall appoint three members; and
- up to five additional members may be appointed by the board.

The legislative authority of a local jurisdiction that has created an Authority, prior to January 1, 2010, may impose a sales and use tax. The tax is in addition to other taxes authorized by law and collected from those persons who are taxable by the state. The rate of the tax shall not exceed 0.020 percent of the selling price in the case of a sales tax or the value of the article used in the case of a use tax. The tax imposed is deducted from the amount of tax otherwise required to be collected or paid over to the Department of Revenue.

**Summary of Bill:**

The bill changes the date applications are due to the Student Achievement Council from December 31, 2010 to December 31, 2019.

The bill changes the date Authorities must be created, in order to impose a sales and use tax from January 1, 2010 to January 1, 2019.

**Appropriation:** None.

**Fiscal Note:** Available.

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