

CERTIFICATION OF ENROLLMENT

HOUSE BILL 2510

Chapter 95, Laws of 2010

61st Legislature
2010 Regular Session

PUBLIC HOSPITAL DISTRICTS--ISSUANCE OF BONDS--SECURITY INSTRUMENTS

EFFECTIVE DATE: 06/10/10

Passed by the House February 5, 2010
Yeas 97 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate February 27, 2010
Yeas 45 Nays 0

BRAD OWEN

President of the Senate

Approved March 17, 2010, 2:25 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2510** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

March 17, 2010

**Secretary of State
State of Washington**

HOUSE BILL 2510

Passed Legislature - 2010 Regular Session

State of Washington **61st Legislature** **2010 Regular Session**

By Representatives Kelley, Rodne, Hurst, Bailey, Kirby, Simpson, and Morrell

Prefiled 01/04/10. Read first time 01/11/10. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to authorizing public hospital districts to execute
2 commonly accepted security instruments, as required to participate in
3 federal programs that reduce the costs of financing the construction,
4 rehabilitation, replacing, and equipping of hospitals or other health
5 care facilities; and amending RCW 70.44.060.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 **Sec. 1.** RCW 70.44.060 and 2003 c 125 s 1 are each amended to read
8 as follows:

9 All public hospital districts organized under the provisions of
10 this chapter shall have power:

11 (1) To make a survey of existing hospital and other health care
12 facilities within and without such district.

13 (2) To construct, condemn and purchase, purchase, acquire, lease,
14 add to, maintain, operate, develop and regulate, sell and convey all
15 lands, property, property rights, equipment, hospital and other health
16 care facilities and systems for the maintenance of hospitals,
17 buildings, structures, and any and all other facilities, and to
18 exercise the right of eminent domain to effectuate the foregoing
19 purposes or for the acquisition and damaging of the same or property of

1 any kind appurtenant thereto, and such right of eminent domain shall be
2 exercised and instituted pursuant to a resolution of the commission and
3 conducted in the same manner and by the same procedure as in or may be
4 provided by law for the exercise of the power of eminent domain by
5 incorporated cities and towns of the state of Washington in the
6 acquisition of property rights: PROVIDED, That no public hospital
7 district shall have the right of eminent domain and the power of
8 condemnation against any health care facility.

9 (3) To lease existing hospital and other health care facilities and
10 equipment and/or other property used in connection therewith, including
11 ambulances, and to pay such rental therefor as the commissioners shall
12 deem proper; to provide hospital and other health care services for
13 residents of said district by facilities located outside the boundaries
14 of said district, by contract or in any other manner said commissioners
15 may deem expedient or necessary under the existing conditions; and said
16 hospital district shall have the power to contract with other
17 communities, corporations, or individuals for the services provided by
18 said hospital district; and they may further receive in said hospitals
19 and other health care facilities and furnish proper and adequate
20 services to all persons not residents of said district at such
21 reasonable and fair compensation as may be considered proper:
22 PROVIDED, That it must at all times make adequate provision for the
23 needs of the district and residents of said district shall have prior
24 rights to the available hospital and other health care facilities of
25 said district, at rates set by the district commissioners.

26 (4) For the purpose aforesaid, it shall be lawful for any district
27 so organized to take, condemn and purchase, lease, or acquire, any and
28 all property, and property rights, including state and county lands,
29 for any of the purposes aforesaid, and any and all other facilities
30 necessary or convenient, and in connection with the construction,
31 maintenance, and operation of any such hospitals and other health care
32 facilities, subject, however, to the applicable limitations provided in
33 subsection (2) of this section.

34 (5) To contract indebtedness or borrow money for corporate purposes
35 on the credit of the corporation or the revenues of the hospitals
36 thereof, and the revenues of any other facilities or services that the
37 district is or hereafter may be authorized by law to provide, and to
38 issue and sell: (a) Revenue bonds, revenue warrants, or other revenue

1 obligations therefor payable solely out of a special fund or funds into
2 which the district may pledge such amount of the revenues of the
3 hospitals thereof, and the revenues of any other facilities or services
4 that the district is or hereafter may be authorized by law to provide,
5 to pay the same as the commissioners of the district may determine,
6 such revenue bonds, warrants, or other obligations to be issued and
7 sold in the same manner and subject to the same provisions as provided
8 for the issuance of revenue bonds, warrants, or other obligations by
9 cities or towns under the municipal revenue bond act, chapter 35.41
10 RCW, as may hereafter be amended; (b) general obligation bonds therefor
11 in the manner and form as provided in RCW 70.44.110 and 70.44.130, as
12 may hereafter be amended; or (c) interest-bearing warrants to be drawn
13 on a fund pending deposit in such fund of money sufficient to redeem
14 such warrants and to be issued and paid in such manner and upon such
15 terms and conditions as the board of commissioners may deem to be in
16 the best interest of the district; and to assign or sell hospital
17 accounts receivable, and accounts receivable for the use of other
18 facilities or services that the district is or hereafter may be
19 authorized by law to provide, for collection with or without recourse.
20 General obligation bonds shall be issued and sold in accordance with
21 chapter 39.46 RCW. Revenue bonds, revenue warrants, or other revenue
22 obligations may be issued and sold in accordance with chapter 39.46
23 RCW. In connection with the issuance of bonds, a public hospital
24 district is, in addition to its other powers, authorized to grant a
25 lien on any or all of its property, whether then owned or thereafter
26 acquired, including the revenues and receipts from the property,
27 pursuant to a mortgage, deed of trust, security agreement, or any other
28 security instrument now or hereafter authorized by applicable law:
29 PROVIDED, That such bonds are issued in connection with a federal
30 program providing mortgage insurance, including but not limited to the
31 mortgage insurance programs administered by the United States
32 department of housing and urban development pursuant to sections 232,
33 241, and 242 of Title II of the national housing act, as amended.

34 (6) To raise revenue by the levy of an annual tax on all taxable
35 property within such public hospital district not to exceed fifty cents
36 per thousand dollars of assessed value, and an additional annual tax on
37 all taxable property within such public hospital district not to exceed
38 twenty-five cents per thousand dollars of assessed value, or such

1 further amount as has been or shall be authorized by a vote of the
2 people. Although public hospital districts are authorized to impose
3 two separate regular property tax levies, the levies shall be
4 considered to be a single levy for purposes of the limitation provided
5 for in chapter 84.55 RCW. Public hospital districts are authorized to
6 levy such a general tax in excess of their regular property taxes when
7 authorized so to do at a special election conducted in accordance with
8 and subject to all of the requirements of the Constitution and the laws
9 of the state of Washington now in force or hereafter enacted governing
10 the limitation of tax levies. The said board of district commissioners
11 is authorized and empowered to call a special election for the purpose
12 of submitting to the qualified voters of the hospital district a
13 proposition or propositions to levy taxes in excess of its regular
14 property taxes. The superintendent shall prepare a proposed budget of
15 the contemplated financial transactions for the ensuing year and file
16 the same in the records of the commission on or before the first day of
17 November. Notice of the filing of said proposed budget and the date
18 and place of hearing on the same shall be published for at least two
19 consecutive weeks, at least one time each week, in a newspaper printed
20 and of general circulation in said county. On or before the fifteenth
21 day of November the commission shall hold a public hearing on said
22 proposed budget at which any taxpayer may appear and be heard against
23 the whole or any part of the proposed budget. Upon the conclusion of
24 said hearing, the commission shall, by resolution, adopt the budget as
25 finally determined and fix the final amount of expenditures for the
26 ensuing year. Taxes levied by the commission shall be certified to and
27 collected by the proper county officer of the county in which such
28 public hospital district is located in the same manner as is or may be
29 provided by law for the certification and collection of port district
30 taxes. The commission is authorized, prior to the receipt of taxes
31 raised by levy, to borrow money or issue warrants of the district in
32 anticipation of the revenue to be derived by such district from the
33 levy of taxes for the purpose of such district, and such warrants shall
34 be redeemed from the first money available from such taxes when
35 collected, and such warrants shall not exceed the anticipated revenues
36 of one year, and shall bear interest at a rate or rates as authorized
37 by the commission.

1 (7) To enter into any contract with the United States government or
2 any state, municipality, or other hospital district, or any department
3 of those governing bodies, for carrying out any of the powers
4 authorized by this chapter.

5 (8) To sue and be sued in any court of competent jurisdiction:
6 PROVIDED, That all suits against the public hospital district shall be
7 brought in the county in which the public hospital district is located.

8 (9) To pay actual necessary travel expenses and living expenses
9 incurred while in travel status for (a) qualified physicians or other
10 health care practitioners who are candidates for medical staff
11 positions, and (b) other qualified persons who are candidates for
12 superintendent or other managerial and technical positions, which
13 expenses may include expenses incurred by family members accompanying
14 the candidate, when the district finds that hospitals or other health
15 care facilities owned and operated by it are not adequately staffed and
16 determines that personal interviews with said candidates to be held in
17 the district are necessary or desirable for the adequate staffing of
18 said facilities.

19 (10) To employ superintendents, attorneys, and other technical or
20 professional assistants and all other employees; to make all contracts
21 useful or necessary to carry out the provisions of this chapter,
22 including, but not limited to, (a) contracts with private or public
23 institutions for employee retirement programs, and (b) contracts with
24 current or prospective employees, physicians, or other health care
25 practitioners providing for the payment or reimbursement by the public
26 hospital district of health care training or education expenses,
27 including but not limited to debt obligations, incurred by current or
28 prospective employees, physicians, or other health care practitioners
29 in return for their agreement to provide services beneficial to the
30 public hospital district; to print and publish information or
31 literature; and to do all other things necessary to carry out the
32 provisions of this chapter.

Passed by the House February 5, 2010.

Passed by the Senate February 27, 2010.

Approved by the Governor March 17, 2010.

Filed in Office of Secretary of State March 17, 2010.