

# HOUSE BILL REPORT

## HB 1280

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### As Reported by House Committee On: Local Government

**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:** Representatives Springer, Rodne, Takko and Smith.

#### **Brief History:**

##### **Committee Activity:**

Local Government: 1/26/11, 1/28/11 [DP].

#### **Brief Summary of Bill**

- Authorizes public hospital districts to receive and seek gifts, in trust or otherwise.
- Authorizes public hospital districts to invest or divest gifts, or the assets generated from gifts.
- Authorizes public hospital districts to enter into contracts with organizations regarding fundraising.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** Do pass. Signed by 9 members: Representatives Takko, Chair; Tharinger, Vice Chair; Angel, Ranking Minority Member; Asay, Assistant Ranking Minority Member; Fitzgibbon, Rodne, Smith, Springer and Upthegrove.

**Staff:** Miranda Leskinen (786-7291) and Ethan Moreno (786-7386).

#### **Background:**

Public hospital districts, also known as public health care service districts, are community-created, publicly-owned governmental entities authorized by the state to deliver health

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services appropriate to the public, provided services include acute, outpatient, rehabilitative, and nursing home care, as well as ambulance services.

There are 56 public hospital districts in Washington. Nearly half of the hospitals in the state are public hospital districts, most of which are in rural areas. Public hospital districts may carry out their powers in contracts with federal, state, or local government entities.

Public hospital districts generate revenue from the following sources:

- private and public insurance;
- property taxes;
- a tax levy in excess of its regular property tax revenue; and
- bonds, warrants, or other revenue obligations.

Currently, a county hospital is authorized, through its board of trustees, to accept gifts of property.

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**Summary of Bill:**

Public health districts are expressly authorized to solicit, accept, and divest gifts. Gifts, including personal and/or real property, may be accepted in trust or otherwise. Public hospital districts are also expressly authorized to contract with organizations, both for-profit and nonprofit, to support fundraising efforts.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Staff Summary of Public Testimony:**

(In support) Fundraising is an important source of revenue for hospital districts, especially given the current economic climate. However, because public hospital districts are not explicitly authorized to engage in fundraising activities, these efforts have yielded audit findings by the State Auditor's Office. Granting public hospital districts the express authority to fundraise and contract with organizations for help with fundraising efforts will resolve this issue.

(Opposed) None.

**Persons Testifying:** Representative Springer, prime sponsor; Linda Long, Office of the State Auditor; and Ben Linderngel, Association of Washington Public Hospital Districts.

**Persons Signed In To Testify But Not Testifying:** None.