

HOUSE BILL REPORT

SHB 2720

As Amended by the Senate

Title: An act relating to consortiums of counties formed for the purpose of acquiring correctional facilities.

Brief Description: Allowing consortiums of counties to acquire correctional facilities.

Sponsors: House Committee on Corrections (originally sponsored by Representatives Ballasiotes, Schoesler, Sheahan, Fuhrman, Foreman, Mastin, D. Sommers, Sterk, Crouse, Campbell, L. Thomas, Silver, Morris, Cooke, Mulliken, Blanton, McMorris, Thompson and Elliot).

Brief History:

Committee Activity:

Corrections: 1/30/96, 1/31/96 [DPS].

Floor Activity:

Passed House: 2/6/96, 97-0.

Senate Amended.

HOUSE COMMITTEE ON CORRECTIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Ballasiotes, Chairman; Blanton, Vice Chairman; Sherstad, Vice Chairman; Quall, Ranking Minority Member; Dickerson; Koster; Radcliff; Schoesler and D. Sommers.

Staff: Rick Neidhardt (786-7841).

Background: Many counties need additional capacity for housing juvenile offenders and adult inmates. Regional projects have been discussed under which groups of counties would act together in acquiring shared facilities.

One such example is known as the Martin Hall project, on the Medical Lake campus of Eastern State Hospital. Nine counties have formed a consortium and have been negotiating with the Department of Social and Health Services (DSHS) to acquire Martin Hall so they can convert it into a shared facility for housing the counties' juvenile offenders.

Under current law, the Public Lands Act requires DSHS and other state agencies to transfer real property that is no longer needed for state-provided residential care, custody, or treatment purposes to an account known as the "charitable, education, penal, and reformatory institution" (CEP&RI) account. Property in this account may then be transferred to other entities, but the Public Lands Act requires any such transfer to be for full market value.

An interest exists for consortiums of counties organized to acquire or construct correctional facilities for adults or juveniles to be able to acquire property for this purpose from state agencies at a nominal cost.

Summary of Bill: When state property is being leased to a consortium of three or more counties organized for purposes of acquiring or constructing adult or juvenile correctional facilities, the property is no longer required to be transferred to the charitable, educational, penal, and reformatory institution (CEP&RI) account. Accordingly, any such real property is not subject to the requirement that land in the CEP&RI account be transferred at full market value.

Consortiums of three or more counties may lease from state agencies, including the Department of Social and Health Services, lands for the purpose of building or acquiring correctional facilities for juveniles or adults. Any such lease may not charge more than \$1 per year for the land value or facilities value, but the lease may include provisions for repayment of any reasonable operation and maintenance expenses incurred by the state.

EFFECT OF SENATE AMENDMENT(S): The initial term of a consortium's lease is limited to 20 years. The one-dollar limitation on lease charges applies only during the initial term. Any renewal of the lease must charge for the fair market value for the land and facilities, as determined by the Commissioner of Public Lands in consultation with the Department of Social and Health Services. When a consortium leases property on the grounds of Eastern State Hospital, the net proceeds from the lease shall be used solely for the benefit of Eastern State Hospital's programs for the long-term care needs of patients with mental disorders. Clarifying changes are also made.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: The counties involved in the consortium organized to lease the Martin Hall property want to lease the property for \$1. This was the original intent when the project was first created. Using the current market value of that property

would require a lease of \$3,550 per year. The counties should be allowed to use that money toward actually providing services instead of having to pay the state. The counties will be spending \$3 million on remodelling the property. Section 2 of the bill, authorizing the lease for one dollar, should not be codified as part of the Public Lands Act.

Testimony Against: None.

Testified: Jim Potts, Whitman County Commissioner (pro); Stan Biles, Department of Natural Resources (pro, with suggested amendment); and K.D. Rosenberg, Northeastern Tri-Counties (pro).