

# SENATE BILL REPORT

## SHB 2348

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As of February 12, 2024

**Title:** An act relating to county hospital funding.

**Brief Description:** Concerning county hospital funding.

**Sponsors:** House Committee on Finance (originally sponsored by Representatives Street, Chopp, Taylor, Fitzgibbon, Berry, Orwall, Davis, Alvarado, Farivar, Macri, Ryu, Riccelli and Ormsby).

**Brief History:** Passed House: 2/9/24, 56-41.

**Committee Activity:** Local Government, Land Use & Tribal Affairs: 2/15/24.

### Brief Summary of Bill

- Authorizes counties that establish hospitals to use county money, levy taxes, and issue bonds to pay, finance, or refinance capital expenses related to the hospital.
- Specifies that the tax imposed by counties who own hospitals is an additional regular property tax and is not subject to aggregate regular levy rates or the 1 percent levy growth limit for the first year the tax is imposed.
- Expands the allowable uses of funds from the county hospital property tax to include operations and capital expenses of the hospital and any outpatient clinics operated by the hospital, and for payment of principal and interest on bonds issued for those purposes.

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### SENATE COMMITTEE ON LOCAL GOVERNMENT, LAND USE & TRIBAL AFFAIRS

**Staff:** Karen Epps (786-7424)

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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 part of the legislation nor does it constitute a statement of legislative intent.*

**Background:** A legislative authority of a county may establish, provide, and maintain hospitals. For this purpose, counties may:

- purchase or lease real property or use county-owned land;
- erect all necessary buildings, make repairs and improvements, and alter existing buildings for the use of the hospital;
- use county money, levy taxes, and issue bonds to raise money to cover the cost of procuring the site of the hospital, constructing and operating the hospital, for the maintenance of the hospital, and all other necessary expenses; and
- accept and hold in trust any grant of land, gift or bequest of money, or any donation for the benefit of the hospital.

If a county hospital is established, the county may levy a tax in an amount up to \$0.50 per \$1,000 of assessed value, in any year, for the maintenance of the hospital.

**Summary of Bill:** Counties are authorized to use county money, levy taxes, and issue bonds to pay, finance, or refinance the cost of, rather than cover the cost of, procuring the site for a hospital, constructing and operating costs, and maintenance. Counties may also use county money, levy taxes, and issue bonds for hospital capital expenses.

The county legislative authority may levy an additional regular property tax. In addition to maintenance, the revenue may be used for the operation and capital expenses of the hospital, and any outpatient clinics operated by the hospital, and for the payment of the principal and interest on bonds issued for such purposes. The tax is not subject to aggregate regular levy rates and is not subject to the 1 percent levy growth limit for the first year the tax is imposed.

**Appropriation:** None.

**Fiscal Note:** Available. New fiscal note requested on February 5, 2024.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** The bill contains several effective dates. Please refer to the bill.