

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2495

52nd Legislature  
1992 Regular Session

Passed by the House March 7, 1992  
Yeas 96 Nays 0

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**Speaker of the  
House of Representatives**

Passed by the Senate March 3, 1992  
Yeas 45 Nays 0

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Alan Thompson, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is SUBSTITUTE HOUSE BILL 2495 as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 2495**

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AS AMENDED BY THE SENATE

Passed Legislature - 1992 Regular Session

**State of Washington                      52nd Legislature                      1992 Regular Session**

**By** House Committee on Local Government (originally sponsored by Representatives Rayburn, Moyer, Haugen, Sheldon, Paris and Wynne)

Read first time 02/07/92.

1            AN ACT Relating to cooperative activities by local governments;  
2 amending RCW 39.34.030, 39.34.040, 39.34.050, and 39.34.060; adding new  
3 sections to chapter 70.44 RCW; and creating a new section.

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

5            NEW SECTION.    **Sec. 1.**            The legislature finds that maintaining  
6 the viability of health care service delivery in rural areas of  
7 Washington is a primary goal of state health policy. The legislature  
8 also finds that most hospitals located in rural Washington are operated  
9 by public hospital districts authorized under chapter 70.44 RCW and  
10 declares that it is not cost-effective, practical, or desirable to  
11 provide quality health and hospital care services in rural areas on a  
12 competitive basis because of limited patient volume and geographic  
13 isolation. It is the intent of this act to foster the development of  
14 cooperative and collaborative arrangements among rural public hospital

1 districts by specifically authorizing cooperative agreements and  
2 contracts for these entities under the interlocal cooperation act.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 70.44 RCW  
4 to read as follows:

5 Unless the context clearly requires otherwise, the definition in  
6 this section applies throughout section 3 of this act.

7 "Rural public hospital district" means a public hospital district  
8 authorized under chapter 70.44 RCW whose geographic boundaries do not  
9 include a city with a population greater than thirty thousand.

10 NEW SECTION. **Sec. 3.** A new section is added to chapter 70.44 RCW  
11 to read as follows:

12 In addition to other powers granted to public hospital districts by  
13 chapter 39.34 RCW, rural public hospital districts may enter into  
14 cooperative agreements and contracts with other rural public hospital  
15 districts in order to provide for the health care needs of the people  
16 served by the hospital districts. These agreements and contracts are  
17 specifically authorized to include:

18 (1) Allocation of health care services among the different  
19 facilities owned and operated by the districts;

20 (2) Combined purchases and allocations of medical equipment and  
21 technologies;

22 (3) Joint agreements and contracts for health care service delivery  
23 and payment with public and private entities; and

24 (4) Other cooperative arrangements consistent with the intent of  
25 chapter ---, Laws of 1992 (this act). The provisions of chapter 39.34  
26 RCW shall apply to the development and implementation of the  
27 cooperative contracts and agreements.

1       **Sec. 4.** RCW 39.34.030 and 1990 c 33 s 568 are each amended to read  
2 as follows:

3       (1) Any power or powers, privileges or authority exercised or  
4 capable of exercise by a public agency of this state may be exercised  
5 and enjoyed jointly with any other public agency of this state having  
6 the power or powers, privilege or authority, and jointly with any  
7 public agency of any other state or of the United States to the extent  
8 that laws of such other state or of the United States permit such joint  
9 exercise or enjoyment. Any agency of the state government when acting  
10 jointly with any public agency may exercise and enjoy all of the  
11 powers, privileges and authority conferred by this chapter upon a  
12 public agency.

13       (2) Any two or more public agencies may enter into agreements with  
14 one another for joint or cooperative action pursuant to the provisions  
15 of this chapter: PROVIDED, That any such joint or cooperative action  
16 by public agencies which are educational service districts and/or  
17 school districts shall comply with the provisions of RCW 28A.320.080.  
18 Appropriate action by ordinance, resolution or otherwise pursuant to  
19 law of the governing bodies of the participating public agencies shall  
20 be necessary before any such agreement may enter into force.

21       (3) Any such agreement shall specify the following:

22       (a) Its duration;

23       (b) The precise organization, composition and nature of any  
24 separate legal or administrative entity created thereby together with  
25 the powers delegated thereto, provided such entity may be legally  
26 created. Such entity may include a nonprofit corporation organized  
27 pursuant to chapter 24.03 or 24.06 RCW whose membership is limited  
28 solely to the participating public agencies or a partnership organized  
29 pursuant to chapter 25.04 RCW whose partners are limited solely to  
30 participating public agencies and the funds of any such corporation or

1 partnership shall be subject to audit in the manner provided by law for  
2 the auditing of public funds;

3 (c) Its purpose or purposes;

4 (d) The manner of financing the joint or cooperative undertaking  
5 and of establishing and maintaining a budget therefor;

6 (e) The permissible method or methods to be employed in  
7 accomplishing the partial or complete termination of the agreement and  
8 for disposing of property upon such partial or complete termination;

9 (f) Any other necessary and proper matters.

10 (4) In the event that the agreement does not establish a separate  
11 legal entity to conduct the joint or cooperative undertaking, the  
12 agreement shall, in addition to items (a), (c), (d), (e) and (f)  
13 enumerated in subdivision (3) hereof, contain the following:

14 (a) Provision for an administrator or a joint board responsible for  
15 administering the joint or cooperative undertaking. In the case of a  
16 joint board, public agencies party to the agreement shall be  
17 represented;

18 (b) The manner of acquiring, holding and disposing of real and  
19 personal property used in the joint or cooperative undertaking. Any  
20 joint board is authorized to establish a special fund with a state,  
21 county, city, or district treasurer servicing an involved public agency  
22 designated "Operating fund of ..... joint board".

23 (5) No agreement made pursuant to this chapter shall relieve any  
24 public agency of any obligation or responsibility imposed upon it by  
25 law except that to the extent of actual and timely performance thereof  
26 by a joint board or other legal or administrative entity created by an  
27 agreement made hereunder, (~~said~~) the performance may be offered in  
28 satisfaction of the obligation or responsibility.

29 (6) Financing of joint projects by agreement shall be as provided  
30 by law.

1       **Sec. 5.** RCW 39.34.040 and 1967 c 239 s 5 are each amended to read  
2 as follows:

3       Prior to its entry into force, an agreement made pursuant to this  
4 chapter shall be filed with the ~~((city clerk and))~~ county auditor and  
5 with the secretary of state. In the event that an agreement entered  
6 into pursuant to this chapter is between or among one or more public  
7 agencies of this state and one or more public agencies of another state  
8 or of the United States ~~((said))~~ the agreement shall have the status of  
9 an interstate compact, but in any case or controversy involving  
10 performance or interpretation thereof or liability thereunder, the  
11 public agencies party thereto shall be real parties in interest and the  
12 state may maintain an action to recoup or otherwise make itself whole  
13 for any damages or liability which it may incur by reason of being  
14 joined as a party therein. Such action shall be maintainable against  
15 any public agency or agencies whose default, failure of performance, or  
16 other conduct caused or contributed to the incurring of damage or  
17 liability by the state.

18       **Sec. 6.** RCW 39.34.050 and 1967 c 239 s 6 are each amended to read  
19 as follows:

20       In the event that an agreement made pursuant to this chapter shall  
21 deal in whole or in part with the provision of services or facilities  
22 with regard to which an officer or agency of the state government has  
23 constitutional or statutory powers of control, the agreement shall, as  
24 a condition precedent to its entry into force, be submitted to the  
25 state officer or agency having such power of control ~~((and))~~. The  
26 agreement shall be approved or disapproved by ((him or it as to all  
27 matters within his or its jurisdiction)) the state officer or agency  
28 with regard to matters within his, her, or its jurisdiction within  
29 ninety days after receipt of the agreement. If a state officer or

1 agency fails to act within the ninety-day time limit, the agreement  
2 shall be deemed approved by that state officer or agency.

3       **Sec. 7.** RCW 39.34.060 and 1967 c 239 s 7 are each amended to read  
4 as follows:

5       Any public agency entering into an agreement pursuant to this  
6 chapter may appropriate funds and may sell, lease, give, or otherwise  
7 supply property, personnel, and services to the administrative joint  
8 board or other legal or administrative entity created to operate the  
9 joint or cooperative undertaking (~~by providing such personnel or~~  
10 ~~services therefor as may be within its legal power to furnish~~)).