

# SENATE BILL REPORT

## SB 5789

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As of February 19, 2009

**Title:** An act relating to establishing additional health sciences and services authorities in certain areas.

**Brief Description:** Authorizing a second health sciences and services authority.

**Sponsors:** Senators King, Marr and Holmquist.

**Brief History:**

**Committee Activity:** Higher Education & Workforce Development: 2/18/09.

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### SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

**Staff:** Aldo Melchiori (786-7439)

**Background:** Special purpose districts are limited purpose local governments established to perform a specialized function separate from a city, town, or county. Examples of functions include electricity services, flood control, irrigation, parks and recreation, and water and sewer services. According to Municipal Research and Services Center of Washington, there are an estimated 80 different special purpose districts in the state. Most powers of a special purpose district are vested in a board of directors, board of trustees, or board of district directors.

The sales tax is paid on each retail sale of most articles of tangible personal property, certain services, and extended warranties. The use tax is imposed on the use of articles of tangible personal property, certain services, and extended warranties when the sale or acquisition has not been subject to the sales tax. The use tax commonly applies to purchases made from out-of-state entities.

In 2007 the Legislature created a Health Sciences and Services Authority (HSSA). The Higher Education Coordinating Board was authorized to designate one HSSA area and Spokane County was chosen. The Spokane County HSSA may impose a 0.02 percent sales and use tax to fund HSSA initiatives. The authority to impose the additional sales and use tax expires January 1, 2023. HSSA has all the general powers necessary to carry out its purposes and duties such as make and execute agreements and contracts, establish special funds, hire staff, leverage HSSA's public funds with monies received from other public and

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private sources, hold funds received by HSSA in trust, and make grants to entities to promote bioscience-based economic development.

**Summary of Bill:** A second HSSA is authorized. It may only be created in a county with a population of less than one million persons that is located east of the crest of the Cascade Mountains. Applications for an HSSA are due by December 31, 2009.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: This bill addresses two problems: the lack of health care in underserved areas and the lack of primary care physicians. The bill has the support of the local health care professionals. This will allow the local people to invest in their own community health. The mission of the university is to train primary care physicians. This will leverage additional capital in research and development for the benefit of the underserved rural population.

**Persons Testifying:** PRO: Senator King, prime sponsor; Dave McFadden, New Vision; Dr. Stan Flemming, Pacific Northwest University of Health Sciences; Maurine Adkison, Yakima Regional; Kevin Bouchey, Yakima County; Karen Hyatt, President, Pacific Northwest University.