

HOUSE BILL REPORT

SB 5116

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: Senators Swecker, Hatfield and Parlette.

Brief History:

Committee Activity:

Local Government: 3/11/11 [DP].

Brief Summary of Bill

- Authorizes public hospital districts to receive and seek gifts of personal or real property.
- Authorizes public hospital districts to sell, invest, or expend the proceeds from gifts.
- Authorizes public hospital districts to enter into contracts with organizations for these purposes.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 6 members: Representatives Takko, Chair; Tharinger, Vice Chair; Angel, Ranking Minority Member; Smith, Springer and Upthegrove.

Staff: Miranda Leskinen (786-7291).

Background:

Public hospital districts are community-created, publicly owned municipal corporations authorized by the state to provide hospital and health care services, such as acute, outpatient, rehabilitative, and nursing home care. A public hospital district may be countywide or

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include area from one or more counties within its boundaries. However, the boundaries of the district must follow existing precinct boundaries and may not divide a voting precinct. Each district is governed by a board of elected commissioners (board).

A public hospital district may contract or join with any other public hospital district, hospital, legal entity, or individual to provide hospital or health care services by establishing a nonprofit joint legal entity whose governing body includes representatives of the district.

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.

The board of a public hospital district may also expend its surplus personal and real property, as well as lease its surplus real property, subject to certain requirements.

Summary of Bill:

Public health districts are expressly authorized to solicit and accept gifts of personal or real property, as well as to sell, invest, or expend the proceeds from gifts. Public hospital districts may also contract with organizations, both for-profit and nonprofit, to support these purposes.

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) 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. Public hospital districts want to be consistent with the law. Granting public hospital districts the express authority to fundraise and contract with organizations to support fundraising efforts will resolve this issue.

(Opposed) None.

Persons Testifying: Ben Lindekugel, Association of Washington Public Hospital Districts.

Persons Signed In To Testify But Not Testifying: None.