
HOUSE BILL 2737

State of Washington 59th Legislature 2006 Regular Session

By Representatives Chase, Haler, Buri, Holmquist and Grant

Read first time 01/12/2006. Referred to Committee on Local Government.

1 AN ACT Relating to contracts between public hospital districts and
2 correctional industry programs; and amending RCW 70.44.060.

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

4 **Sec. 1.** RCW 70.44.060 and 2003 c 125 s 1 are each amended to read
5 as follows:

6 Except as provided in subsection (10)(b) of this section, all
7 public hospital districts organized under the provisions of this
8 chapter shall have power:

9 (1) To make a survey of existing hospital and other health care
10 facilities within and without such district.

11 (2) To construct, condemn and purchase, purchase, acquire, lease,
12 add to, maintain, operate, develop and regulate, sell and convey all
13 lands, property, property rights, equipment, hospital and other health
14 care facilities and systems for the maintenance of hospitals,
15 buildings, structures, and any and all other facilities, and to
16 exercise the right of eminent domain to effectuate the foregoing
17 purposes or for the acquisition and damaging of the same or property of
18 any kind appurtenant thereto, and such right of eminent domain shall be
19 exercised and instituted pursuant to a resolution of the commission and

1 conducted in the same manner and by the same procedure as in or may be
2 provided by law for the exercise of the power of eminent domain by
3 incorporated cities and towns of the state of Washington in the
4 acquisition of property rights: PROVIDED, That no public hospital
5 district shall have the right of eminent domain and the power of
6 condemnation against any health care facility.

7 (3) To lease existing hospital and other health care facilities and
8 equipment and/or other property used in connection therewith, including
9 ambulances, and to pay such rental therefor as the commissioners shall
10 deem proper; to provide hospital and other health care services for
11 residents of said district by facilities located outside the boundaries
12 of said district, by contract or in any other manner said commissioners
13 may deem expedient or necessary under the existing conditions; and said
14 hospital district shall have the power to contract with other
15 communities, corporations, or individuals for the services provided by
16 said hospital district; and they may further receive in said hospitals
17 and other health care facilities and furnish proper and adequate
18 services to all persons not residents of said district at such
19 reasonable and fair compensation as may be considered proper:
20 PROVIDED, That it must at all times make adequate provision for the
21 needs of the district and residents of said district shall have prior
22 rights to the available hospital and other health care facilities of
23 said district, at rates set by the district commissioners.

24 (4) For the purpose aforesaid, it shall be lawful for any district
25 so organized to take, condemn and purchase, lease, or acquire, any and
26 all property, and property rights, including state and county lands,
27 for any of the purposes aforesaid, and any and all other facilities
28 necessary or convenient, and in connection with the construction,
29 maintenance, and operation of any such hospitals and other health care
30 facilities, subject, however, to the applicable limitations provided in
31 subsection (2) of this section.

32 (5) To contract indebtedness or borrow money for corporate purposes
33 on the credit of the corporation or the revenues of the hospitals
34 thereof, and the revenues of any other facilities or services that the
35 district is or hereafter may be authorized by law to provide, and to
36 issue and sell: (a) Revenue bonds, revenue warrants, or other revenue
37 obligations therefor payable solely out of a special fund or funds into
38 which the district may pledge such amount of the revenues of the

1 hospitals thereof, and the revenues of any other facilities or services
2 that the district is or hereafter may be authorized by law to provide,
3 to pay the same as the commissioners of the district may determine,
4 such revenue bonds, warrants, or other obligations to be issued and
5 sold in the same manner and subject to the same provisions as provided
6 for the issuance of revenue bonds, warrants, or other obligations by
7 cities or towns under the Municipal Revenue Bond Act, chapter 35.41
8 RCW, as may hereafter be amended; (b) general obligation bonds therefor
9 in the manner and form as provided in RCW 70.44.110 and 70.44.130, as
10 may hereafter be amended; or (c) interest-bearing warrants to be drawn
11 on a fund pending deposit in such fund of money sufficient to redeem
12 such warrants and to be issued and paid in such manner and upon such
13 terms and conditions as the board of commissioners may deem to be in
14 the best interest of the district; and to assign or sell hospital
15 accounts receivable, and accounts receivable for the use of other
16 facilities or services that the district is or hereafter may be
17 authorized by law to provide, for collection with or without recourse.
18 General obligation bonds shall be issued and sold in accordance with
19 chapter 39.46 RCW. Revenue bonds, revenue warrants, or other revenue
20 obligations may be issued and sold in accordance with chapter 39.46
21 RCW.

22 (6) To raise revenue by the levy of an annual tax on all taxable
23 property within such public hospital district not to exceed fifty cents
24 per thousand dollars of assessed value, and an additional annual tax on
25 all taxable property within such public hospital district not to exceed
26 twenty-five cents per thousand dollars of assessed value, or such
27 further amount as has been or shall be authorized by a vote of the
28 people. Although public hospital districts are authorized to impose
29 two separate regular property tax levies, the levies shall be
30 considered to be a single levy for purposes of the limitation provided
31 for in chapter 84.55 RCW. Public hospital districts are authorized to
32 levy such a general tax in excess of their regular property taxes when
33 authorized so to do at a special election conducted in accordance with
34 and subject to all of the requirements of the Constitution and the laws
35 of the state of Washington now in force or hereafter enacted governing
36 the limitation of tax levies. The said board of district commissioners
37 is authorized and empowered to call a special election for the purpose
38 of submitting to the qualified voters of the hospital district a

1 proposition or propositions to levy taxes in excess of its regular
2 property taxes. The superintendent shall prepare a proposed budget of
3 the contemplated financial transactions for the ensuing year and file
4 the same in the records of the commission on or before the first day of
5 November. Notice of the filing of said proposed budget and the date
6 and place of hearing on the same shall be published for at least two
7 consecutive weeks, at least one time each week, in a newspaper printed
8 and of general circulation in said county. On or before the fifteenth
9 day of November the commission shall hold a public hearing on said
10 proposed budget at which any taxpayer may appear and be heard against
11 the whole or any part of the proposed budget. Upon the conclusion of
12 said hearing, the commission shall, by resolution, adopt the budget as
13 finally determined and fix the final amount of expenditures for the
14 ensuing year. Taxes levied by the commission shall be certified to and
15 collected by the proper county officer of the county in which such
16 public hospital district is located in the same manner as is or may be
17 provided by law for the certification and collection of port district
18 taxes. The commission is authorized, prior to the receipt of taxes
19 raised by levy, to borrow money or issue warrants of the district in
20 anticipation of the revenue to be derived by such district from the
21 levy of taxes for the purpose of such district, and such warrants shall
22 be redeemed from the first money available from such taxes when
23 collected, and such warrants shall not exceed the anticipated revenues
24 of one year, and shall bear interest at a rate or rates as authorized
25 by the commission.

26 (7) To enter into any contract with the United States government or
27 any state, municipality, or other hospital district, or any department
28 of those governing bodies, for carrying out any of the powers
29 authorized by this chapter.

30 (8) To sue and be sued in any court of competent jurisdiction:
31 PROVIDED, That all suits against the public hospital district shall be
32 brought in the county in which the public hospital district is located,
33 except as otherwise provided in subsection (10)(b) of this section.

34 (9) To pay actual necessary travel expenses and living expenses
35 incurred while in travel status for (a) qualified physicians or other
36 health care practitioners who are candidates for medical staff
37 positions, and (b) other qualified persons who are candidates for
38 superintendent or other managerial and technical positions, which

1 expenses may include expenses incurred by family members accompanying
2 the candidate, when the district finds that hospitals or other health
3 care facilities owned and operated by it are not adequately staffed and
4 determines that personal interviews with said candidates to be held in
5 the district are necessary or desirable for the adequate staffing of
6 said facilities.

7 (10)(a) Except as provided in (b) of this subsection, to employ
8 superintendents, attorneys, and other technical or professional
9 assistants and all other employees; to make all contracts useful or
10 necessary to carry out the provisions of this chapter, including, but
11 not limited to, (~~(a)~~) (i) contracts with private or public
12 institutions for employee retirement programs, and (~~(b)~~) (ii)
13 contracts with current or prospective employees, physicians, or other
14 health care practitioners providing for the payment or reimbursement by
15 the public hospital district of health care training or education
16 expenses, including but not limited to debt obligations, incurred by
17 current or prospective employees, physicians, or other health care
18 practitioners in return for their agreement to provide services
19 beneficial to the public hospital district; to print and publish
20 information or literature; and to do all other things necessary to
21 carry out the provisions of this chapter.

22 (b) All public hospital districts organized under this chapter,
23 including an entity owned by a public hospital district, are prohibited
24 from contracting with any prison or correctional industry program.

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