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SENATE BILL 6425

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State of Washington                      63rd Legislature                      2014 Regular Session

By Senators Hasegawa, Roach, Keiser, McCoy, Eide, Kline, and Chase

Read first time 01/24/14. Referred to Committee on Governmental Operations.

1            AN ACT Relating to joint venture agreements involving public  
2 hospital districts; amending RCW 70.44.240; and creating a new section.

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

4            NEW SECTION.    **Sec. 1.** The legislature finds that public hospital  
5 districts engaging in joint ventures should not delegate key elements  
6 of governmental authority with which they have been vested under  
7 Washington law. The legislature therefore intends to provide direction  
8 to public hospital districts regarding limits on delegation of  
9 authority pursuant to joint venture agreements.

10           **Sec. 2.** RCW 70.44.240 and 2004 c 261 s 7 are each amended to read  
11 as follows:

12           (1)(a) Any public hospital district may contract or join with any  
13 other public hospital district, publicly owned hospital, nonprofit  
14 hospital, legal entity, or individual to acquire, own, operate, manage,  
15 or provide any hospital or other health care facilities or hospital  
16 services or other health care services to be used by individuals,  
17 districts, hospitals, or others, including providing health maintenance  
18 services.

1       (b) Notwithstanding (a) of this subsection, a public hospital  
2 district may not delegate authority granted in this chapter to:

3       (i) Exercise the right of eminent domain;

4       (ii) Contract indebtedness or borrow money;

5       (iii) Raise revenue by levying a property tax;

6       (iv) Adopt a budget;

7       (v) Make or amend a management agreement;

8       (vi) Sue and be sued in any court of competent jurisdiction;

9       (vii) Employ or discharge a superintendent, attorney, or other  
10 management employee;

11       (viii) Annex or withdraw territory; or

12       (ix) Oversee acquisition of any interest in a hospital owned by the  
13 public hospital district.

14       (2) If a public hospital district chooses to contract or join with  
15 another party or parties pursuant to the provisions of this chapter, it  
16 may do so through establishing a nonprofit corporation, partnership,  
17 limited liability company, or other legal entity of its choosing in  
18 which the public hospital district and the other party or parties  
19 participate. The governing body of such legal entity shall include  
20 representatives of the public hospital district, which representatives  
21 may include members of the public hospital district's board of  
22 commissioners.

23       (3) A public hospital district contracting or joining with another  
24 party pursuant to the provisions of this chapter may appropriate funds  
25 and may sell, lease, or otherwise provide property, personnel, and  
26 services to the legal entity established to carry out the contract or  
27 joint activity.

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