

**Chapter 70.265 RCW**  
**PUBLIC HOSPITAL CAPITAL FACILITY AREAS**

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**RCW 70.265.010 Finding.** The legislature finds that it is in the interests of the people of the state of Washington to be able to establish public hospital capital facility areas as quasi-municipal corporations and independent taxing units existing within the boundaries of counties composed entirely of islands that receive medical services from an existing public hospital district but are not annexed to an existing public hospital district for the purpose of financing the construction, additions, or betterments of capital hospital facilities or other capital health care facilities. [2009 c 481 s 1.]

**RCW 70.265.020 Definitions.** (1) "Hospital capital facilities" include both real and personal property including land, buildings, site improvements, equipment, furnishings, collections, and all necessary costs related to acquisition, financing, design, construction, equipping, and remodeling.

(2) "Other capital health care facilities" means nursing home, extended care, long-term care, outpatient and rehabilitative facilities, ambulances, and such other facilities as are appropriate to the health needs of the population served.

(3) "Public hospital capital facility area" means a quasi-municipal corporation and independent taxing authority within the meaning of Article VII, section 1 of the state Constitution, and a taxing district within the meaning of Article VII, section 2 of the state Constitution, created by a county legislative authority of a county composed entirely of islands that receives medical services from a hospital district, but is prevented by geography and the absence of contiguous boundaries from annexing to that district. A public hospital capital facility area may include all or a portion of a city or town. [2009 c 481 s 2.]

**Reviser's note:** The definitions in this section have been alphabetized pursuant to RCW 1.08.015(2)(k).

**RCW 70.265.030 Establishing a public hospital capital facility area—Process.** (1) (a) Upon receipt of a completed petition to both establish a public hospital capital facility area and submit a ballot proposition under RCW 70.265.070 to finance public hospital capital facilities and other capital health care facilities, the legislative authority of the county in which a proposed public hospital capital facility area is to be established shall submit separate ballot propositions to voters to authorize establishing the proposed public hospital capital facility area and authorizing the public hospital capital facility area, if established, to finance public hospital capital facilities or other capital health care facilities by issuing general indebtedness and imposing excess levies to retire the indebtedness. A petition submitted under this section must be accompanied by a written request to establish a public hospital capital facility area that is signed by a majority of the commissioners of the public hospital district serving the proposed area.

(b) The ballot propositions must be submitted to voters of the proposed public hospital capital facility area at a general or special election. If the proposed election date is not a general election, the county legislative authority is encouraged to request an election when another unit of local government with territory located in the proposed public hospital capital facility area is already holding a special election under RCW 29A.04.330. Approval of the ballot proposition to create a public hospital capital facility area requires a simple majority vote by the voters participating in the election.

(2) A completed petition submitted under this section must include:

(a) A description of the boundaries of the public hospital capital facility area; and

(b) A copy of a resolution of the legislative authority of each city, town, and hospital district with territory in the proposed public hospital capital facility area indicating both: (i) Approval of the creation of the proposed public hospital capital facility area; and (ii) agreement on how election costs will be paid for ballot propositions to voters that authorize the public hospital capital facility area to incur general indebtedness and impose excess levies to retire the general indebtedness. [2009 c 481 s 3.]

**RCW 70.265.040 Petition for formation of a public hospital capital facility area less than the entire county—Process.** Any petition for the formation of a public hospital capital facility area may describe an area less than the entire county in which the petition is filed, the boundaries of which must follow the then existing precinct boundaries and not divide any voting precinct; and in the event that a petition is filed containing not less than ten percent of the voters of the proposed public hospital capital facility area who voted at the last general election, certified by the auditor in like manner as for a countywide district, the board of county commissioners shall fix a date for a hearing on the petition, and shall publish the petition, without the signatures thereto appended, for two weeks prior to the date of the hearing, together with a notice stating the time of the meeting when the petition will be heard. Publications required by this chapter must be in a newspaper published in the proposed public hospital capital facility area, or, if there be no such newspaper,

then in a newspaper published in the county in which the public hospital capital facility area is situated, and of general circulation in that county. The hearing on the petition may be adjourned from time to time, not exceeding four weeks in all. If upon the final hearing the board of county commissioners finds that any lands have been unjustly or improperly included within the proposed public hospital capital facility area the board shall change and fix the boundary lines in such manner as it deems reasonable and just and conducive to the welfare and convenience, and make and enter an order establishing and defining the boundary lines of the proposed public hospital capital facility area: PROVIDED, That no lands may be included within the boundaries so fixed lying outside the boundaries described in the petition, except upon the written request of the owners of those lands. [2009 c 481 s 4.]

**RCW 70.265.050 Governing body.** The governing body of the public hospital capital facility area must consist of three members of the county legislative authority from each county in which the public hospital capital facility area is located. In counties that have more than three members of their legislative body, the three members who serve on the governing body of the public hospital capital facility area must be chosen by the full membership of the county legislative authority. [2009 c 481 s 5.]

**RCW 70.265.060 Authority to construct, acquire, purchase, maintain, add to, and remodel facilities—Interlocal agreements—Legal title.** A public hospital capital facility area may construct, acquire, purchase, maintain, add to, and remodel public hospital capital facilities, and the governing body of the public hospital capital facility area may, by interlocal agreement or otherwise, contract with a county, city, town, or public hospital district to design, administer the construction of, operate, or maintain a public hospital capital facility or other capital health care facility financed pursuant to this chapter. Legal title to public hospital capital facilities or other capital health care facilities acquired or constructed pursuant to this chapter may be transferred, acquired, or held by the public hospital capital facility area or by a county, city, town, or public hospital district in which the facility is located and receives service. [2009 c 481 s 6.]

**RCW 70.265.070 Financing—Bonds authorized.** (1) A public hospital capital facility area may contract indebtedness or borrow money to finance public hospital capital facilities and other capital health care facilities and may issue general obligation bonds for such purpose not exceeding an amount, together with any existing indebtedness of the public hospital capital facility area, equal to one and one-quarter percent of the value of the taxable property in the public hospital capital facility area and impose excess property tax levies to retire the general indebtedness as provided in RCW 39.36.050 if a ballot proposition authorizing both the indebtedness and excess levies is approved by at least three-fifths of the voters of the public hospital capital facility area voting on the proposition, and the total number of voters voting on the proposition

constitutes not less than forty percent of the total number of voters in the public hospital capital facility area voting at the last preceding general election. The term "value of the taxable property" has the meaning set forth in RCW 39.36.015. The proposition must be submitted to voters at a general or special election and may be submitted to voters at the same election as the election when the ballot proposition authorizing the establishing of the public hospital capital facility area is submitted. If the proposed election date is not a general election, the county legislative authority is encouraged to request an election when another unit of local government with territory located in the proposed public hospital capital facility area is already holding a special election under RCW 29A.04.330.

(2) A public hospital capital facility area may accept gifts or grants of money or property of any kind for the same purposes for which it is authorized to borrow money in subsection (1) of this section. [2009 c 481 s 7.]

**RCW 70.265.080 Dissolution of public hospital capital facility area.** (1) A public hospital capital facility area may be dissolved by a majority vote of the governing body when all obligations under any general obligation bonds issued by the public hospital capital facility area have been discharged and any other contractual obligations of the public hospital capital facility area have either been discharged or assumed by another governmental entity.

(2) A public hospital capital facility area must be dissolved by the governing body if the first two ballot propositions under RCW 70.265.070 that are submitted to voters are not approved. [2009 c 481 s 8.]

**RCW 70.265.090 Limitations on legal challenges.** Unless commenced within thirty days after the date of the filing of the certificate of the canvass of an election on the proposition of creating a new public hospital capital facility area pursuant to this chapter, no lawsuit whatever may be maintained challenging in any way the legal existence of the public hospital capital facility area or the validity of the proceedings had for the organization and creation thereof. If the creation of a public hospital capital facility area is not challenged within the period specified in this section, the public hospital capital facility area conclusively must be deemed duly and regularly organized under the laws of this state. [2009 c 481 s 9.]

**RCW 70.265.100 Treasurer—Duties—Funds—Surety bonds.** (1) The treasurer of the county in which a public hospital capital facility area is located shall be treasurer of the public hospital capital facility area, except that the commission of the public hospital district in which the facility area is located by resolution may designate some other person having experience in financial or fiscal matters as treasurer of the public hospital capital facility area. If the treasurer is not the county treasurer, the commission shall require a bond, with a surety company authorized to do business in the state of Washington, in an amount and under the terms and conditions which the commission by resolution from time to time finds will protect the public hospital capital facility area against loss. The

premium on any such bond must be paid by the public hospital capital facility area.

(2) All public hospital capital facility area funds must be paid to the treasurer and must be disbursed by him or her only on warrants issued by an auditor appointed by the commission, upon orders or vouchers approved by it. The treasurer shall establish a public hospital capital facility area fund, into which all public hospital capital facility area funds must be paid, and he or she shall maintain such special funds as may be created by the commission, into which he or she shall place all money as the commission may, by resolution, direct.

(3) If the treasurer of the district is the treasurer of the county all public hospital capital facility area funds must be deposited with the county depositories under the same restrictions, contracts, and security as provided for county depositories. If the treasurer of the public hospital capital facility area is some other person, all funds must be deposited in a bank or banks authorized to do business in this state as the commission by resolution designates, and with surety bond to the public hospital capital facility area or securities in lieu thereof of the kind, no less in amount, for deposit of county funds. The surety bond or securities in lieu thereof must be filed or deposited with the treasurer of the public hospital capital facility area, and approved by resolution of the commission.

(4) All interest collected on public hospital capital facility area funds belong to the public hospital capital facility area and [must] be deposited to its credit in the proper public hospital capital facility area funds.

(5) A public hospital capital facility area may provide and require a reasonable bond of any other person handling moneys or securities of the public hospital capital facility area. The public hospital capital facility area may pay the premium on the bond. [2009 c 481 s 10.]

**RCW 70.265.110 Contracting with other entities to provide hospital facilities or hospital services.** Any public hospital capital facility area may contract or join with any public hospital district, publicly owned hospital, nonprofit hospital, legal entity, or individual to acquire, own, operate, manage, or provide any hospital or other health care facilities or hospital services or other health care services to be used by individuals, districts, hospitals, or others, including providing health maintenance services. If a public hospital capital facility area chooses to contract or join with another party or parties pursuant to the provisions of this chapter, it may do so through establishing a nonprofit corporation, partnership, limited liability company, or other legal entity of its choosing in which the public hospital capital facility area and the other party or parties participate. The governing body of the legal entity must include representatives of the public hospital capital facility area, which representatives may include members of the public hospital district's board of commissioners. A public hospital capital facility area contracting or joining with another party pursuant to the provisions of this chapter may appropriate funds and may sell, lease, or otherwise provide property, personnel, and services to the legal entity established to carry out the contract or joint activity. [2009 c 481 s 11.]