

CHAPTER 197.

[S. B. 31.]

HOSPITAL SURVEY AND CONSTRUCTION ACT.

AN ACT relating to hospitals and hospital districts; providing for a survey of hospitals; providing for compliance with certain Federal Hospital Assistance Acts; authorizing state aid in the development of hospital facilities; prescribing the duties of certain officers; creating certain funds; authorizing hospital districts to levy certain excess millage; amending section 6, chapter 284, Laws of 1945; repealing chapter 212, Laws of 1945, and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Title of act.	SECTION 1. This act may be cited as the "Washington Hospital Survey and Construction Act."
Definitions	SEC. 2. As used in this act: (a) "Director" means the Director of the State Department of Health;
"Director."	
"Federal Act."	(b) "The Federal Act" means Public Law 725 of the 79th Congress, approved August 13, 1946, entitled the Hospital Survey and Construction Act;
"Surgeon General."	(c) "The Surgeon General" means the Surgeon General of the Public Health Service of the United States;
"Hospital."	(d) "Hospital" includes public health centers and general, tuberculosis, mental, chronic disease, and other types of hospitals, and related facilities, such as laboratories, out-patient departments, nurses' home and training facilities, and central service facilities operated in connection with hospitals;
"Public Health Center."	(e) "Public Health Center" means a publicly owned facility for the provision of public health services, including related facilities such as laboratories, clinics, and administrative offices operated in connection with public health centers;
"Nonprofit hospital."	(f) "Nonprofit hospital" means any hospital owned and operated by a corporation or association, no part of the net earnings of which inures or may lawfully inure, to the benefit of any private shareholder or individual.

SEC. 3. There is hereby established in the State Department of Health a "Section of Hospital Survey and Construction" which shall be administered by a full-time salaried head under the supervision and direction of the Director. The State Department of Health, through such section, shall constitute the sole agency of the state for the purpose of:

Section of Hospital Survey and Construction created.

Duties.

(1) Making an inventory of existing hospitals, surveying the need for construction of hospitals, and developing a program of hospital construction; and

Inventory and survey.

(2) Developing and administering a state plan for the construction of public and other nonprofit hospitals as provided in this act.

State plan for construction of hospitals.

SEC. 4. In carrying out the purposes of the act the Director is authorized and directed: (a) To require such reports, make such inspections and investigations and prescribe such regulations as he deems necessary;

Duties of Director.

Reports, investigations, and regulations.

(b) To provide such methods of administration, appoint a head and other personnel of the section and take such other action as may be necessary to comply with the requirements of the Federal Act and the regulations thereunder;

Administration and appointment of personnel.

(c) To procure in his discretion the temporary or intermittent services of experts or consultants or organizations thereof, by contract, when such services are to be performed on a part-time or fee-for-service basis and do not involve the performance of administrative duties;

Employment of experts, consultants and organizations.

(d) To the extent that he considers desirable to effectuate the purposes of this act, to enter into agreements for the utilization of the facilities and services of other departments, agencies, and institutions, public or private;

Utilization of other departments, agencies, and institutions.

(e) To accept on behalf of the state and to deposit with the State Treasurer, any grant, gift or contribution made to assist in meeting the cost of

Grants, gifts, and contributions.

carrying out the purposes of this act, and to expend the same for such purpose; and

Annual
report
to the
Governor.

(f) To make an annual report to the Governor on activities and expenditures pursuant to this act, including recommendations for such additional legislation as the Director considers appropriate to furnish adequate hospital, clinic, and similar facilities to the people of this state.

Advisory
Hospital
Council.

SEC. 5. The Director shall appoint an Advisory Hospital Council to advise and consult with the Department of Health in carrying out the administration of this act. The council shall consist of the Director who shall serve as chairman ex officio and shall include representatives of non-government organizations or groups, and of state agencies, concerned with the operation, construction or utilization of hospitals, including representatives of the consumers of hospital services selected from among persons familiar with the need for such services in urban or rural areas. Each member shall hold office for a term of four (4) years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term. Council members, while serving on business of the council shall be entitled to receive actual and necessary travel and subsistence expenses while so serving away from their places of residence. The council shall meet as frequently as the Director deems necessary but not less than once each year. Upon request by five (5) or more members, it shall be the duty of the Director to call a meeting of the council.

Members.

Term of
office.

Vacancies.

Compensation
of
members.

Meetings.

Inventory of
hospitals.

Survey.

SEC. 6. The Director is authorized and directed to make an inventory of existing hospitals, including public nonprofit and proprietary hospitals, to survey the need for construction of hospitals, and, on the

basis of such inventory and survey, to develop a program for the construction of such public and other nonprofit hospitals as will, in conjunction with existing facilities, afford the necessary physical facilities for furnishing adequate hospital, clinic and similar services to all the people of the state.

Program for construction of hospitals.

SEC. 7. The construction program shall provide, in accordance with regulations prescribed under the Federal Act, for adequate hospital facilities for the people residing in this state and insofar as possible shall provide for their distribution throughout the state in such manner as to make all types of hospital service reasonably accessible to all persons in the state.

Contents of construction program.

SEC. 8. The Director is authorized to make application to the Surgeon General for Federal funds to assist in carrying out the survey and planning activities herein provided. Such funds shall be deposited with the State Treasurer and shall be available to the Director for expenditure in carrying out the purposes of this part. Any such funds received and not expended for such purposes shall be repaid to the Treasurer of the United States.

Federal funds.

SEC. 9. The Director shall prepare and submit to the Surgeon General a state plan which shall include the hospital construction program developed under this act and which shall provide for the establishment, administration, and operation of hospital construction activities in accordance with the requirements of the Federal Act and the regulations thereunder. The Director shall, prior to the submission of such plan to the Surgeon General, give adequate publicity to a general description of all the provisions proposed to be included therein, and hold a public hearing at which all persons or organizations with a legitimate interest in such plan may be given an opportunity to express their views. After

State plan submitted to Surgeon General.

Contents of plan.

Publicity for proposed plan.

Public hearing.

Publication of plan after approval by Surgeon General.

approval of the plan by the Surgeon General, the Director shall publish a general description of the provisions thereof in at least one newspaper having general circulation in the state, and shall make the plan, or a copy thereof, available upon request to all interested persons or organizations. The Director shall from time to time review the hospital construction program and submit to the Surgeon General any modifications thereof which he may find necessary and may submit to the Surgeon General such modifications of the state plan, not inconsistent with the requirements of the Federal Act, as he may deem advisable.

Copy available to interested persons.

Modification of plan.

Minimum standards for maintenance and operation of hospitals.

SEC. 10. The Director shall by regulation prescribe minimum standards for the maintenance and operation of hospitals which receive Federal aid for construction under the state plan.

Relative need for projects.

SEC. 11. The state plan shall set forth the relative need for the several projects included in the construction program determined in accordance with regulations prescribed pursuant to the Federal Act, and provide for the construction, insofar as financial resources available therefor and for maintenance and operations make possible, in the order of such relative need.

Applications for hospital construction projects.

SEC. 12. Applications for hospital construction projects for which Federal funds are requested shall be submitted to the Director and may be submitted by the state or any political subdivision thereof or by any public or nonprofit agency authorized to construct and operate a hospital. Each application for a construction project shall conform to Federal and state requirements.

Hearings on applications.

SEC. 13. The Director shall afford to every applicant for a construction project an opportunity for a fair hearing. If the Director, after affording reasonable opportunity for development and presentation

of applications in the order of relative need, finds that a project application complies with the requirements of section 12 of this act and is otherwise in conformity with the state plan, he shall approve such application and shall recommend and forward it to the Surgeon General.

Approval of application.

SEC. 14. From time to time the Director shall inspect each construction project approved by the Surgeon General, and, if the inspection so warrants, the Director shall certify to the Surgeon General that work has been performed upon the project, or purchases have been made, in accordance with the approved plans and specifications, and that payment of an installment of Federal funds is due to the applicant.

Director shall inspect construction projects.

SEC. 15. The Director is hereby authorized to receive Federal funds in behalf of, and transmit them to, such applicants. To achieve that end there is hereby established, separate and apart from all public moneys and funds of this state, a trust fund to be known as the "Hospital Construction Fund," of which the State Treasurer shall ex officio be custodian. Moneys received from the Federal government for construction projects approved by the Surgeon General shall be deposited to the credit of this fund, shall be used solely for payments due applicants for work performed, or purchases made, in carrying out approved projects. Vouchers covering all payments from the Hospital Construction Fund shall bear the signature of the Director or his duly authorized agent for such purpose, and warrants therefor shall be drawn by the State Auditor as ex officio auditor of said Fund.

Director to accept and transmit Federal funds to applicants.

"Hospital Construction Fund."

Federal funds deposited in Fund.

Vouchers for payments from Fund.

SEC. 16. If any provision of this act or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the provisions or applications of this act which can be

Partial invalidity.

given effect without the invalid provision or application, and to this end the provisions of the act are declared to be severable.

Repealing
clause.

SEC. 17. Chapter 212, Laws of 1945, and all acts or parts of acts which are inconsistent with the provisions of this act, are repealed.

Amendment.

SEC. 18. Section 6, chapter 264, Laws of 1945 (Rem. 1945 Supp. sec. 6090-35), is hereby amended to read as follows:

Powers of
Hospital
Districts.

Section 6. All Public Hospital Districts organized under the provisions of this act shall have power:

Surveys.

(a) To make a survey of existing hospital facilities within and without such district.

Acquisition
and disposal
of property.

(b) To construct, condemn and purchase, purchase, acquire, lease, add to, maintain, operate, develop and regulate, sell and convey all lands, property, property rights, equipment, hospital facilities and systems for the maintenance of hospitals, buildings, structures and any and all other facilities, and to exercise the right of eminent domain to effectuate the foregoing purposes or for the acquisition and damaging of the same or property of any kind appurtenant thereto, and such right of eminent domain shall be exercised and instituted pursuant to a resolution of the Commission and conducted in the same manner and by the same procedure as in or may be provided by law for the exercise of the power of eminent domain by incorporated cities and towns of the State of Washington in the acquisition of property rights:

Eminent
domain.

Proviso.

Provided, That no Public Hospital District shall have the right of eminent domain and the power of condemnation against any hospital clinic or sanatorium operated as a charitable, nonprofit establishment or against a hospital clinic or sanatorium operated by a religious group or organization:

Proviso.

And provided, further, That no hospital district organized and existing in districts having more than

25,000 population have any of the rights herein enumerated without the prior written consent of all existing hospital facilities within the boundaries of such hospital district.

(c) To lease existing hospital and equipment and/or other property used in connection therewith, and to pay such rental therefor as the Commissioners shall deem proper; to provide hospital service for residents of said district in hospitals located outside the boundaries of said district, by contract or in any other manner said Commissioners may deem expedient or necessary under the existing conditions; and said hospital district shall have the power to contract with other communities, corporations or individuals for the services provided by said hospital district; and they may further receive in said hospital and furnish proper and adequate services to all persons not residents of said district at such reasonable and fair compensation as may be considered proper: *Provided*, That it must at all times make adequate provision for the needs of the district and residents of said district shall have prior rights to the available facilities of said hospitals, at rates set by the District Commissioners.

Leasing of
existing
facilities.

(d) For the purpose aforesaid, it shall be lawful for any district so organized to take, condemn and purchase, lease, or acquire, any and all property, and property rights, including state and county lands, for any of the purposes aforesaid, and any and all other facilities necessary or convenient, and in connection with the construction, maintenance and operation of any such hospital.

Acquisition
of property.

(e) To contract indebtedness or borrow money for corporate purposes on the credit of the corporation or the revenues of the public hospitals thereof, and to issue bonds therefor, bearing interest at a rate not exceeding six per cent (6%) per annum, payable

Contracting
indebted-
ness.

Issuance of
bonds.

semi-annually, said bonds not to be sold for less than par and accrued interest.

Tax levy.

Amount of levy.

Special election for levy in excess of 3 mills.

Calling of special election.

Proposed budget.

Filing of budget.

Notice of filing.

Hearing on budget.

Adoption by resolution.

(f) To raise revenue by the levy of an annual tax on all taxable property within such Public Hospital District not to exceed three (3) mills or such further amount as has been or shall be authorized by a vote of the people: *Provided further*, That the Public Hospital Districts are hereby authorized to levy such a general tax in excess of said three (3) mills when authorized so to do at a special election conducted in accordance with and subject to all of the requirements of the constitution and laws of the State of Washington now in force or hereafter enacted governing the limitation of tax levies commonly known as the forty mill tax limitation. The said Board of District Commissioners is hereby authorized and empowered to call a special election for the purpose of submitting to the qualified voters of the Hospital District a proposition to levy a tax in excess of the three (3) mills herein specifically authorized. The Commissioner shall prepare a proposed budget of the contemplated financial transactions for the ensuing year and file the same in the records of the Commission on or before the first Monday in September. Notice of the filing of said proposed budget and the date and place of hearing on the same shall be published for at least two consecutive weeks in a newspaper printed and of general circulation in said county. On the first Monday in October the Commission shall hold a public hearing on said proposed budget at which any taxpayer may appear and be heard against the whole or any part of the proposed budget. Upon the conclusion of said hearing, the Commission shall, by resolution, adopt the budget as finally determined and fix the final amount of expenditures for the ensuing year. Taxes levied by the Commission shall be certified to and collected by the proper county officer of the

county in which such Public Hospital District is located in the same manner as is or may be provided by law for the certification and collection of port district taxes. The Commission is authorized, prior to the receipt of taxes raised by levy, to borrow money or issue warrants of the district in anticipation of the revenue to be derived by such district from the levy of taxes for the purpose of such district, and such warrant shall be redeemed from the first money available from such taxes when collected, and such warrants shall not exceed the anticipated revenues of one year, and shall bear interest at a rate of not to exceed six per cent (6%) per annum.

Collection of tax.

Borrowing money or issuing warrants in anticipation of revenue.

Interest on warrants.

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

Contracts.

(h) To sue and be sued in any Court of competent jurisdiction: *Provided*, That said Public Hospital District shall not be liable for negligence for any act of any officer, agent or employee of said district: *And provided*, That all suits against the Public Hospital District shall be brought in the county in which the Public Hospital District is located.

May sue and be sued.

Negligence of personnel.

(i) To make contracts, employ superintendents, attorneys and other technical or professional assistance and all other employees; to print and publish information or literature and to do all other things necessary to carry out the provisions of this act.

Employment of personnel.

SEC. 19. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Emergency.

Passed the Senate March 10, 1949.

Passed the House March 10, 1949.

Approved by the Governor March 19, 1949.