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House looks to restore hospital debt powers

By Simon Shifrin

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A House committee voted unanimously to approve a proposal that would restore public hospitals' authority to go into debt without a vote of the people, a power thrown into doubt by a 2006 Idaho Supreme Court decision.

The House State Affairs Committee approved a joint resolution Feb. 17 that would amend the state constitution to clarify that county and district hospitals could incur debt without a vote, provided that no ad valorem tax revenue is used for repayment.

In 2006, the Supreme Court barred a proposed expansion of the Boise Airport parking garage without a vote of the people as a result of the state constitution's requirement of a citizen election for any long-term municipal debt. That threw into question the debt powers of air-

ports, hospitals and municipal power companies. It also put a halt to cities and counties' use of long-term lease-purchase agreements.

Rep. Fred Wood, R-Burley, told the committee that the decision halted more than 30 years of public hospitals being able to incur long-term debt for facility renovations, equipment purchasing and financing new technologies.

The Idaho Health Facilities Authority Act of 1972 first outlined hospitals' debt capacities, and a 1973 court case upheld the constitutionality of the law, Wood said.

He said the state's public hospitals collect very little of their revenue from taxes, while most of the largest facilities accept no tax money.

Joe Morris, the chief executive officer of Kootenai Health, the public district that operates Kootenai Medical Center, said the debt restriction now applies to

20 of the state's 42 acute care hospitals, including 18 critical access hospitals that are the only providers in their counties. He noted that hospitals have issued \$418.5 million in debt through the Idaho Health Facilities Authority without a single default or late payment.

Morris said an elections requirement would be time-consuming, cumbersome and costly and would raise the cost of health care in Idaho.

"The consequences of failure to pass this legislation would be that the public hospitals will age, their technology will fall behind, their facilities will become obsolete and some will cease to exist," he said.

The committee passed the joint resolution without any debate. It will now go to the House floor.

The Senate must also approve the measure before it goes on the ballot this November.