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Idaho House passes hospital debt measure

By Simon Shifrin

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The Idaho House has voted 65-5 to back an amendment of the state Constitution to restore public hospitals' authority to go into debt without a vote of the people.

Lawmakers voted overwhelmingly Feb. 23 to back a joint resolution that would amend the 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.

That power was thrown into question by a 2006 Idaho Supreme Court decision that barred a proposed expansion of the Boise Airport parking garage as a result of the state constitution's requirement of a citizen election for any long-term municipal debt. That put a halt to bonds from airports, hospitals and municipal power companies and long-term lease-purchase agreements for cities and counties.

Amendment supporters say the decision reversed 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.

During debate on the House floor, lawmakers said the Supreme Court decision particularly hurts rural county hospitals, including those that are set up as taxing districts but don't take any taxpayer money.

Rep. Carlos Bilbao, R-Emmett, a board member at Walter Knox Memorial Hospital, said the hospital's CT scan machine recently broke down, but it couldn't afford to buy or lease a new one without going into debt. A nearby regional hospital temporarily loaned Walter Knox a machine.

"We need this amendment in order to continue operating without asking a vote of the people every time a piece of equipment goes down," he said.

The measure now goes to the Senate, which must approve it with a two-thirds vote before it goes on the ballot this November.

Lawmakers are also considering amendments this session to clarify the debt powers of airports and municipal power companies.

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— Carlos Bilbao,
hospital board