
SECOND ENGROSSED SUBSTITUTE SENATE BILL 5905

State of Washington

60th Legislature

2007 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Franklin, Pflug, Keiser, Tom, Zarelli, Marr and Carrell)

READ FIRST TIME 03/05/07.

1 AN ACT Relating to certificate of capital authorization; and
2 amending RCW 74.46.803 and 74.46.807.

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

4 **Sec. 1.** RCW 74.46.803 and 2001 1st sp.s. c 8 s 16 are each amended
5 to read as follows:

6 (1) The department shall establish rules for issuing a certificate
7 of capital authorization. (~~Applications for a certificate of capital~~
8 ~~authorization shall be submitted and approved on a biennial basis.~~)
9 The rules shall address the following subjects, among others:

10 (a) The period of time during which applications for certificates
11 of capital authorization will be accepted;

12 (b) The period of time for which a certificate of capital
13 authorization will be valid; and

14 (c) The prioritization of applications for certificates of capital
15 authorization, consistent with the principles set out in this section.

16 (2) The rules for a certificate of capital authorization shall be
17 consistent with the following principles:

18 (~~(1) The certificate of capital authorization shall be approved on~~
19 ~~a first come, first served basis.~~

1 ~~(2) Those projects that do not receive approval in one~~
2 ~~authorization period shall have priority the following biennium should~~
3 ~~the project be resubmitted.)~~

4 (a) A certificate of capital authorization is only required for
5 capital expenditures exceeding the expenditure minimum as defined in
6 RCW 70.38.025.

7 (b) In processing and approving certificates of capital
8 authorization, priority shall be given to major renovation of existing
9 facilities or construction of replacement facilities. Those existing
10 or replacement facilities with the greatest length of time since their
11 last major renovation or construction, exceeding the expenditure
12 minimum as defined in RCW 70.38.025, shall be given first priority.

13 (c) Certificates of capital authorization for new facilities shall
14 receive last priority and be assigned on a first-come, first-served
15 basis.

16 (d) Within the priorities established by this section, applications
17 for certificates of capital authorization that do not receive approval
18 in one state fiscal year because that year's authorization limit has
19 been reached shall have priority the following year if the applications
20 are resubmitted. For example, a renovation or replacement project not
21 receiving certificate of capital authorization approval for one state
22 fiscal year shall have priority over other renovation or replacement
23 projects in the following year, if the applications are resubmitted;
24 and new facility projects not receiving certificate of capital
25 authorization approval for one state fiscal year shall have priority
26 over other new facility projects in the following fiscal year, if the
27 applications are resubmitted.

28 (e) Certificate of capital authorization applications must be filed
29 with the department by the end of the previous calendar year to be
30 considered for priority assignment the following state fiscal year
31 beginning July 1. For example, a facility requesting a certificate of
32 capital authorization for state fiscal year July 1, 2009, through June
33 30, 2010, must file a request for capital authorization no later than
34 December 31, 2008. Within ninety days of receipt of an application,
35 the department shall either reject the application as unacceptable or
36 act upon it.

37 (3) The department shall have the authority to give first priority
38 for a project that is necessitated by an emergency situation even if

1 the project is not submitted in a timely fashion. (~~The department~~
2 ~~shall establish rules for determining what constitutes an emergency.~~)
3 Projects shall be considered on an emergency basis if the construction
4 or renovation must be completed as soon as possible to:

- 5 (a) Retain a facility's license or certification;
6 (b) Protect the health or safety of the facility's residents; or
7 (c) Avoid closure.

8 (4) The department shall establish deadlines for progress and the
9 department shall have the authority to withdraw the certificate of
10 capital authorization where the holder of the certificate has not
11 complied with those deadlines in a good faith manner.

12 **Sec. 2.** RCW 74.46.807 and 2001 1st sp.s. c 8 s 15 are each amended
13 to read as follows:

14 The total capital authorization available for any (~~biennial~~
15 ~~period~~) state fiscal year shall be specified in the biennial
16 appropriations act and shall be calculated on an annual basis. (~~When~~
17 ~~setting the capital authorization level, the legislature shall consider~~
18 ~~both the need for, and the cost of, new and replacement beds.~~)

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