

ESSB 5905 - S AMD 2
By Senator Franklin

ADOPTED 02/15/2008

1 Strike everything after the enacting clause and insert the
2 following:

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

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

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

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

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

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

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

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

22 (a) A certificate of capital authorization is only required for
23 capital expenditures exceeding the expenditure minimum as defined in
24 RCW 70.38.025.

25 (b) In processing and approving certificates of capital
26 authorization, priority shall be given to major renovation of existing
27 facilities or construction of replacement facilities. Those existing
28 or replacement facilities with the greatest length of time since their
29 last major renovation or construction, exceeding the expenditure
30 minimum as defined in RCW 70.38.025, shall be given first priority.

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

4 (d) Within the priorities established by this section, applications
5 for certificates of capital authorization that do not receive approval
6 in one state fiscal year because that year's authorization limit has
7 been reached shall have priority the following year if the applications
8 are resubmitted. For example, a renovation or replacement project not
9 receiving certificate of capital authorization approval for one state
10 fiscal year shall have priority over other renovation or replacement
11 projects in the following year, if the applications are resubmitted;
12 and new facility projects not receiving certificate of capital
13 authorization approval for one state fiscal year shall have priority
14 over other new facility projects in the following fiscal year, if the
15 applications are resubmitted.

16 (e) Certificate of capital authorization applications must be filed
17 with the department by the end of the previous calendar year to be
18 considered for priority assignment the following state fiscal year
19 beginning July 1. For example, a facility requesting a certificate of
20 capital authorization for state fiscal year July 1, 2009, through June
21 30, 2010, must file a request for capital authorization no later than
22 December 31, 2008. Within ninety days of receipt of an application,
23 the department shall either reject the application as unacceptable or
24 act upon it.

25 (3) The department shall have the authority to give first priority
26 for a project that is necessitated by an emergency situation even if
27 the project is not submitted in a timely fashion. (~~The department~~
28 ~~shall establish rules for determining what constitutes an emergency.~~)
29 Projects shall be considered on an emergency basis if the construction
30 or renovation must be completed as soon as possible to:

31 (a) Retain a facility's license or certification;

32 (b) Protect the health or safety of the facility's residents; or

33 (c) Avoid closure.

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

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

3 The total capital authorization available for any (~~biennial~~
4 ~~period~~) state fiscal year shall be specified in the biennial
5 appropriations act and shall be calculated on an annual basis. (~~When~~
6 ~~setting the capital authorization level, the legislature shall consider~~
7 ~~both the need for, and the cost of, new and replacement beds.~~)"

EFFECT: Makes slight modifications to ESSB 5905 to clarify the process of application and prioritization.

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