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<u>SSB 5905</u> - S AMD By Senators Keiser, Franklin

ADOPTED 04/02/2007

- 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:
- (1) The department shall establish rules for issuing a certificate of capital authorization. ((Applications for a certificate of capital authorization shall be submitted and approved on a biennial basis.))

 The rules shall address the following subjects, among others:
- 9 <u>(a) The period of time during which applications for certificates</u>
 10 <u>of capital authorization will be accepted;</u>
- 11 <u>(b) The period of time for which a certificate of capital</u>
 12 authorization will be valid; and
- 13 <u>(c) The prioritization of applications for certificates of capital</u>
 14 authorization, consistent with the principles set out in this section.
 - (2) The rules for a certificate of capital authorization shall be consistent with the following principles:
- 17 (((1) The certificate of capital authorization shall be approved on 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) In processing and approving certificates of capital
 23 authorization, priority shall be given to construction or major
 24 renovation of existing facilities or replacement facilities. Those
 25 existing or replacement facilities with the greatest length of time
 26 since their last major renovation or construction shall be given first
 27 priority.
- (b) A certificate of capital authorization is only required for capital expenditures exceeding the expenditure minimum as defined in RCW 70.38.025.

- 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.
- (d) Within the priorities established by this section, applications
 for certificates of capital authorization that do not receive approval
 in one state fiscal year because that year's authorization limit has
 been reached shall have priority the following year if the applications
 are resubmitted.
 - (3) The department shall have the authority to give <u>first</u> priority for a project that is necessitated by an emergency situation even if the project is not submitted in a timely fashion. ((The department shall establish rules for determining what constitutes an emergency.))

 Projects shall be considered on an emergency basis if the construction or renovation must be completed as soon as possible to:
 - (a) Retain a facility's license or certification;
 - (b) Protect the health or safety of the facility's residents; or
- 17 (c) Avoid closure.

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- 18 (4) The department shall establish deadlines for progress and the 19 department shall have the authority to withdraw the certificate of 20 capital authorization where the holder of the certificate has not 21 complied with those deadlines in a good faith manner.
- 22 **Sec. 2.** RCW 74.46.807 and 2001 1st sp.s. c 8 s 15 are each amended to read as follows:
 - The total capital authorization available for any ((biennial)) state fiscal year period shall be specified in the biennial appropriations act and shall be calculated on an annual basis. ((When setting the capital authorization level, the legislature shall consider both the need for, and the cost of, new and replacement beds.))"

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29 On page 1, line 1 of the title, after "authorization;" strike the

- 1 remainder of the title and insert "and amending RCW 74.46.803 and
- 2 74.46.807."

<u>EFFECT:</u> Makes technical corrections and allows Department of Social and Health Services to have more flexibility in rule making for prioritization and timelines. Does not change the policy of the bill or the fiscal impact.

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