
SENATE BILL 5905

State of Washington 60th Legislature 2007 Regular Session

By Senators Franklin, Pflug, Keiser, Tom, Zarelli, Marr and Carrell

Read first time 02/06/2007. Referred to Committee on Ways & Means.

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 The department shall establish rules for issuing a certificate of
7 capital authorization. Applications for a certificate of capital
8 authorization shall be submitted and approved on a biennial basis. The
9 rules for a certificate of capital authorization shall be consistent
10 with the following principles:

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

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

16 (3)) In processing and approving certificates of capital
17 authorization, priority shall be given to construction or major
18 renovation of existing facilities or replacement facilities. Those
19 existing or replacement facilities with the greatest length of time

1 between its last major renovation or construction shall be given first
2 priority. A certificate of capital authorization is only required for
3 capital expenditures exceeding the expenditure minimum as defined in
4 RCW 70.38.025.

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

8 (3) Certificate of capital authorization applications must be filed
9 with the department by the end of the previous state fiscal year to be
10 considered for priority assignment in the following state fiscal year
11 beginning July 1st. Within ninety days of receipt of an application,
12 the department shall either reject the application as unacceptable or
13 act upon it. To the extent that the annual capital authorization level
14 is not reached through such priority assignment, subsequently completed
15 certificate of capital authorization applications shall be approved on
16 a first-come, first-served basis through the fiscal year.

17 (4) The department shall have the authority to give first priority
18 for a project that is necessitated by an emergency situation even if
19 the project is not submitted in a timely fashion. (~~The department~~
20 shall establish rules for determining what constitutes an emergency.))
21 Projects shall be considered on an emergency basis if the construction
22 or renovation must be completed as soon as possible to:

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

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

25 (c) Avoid closure.

26 ~~((+4))~~ (5) The department shall establish deadlines for progress
27 and the department shall have the authority to withdraw the certificate
28 of capital authorization where the holder of the certificate has not
29 complied with those deadlines in a good faith manner. A project that
30 is not completed and ready for occupancy by the last day of the fiscal
31 year for which the certificate of capital authorization was issued
32 shall be given an extended completion deadline if it can be established
33 that substantial and continuing progress toward commencement of the
34 project has been made.

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

37 The total minimum capital authorization available for any biennial

1 period shall be specified in the biennial appropriations act and shall
2 be calculated on an annual basis. ((When setting the capital
3 authorization level, the legislature shall consider both the need for,
4 and the cost of, new and replacement beds.)) The annual capital
5 authorization level shall be at least one-fortieth of the current
6 replacement value of all licensed skilled nursing facilities in the
7 state of Washington using the most current cost criteria contained in
8 the Marshall and Swift valuation service.

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