

**Chapter 247-16 WAC**  
**PROCEDURES AND FEES FOR PREPARATION AND PROCESSING OF APPLICATIONS FOR**  
**AUTHORITY ASSISTANCE**

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**WAC**

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**DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER**

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| 247-16-035 | Applications for equipment financing assistance. [Statutory Authority: RCW 70.37.050. WSR 83-01-061 (Order 14), § 247-16-035, filed 12/15/82.] Repealed by WSR 24-11-002, filed 5/1/24, effective 6/1/24. Statutory Authority: Chapter 70.37 RCW.                       |
| 247-16-080 | Adoption of plan and system. [Statutory Authority: RCW 70.37.050. WSR 79-10-101 (Order 2, Resolution No. 79-3), § 247-16-080, filed 9/26/79.] Repealed by WSR 81-24-038 (Order 9, Resolution No. 81-1), filed 11/25/81. Statutory Authority: RCW 73.37.050 [70.37.050]. |

**WAC 247-16-010 Purpose.** The purpose of this chapter shall be to set forth the procedures pursuant to which the authority receives and acts on requests for the providing of bonds for the financing of health care facilities.

[Statutory Authority: Chapter 70.37 RCW. WSR 24-11-002, § 247-16-010, filed 5/1/24, effective 6/1/24. Statutory Authority: RCW 73.37.050 [70.37.050]. WSR 81-24-038 (Order 9, Resolution No. 81-1), § 247-16-010, filed 11/25/81. Statutory Authority: RCW 70.37.050. WSR 79-10-101 (Order 2, Resolution No. 79-3), § 247-16-010, filed 9/26/79.]

**WAC 247-16-020 Definitions.** (1) "Applicant" means a participant which submits an application to the authority.

(2) "Application" means a formal request to the authority for the providing of bonds for the financing of a health care facility, in a format and containing such information as the authority shall specify in these rules or in the application instructions.

[Statutory Authority: Chapter 70.37 RCW. WSR 24-11-002, § 247-16-020, filed 5/1/24, effective 6/1/24. Statutory Authority: RCW 70.37.050. WSR 79-10-101 (Order 2, Resolution No. 79-3), § 247-16-020, filed 9/26/79.]

**WAC 247-16-030 Applications for financial assistance.** In order to meet the unique needs of different types of borrowers, and/or unique financing programs, the authority will develop and modify from time to time, as necessary, the application forms for financial assistance. Any such application shall contain at least the following information:

- (1) Identification of applicant:
  - (a) Legal name and address of applicant;
  - (b) Name, title and telephone number of person assigned responsibility for liaison with the authority;

- (c) Description of applicant's legal structure (e.g., private nonprofit corporation, public district hospital);
- (d) If applicant is a private entity, attach copies of articles of incorporation or other similar documentation, and a copy of IRS determination of 501 (c) (3) status;
- (e) Religious or other group affiliation, if any.
- (2) Project for which financial assistance is sought (if applicable):
  - (a) The maximum principal amount requested and, if the requested financial assistance will finance multiple projects at separate sites, a breakdown of the maximum principal amount to finance each separate project;
  - (b) General description of project to be financed or refinanced;
  - (c) Current status of planning for project and dates proposed for
    - (i) completion of drawings for project, if applicable (attach copies if completed);
    - (ii) filing of environmental impact statement, if applicable;
    - (iii) entry into construction contract; and
    - (iv) completion or occupancy;
  - (d) Current status of certificate of need for project, if required. If certificate has been issued, attach copy;
  - (e) Cost of project (including simple breakdown of costs of general construction, site work, utilities, equipment, land acquisition, architects' and other fees, contingency, interim interest, other);
  - (f) Feasibility studies on project, if any (attach copy if one has been completed);
  - (g) Proposed security for authority-issued bonds.
- (3) Finances of applicant:
  - (a) Audited (if audited) financial statements for past three years;
  - (b) Latest current financial statement;
  - (c) Current year's budget of revenues, expenses and capital expenditures.
- (4) General:
  - (a) Pending or threatened litigation or administrative actions with potential of material adverse effect on applicant;
  - (b) Brief description of existing health care facilities, including number of beds, number of health care and other staff, categories of health care services offered, and laboratory and research facilities, if any;
  - (c) Describe means applicant proposes to use to ensure that savings from tax-exempt financing the estimated financial benefits resulting from financing its project through the authority, as opposed to obtaining financing other than through the authority, will be used for building, providing and utilization of modern, well-equipped and reasonably priced health care facilities in a manner that will minimize the capital costs of construction, financing and use thereof and thereby the costs to the public for the use of such facilities, and to contribute to improving the quality of health care;
  - (d) The application shall contain an appropriate legal commitment to indemnify the authority against any expenses or costs incurred by it in connection with the processing of the applicant's application and the completion of any project or plan and system subsequently approved and undertaken by the authority. (See WAC 247-16-040 regarding authority charges);
  - (e) The authority or the executive director may require the submission of additional information depending on factors such as the scope, size, and complexity of project;

(f) Application forms are available from the authority and are available on the authority website.

[Statutory Authority: Chapter 70.37 RCW. WSR 24-11-002, § 247-16-030, filed 5/1/24, effective 6/1/24. Statutory Authority: RCW 73.37.050 [70.37.050]. WSR 81-24-038 (Order 9, Resolution No. 81-1), § 247-16-030, filed 11/25/81. Statutory Authority: RCW 70.37.050. WSR 79-10-101 (Order 2, Resolution No. 79-3), § 247-16-030, filed 9/26/79.]

**WAC 247-16-040 Charges.** (1) Authorization to assess charges: The authority, pursuant to RCW 70.37.090, shall require applicants to pay charges to the authority to provide it with funds for investigations, financial feasibility studies, consultants, counsel, expenses of issuance and sale of bonds, and other charges for services provided by the authority in connection with projects undertaken, as well as the operating and administrative expenses of the authority.

(2) Annual charge: The authority shall assess an annual charge of one-tenth of one percent of the outstanding and unredeemed bonds of each applicant. The initial annual charge shall be paid to the authority on the date of closing of each note, lease or bond issue and on every anniversary date thereafter; provided, however, that the authority by an adopted motion may set a reduced schedule of charges and may waive all or any part of the annual charge.

(3) Application charge: An applicant shall submit with its application an initial charge of one-tenth of one percent of the requested borrowing up to a maximum of \$7,500; provided, however, that the authority may by adopted motion waive all or any part of the application charge.

[Statutory Authority: Chapter 70.37 RCW. WSR 24-11-002, § 247-16-040, filed 5/1/24, effective 6/1/24. Statutory Authority: RCW 73.37.050 [70.37.050]. WSR 81-24-038 (Order 9, Resolution No. 81-1), § 247-16-040, filed 11/25/81. Statutory Authority: RCW 70.37.050. WSR 79-10-101 (Order 2, Resolution No. 79-3), § 247-16-040, filed 9/26/79.]

**WAC 247-16-050 Processing of application.** An application will be reviewed by the executive director and such authority staff as he or she determines for completeness and whether the applicant and the project meets the definitions of "health care facility," "participant," and "project" as those terms are used in chapter 70.37 RCW. Upon determination by authority staff that the application is complete and meets statutory definitions, the application shall be presented to the authority for appropriate action.

[Statutory Authority: Chapter 70.37 RCW. WSR 24-11-002, § 247-16-050, filed 5/1/24, effective 6/1/24. Statutory Authority: RCW 70.37.050. WSR 79-10-101 (Order 2, Resolution No. 79-3), § 247-16-050, filed 9/26/79.]

**WAC 247-16-060 Priorities regarding applicant funding.** The authority will process health care facility applications in the order of their date of receipt. The date of receipt shall be the date a comple-

ted application together with the application charge is received by the authority at its Olympia office.

The authority reserves the right to change priorities and scheduling when the authority determines that a "first come, first served" priority scheduling is detrimental to the sale of another health care facility's bond issue or otherwise not in the public interest.

[Statutory Authority: Chapter 70.37 RCW. WSR 24-11-002, § 247-16-060, filed 5/1/24, effective 6/1/24. Statutory Authority: RCW 73.37.050 [70.37.050]. WSR 81-24-038 (Order 9, Resolution No. 81-1), § 247-16-060, filed 11/25/81. Statutory Authority: RCW 70.37.050. WSR 79-10-101 (Order 2, Resolution No. 79-3), § 247-16-060, filed 9/26/79.]

**WAC 247-16-065 Authority acceptance of applications.** Upon determination by authority staff that the application is complete and that the project and applicant meet the statutory definitions for "health care facility," "participant," and "project," the authority shall meet to review and consider the staff review and recommendations regarding the application. The authority may accept, reject, or conditionally accept an application. Action regarding the application shall be determined based upon application completeness, and whether the proposed borrower and project are eligible for financing under chapter 70.37 RCW. Acceptance of the application begins the process of structuring the proposed bond issue and does not obligate the authority to issue bonds for the project or applicant.

[Statutory Authority: Chapter 70.37 RCW. WSR 24-11-002, § 247-16-065, filed 5/1/24, effective 6/1/24.]

**WAC 247-16-070 Authority action on resolutions.** (1) The authority shall meet to review and consider the staff analysis and recommendations regarding the adoption of a resolution.

(2) The authority may adopt a resolution authorizing the issuance of bonds for the requested financing where it determines:

(a) The applicant may reasonably be expected to achieve successful completion of the health care facilities to be financed by the authority;

(b) The applicant and the project meet the definitions of "health care facility," "participant," and "project" as those terms are used in chapter 70.37 RCW;

(c) The proposed project and the issuance of bonds by the authority for such project are economically feasible and can be undertaken on terms economically satisfactory to the authority;

(d) The proposed project does not require a certificate of need, or such certificate of need has been received; and

(e) The participant has satisfied the authority that the estimated financial benefits resulting from financing its project with authority bonds, as opposed to obtaining financing other than through authority bonds, will be used for building, providing and utilization of modern, well equipped and reasonably priced health care facilities in a manner that will minimize the capital cost of construction, financing and use thereof and thereby the cost to the public for the use of such facilities, and will contribute to improving the quality of health care.

[Statutory Authority: Chapter 70.37 RCW. WSR 24-11-002, § 247-16-070, filed 5/1/24, effective 6/1/24. Statutory Authority: RCW 73.37.050 [70.37.050]. WSR 81-24-038 (Order 9, Resolution No. 81-1), § 247-16-070, filed 11/25/81. Statutory Authority: RCW 70.37.050. WSR 79-10-101 (Order 2, Resolution No. 79-3), § 247-16-070, filed 9/26/79.]

**WAC 247-16-090 Selection of investment banking firms as underwriters.** (1) The applicants may select an investment banking firm or firms as senior managing underwriter or co-senior managing underwriters for its proposed financing, subject to review and approval by the authority. In every instance, the senior manager selected must be able to demonstrate a familiarity, competence and experience in the structuring and sale of health care facility bonds. If the authority rejects the applicant's requested senior manager or co-senior managers, the applicant will then propose another senior manager or co-senior managers, subject to authority approval in the same manner.

(2) To provide balanced management knowledge and sale distribution and to assure the most favorable bond terms and interest, the authority reserves the right to name investment banking firms as co-managers of any authority bond issue(s). On issues of \$20,000,000 or more, the authority may name a co-manager or co-managers. The authority will also review the division of the management fee and the allocation of bonds and the takedown.

[Statutory Authority: Chapter 70.37 RCW. WSR 24-11-002, § 247-16-090, filed 5/1/24, effective 6/1/24. Statutory Authority: RCW 73.37.050 [70.37.050]. WSR 81-24-038 (Order 9, Resolution No. 81-1), § 247-16-090, filed 11/25/81.]

**WAC 247-16-100 Feasibility studies and selection of a feasibility consultant.** (1) The authority may require the applicant to deliver a feasibility study on the project.

(2) The applicant may select management and accounting firms to conduct feasibility studies, subject to authority approval. The applicant shall not enter into any contractual agreement with a management or accounting firm until approval has been granted by the authority.

[Statutory Authority: Chapter 70.37 RCW. WSR 24-11-002, § 247-16-100, filed 5/1/24, effective 6/1/24. Statutory Authority: RCW 73.37.050 [70.37.050]. WSR 81-24-038 (Order 9, Resolution No. 81-1), § 247-16-100, filed 11/25/81.]