

loans, or otherwise; to assist in the construction, operation, and maintenance of various water pollution control facilities and works; and the administering of various state water pollution control management, regulatory, and enforcement programs.

(3) The power to develop and implement appropriate programs pertaining to continuing planning processes, area-wide waste treatment management plans, and basin planning.

The governor shall have authority to perform those actions required of him or her by the federal clean water act.

NEW SECTION. Sec. 2. A new section is added to chapter 90.48 RCW to read as follows:

In implementing this chapter and in participating in programs under the federal clean water act, the department may consult with the department of social and health services concerning standards for repair of existing, failing on-site sewage disposal systems that are adjacent to marine waters. By January 1, 1989, the department of social and health services shall propose rules for adoption by the state board of health identifying the standards for repair of existing, failing on-site sewage disposal systems at single-family residences that were legally occupied prior to the effective date of this act and that are adjacent to marine waters. The rules may specify the design, operation and maintenance standards for such repaired systems so as to ensure protection of the public health, attainment of state water quality standards and the protection of shellfish and other public resources. The rules shall also provide that any proposed discharge to marine water shall be considered only if on-site sewage disposal systems are not feasible and that such discharges shall meet the requirements of this chapter and department of ecology regulations. The state board of health shall adopt such proposed rules unless the board finds modification or rejection of them necessary to protect the public health.

Passed the House March 7, 1988.

Passed the Senate March 4, 1988.

Approved by the Governor March 23, 1988.

Filed in Office of Secretary of State March 23, 1988.

CHAPTER 221

[Engrossed Senate Bill No. 6519]

NURSING HOMES—DEPRECIATION BASE

AN ACT Relating to nursing homes; and amending RCW 74.46.360.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 36, chapter 177, Laws of 1980 as amended by section 1, chapter 175, Laws of 1986 and RCW 74.46.360 are each amended to read as follows:

(1) The depreciation base shall be the historical cost of the contractor or lessor, when the assets are leased by the contractor, in acquiring the asset in an arm's-length transaction and preparing it for use, less goodwill, and less accumulated depreciation which has been incurred during periods that the assets have been used in or as a facility by ~~((the))~~ any contractor, such accumulated depreciation to be measured in accordance with subsections (2), (3), and (4) of this section and RCW 74.46.350 and 74.46.370. If the department challenges the historical cost of an asset, or if the contractor cannot or will not provide the historical costs, the department will have the department of general administration, through an appraisal procedure, determine the fair market value of the assets at the time of purchase. The depreciation base of the assets will not exceed such fair market value.

(2) The historical cost of donated assets, or of assets received through testate or intestate distribution, shall be the lesser of:

(a) Fair market value at the date of donation or death; or

(b) The historical cost base of the owner last contracting with the department, if any.

(3) Estimated salvage value of acquired, donated, or inherited assets shall be deducted from historical cost where the straight-line or sum-of-the-years' digits method of depreciation is used.

(4) (a) Where depreciable assets are acquired that were used in the medical care program subsequent to January 1, 1980, the depreciation base of the assets will not exceed the net book value which did exist or would have existed had the assets continued in use under the previous contract with the department; except that depreciation shall not be assumed to accumulate during periods when the assets were not in use in or as a facility.

(b) The provisions of (a) of this subsection shall not apply to the most recent arm's-length acquisition if it occurs at least ten years after the ownership of the assets has been previously transferred in an arm's-length transaction nor to the first arm's-length acquisition that occurs after January 1, 1980, for facilities participating in the medical care program prior to January 1, 1980. The new depreciation base for such acquisitions shall not exceed the fair market value of the assets as determined by the department of general administration through an appraisal procedure. A determination by the department of general administration of fair market value shall be final unless the procedure used to make such determination is shown to be arbitrary and capricious. This subsection is inoperative for any transfer of ownership of any asset occurring on or after July 18, 1984, leaving (a) of this subsection to apply alone to such transfers: **PROVIDED, HOWEVER,** That this subsection shall apply to transfers of ownership of assets occurring prior to January 1, 1985, if the costs of such assets have never been reimbursed under medicaid cost reimbursement on an owner-operated basis or as a related-party lease: **PROVIDED FURTHER,** That for any contractor that can document in writing an agreement for the purchase of a nursing

home dated prior to August 1, 1984, and submitted to the department prior to January 1, 1988, the depreciation base of the nursing home shall not exceed the fair market value of the assets at the date of purchase as determined by the department of general administration through an appraisal procedure.

(c) Where depreciable assets are acquired from a related organization, the contractor's depreciation base shall not exceed the base the related organization had or would have had under a contract with the department.

(d) Where the depreciable asset is a donation or distribution between related organizations, the base shall be the lesser of (i) fair market value, less salvage value, or (ii) the depreciation base the related organization had or would have had for the asset under a contract with the department.

Passed the Senate March 7, 1988.

Passed the House March 5, 1988.

Approved by the Governor March 23, 1988.

Filed in Office of Secretary of State March 23, 1988.

CHAPTER 222

[Substitute House Bill No. 1754]

TAX ADMINISTRATION REVISIONS

AN ACT Relating to tax administration; amending RCW 36.95.080, 82.03.070, 82.03-.120, 82.03.140, 82.03.150, 82.03.160, 82.03.170, 84.08.130, 84.08.060, 84.36.385, 84.38.030, 84.38.100, 84.38.120, 84.40.030, 84.40.040, 84.40.060, 84.40.130, 84.40.320, 84.48.010, 84.48-.014, 84.48.042, 84.48.075, 84.48.080, 84.52.020, 84.52.070, 84.52.080, 84.56.020, 84.69.050, 84.69.060, and 84.69.140; adding a new section to chapter 84.40 RCW; adding new sections to chapter 84.48 RCW; repealing RCW 84.52.090, 84.56.390, and 84.56.400; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 8, chapter 155, Laws of 1971 ex. sess. as amended by section 1, chapter 52, Laws of 1981 and RCW 36.95.080 are each amended to read as follows:

The board shall, on or before the first day of July of any given year, ascertain and prepare a list of all persons believed to own television sets within the district and deliver a copy of such list to the county ((assessor)) treasurer.

Sec. 2. Section 36, chapter 26, Laws of 1967 ex. sess. and RCW 82-.03.070 are each amended to read as follows:

The board may appoint, discharge and fix the compensation of an executive ((secretary)) director, tax referees, a clerk, and such other clerical, professional and technical assistants as may be necessary. Tax referees shall not be subject to chapter 41.06 RCW.

Sec. 3. Section 41, chapter 26, Laws of 1967 ex. sess. and RCW 82-.03.120 are each amended to read as follows: