



# PROPOSED RULE MAKING

## CR-102 (June 2004)

(Implements RCW 34.05.320)

Do NOT use for expedited rule making

Agency: Department of Labor & Industries

- Preproposal Statement of Inquiry was filed as WSR 05-03-090 ; or  
 Expedited Rule Making--Proposed notice was filed as WSR \_\_\_\_\_; or  
 Proposal is exempt under RCW 34.05.310(4).

- Original Notice  
 Supplemental Notice to WSR \_\_\_\_\_  
 Continuance of WSR \_\_\_\_\_

**Title of rule and other identifying information:** (Describe Subject)

Chapter 296-17-WAC General Reporting Rules, Classifications, Audit and Recordkeeping, Rates and Rating System for Workers Compensation Insurance. Amendments will be made to the workers' compensation general reporting rules and risk classification descriptions.

**Hearing location(s):**

Dept of Labor & Industries Bldg., Room S117  
7273 Linderson Way SW  
Tumwater, WA 98501

At Interstate 5, Exit 101.

Date: April 29, 2005 Time: 1 – 3 p.m.

**Submit written comments to:**

Name: Department of Labor & Industries  
Kathy Kimbel, Program Manager, Employer Services  
Address: PO Box 44140  
Olympia, WA 98504-4140  
e-mail Lanz235@lni.wa.gov  
fax (360)902-4729 by (date) April 29, 2005 5:00 PM

**Assistance for persons with disabilities:** Contact

Office of Information and Assistance by April 28, 2005 \_\_\_\_\_

TTY (360) 902-5797 \_\_\_\_\_ or ( ) \_\_\_\_\_

**Date of intended adoption:** May 24, 2005

(Note: This is NOT the effective date)

**Purpose of the proposal and its anticipated effects, including any changes in existing rules:**

The Department proposes the following rule changes to the workers' compensation general reporting rules and risk classification descriptions:

- Repeal 1103 for pallet recycling services and merge it with 2903 for pallet manufacturing and repair
- Add a sub classification to 3405 for machine shops utilizing CNC (computer numeric controlled) equipment
- Reword 6306 for piano stores and remove word " primarily"
- Reword 7202 to clarify the employee relationship of real estate agents
- Housekeeping changes

- WAC 296-17-31002 Add classification 7100 to basic classification exceptions.  
WAC 296-17-31013 Delete classification 0506 from building construction classifications.  
WAC 296-17-524 Change wording regarding erection of metal playground equipment.  
WAC 296-17-526 Correct spelling of word desserts.  
WAC 296-17-527 Housekeeping changes. Delete designations A and B.  
WAC 296-17-538 Repeal pallet recycle service classification. Add activities to WAC 296-17-568, Classification 2903.  
WAC 296-17-568 Include activities from WAC 296-17-538, classification 1103 pallet recycle Service.  
WAC 296-17-58201 Add new sub classification to 3405 for computer numeric controlled (CNC) Machine shops.  
WAC 296-17-701 Remove "primarily" from description of piano stores.  
WAC 296-17-764 Clarify employee relationship of real estate agents.

**Reasons supporting proposal:** Labor and Industries is required by law to establish and maintain a workers' compensation classification plan that classifies all occupations or industries within the state and is permitted to review and make changes to the plan. (RCW 51.16.035 and 51.16.100). The Department has conducted a review of these classifications and reporting rules and determined these rules are in need of revision.

**Statutory authority for adoption:** RCW 51.16.035 and 51.16.100

**Statute being implemented:** RCW 51.16.035 and RCW 51.16.100

**Is rule necessary because of a:**

- Federal Law?  Yes  No  
Federal Court Decision?  Yes  No  
State Court Decision?  Yes  No  
If yes, CITATION:  Yes  No

**CODE REVISER USE ONLY**

**WSR# 05-03-090**

**DATE**  
March 22, 2005

**NAME** (type or print)  
Judy Schurke

**SIGNATURE**

**TITLE**  
Acting Director

**Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:**

N/A

**Name of proponent: (person or organization)**

Department of Labor & Industries

- Private
- Public
- Governmental

**Name of agency personnel responsible for:**

Name	Office Location	Phone
Drafting..... Bill Moomau/Tammy Turner	Tumwater, Washington	(360) 902-4774
Implementation....Kathy Kimbel	Tumwater, Washington	(360) 902-4739
Enforcement..... Robert Malooly	Tumwater, Washington	(360) 902-4209

**Has a small business economic impact statement been prepared under chapter 19.85 RCW?**

Yes. Attach copy of small business economic impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

phone ( ) \_\_\_\_\_

fax ( ) \_\_\_\_\_

e-mail \_\_\_\_\_

No. Explain why no statement was prepared.

The Regulatory Fairness Act (RFA), Chapter 19.85 RCW requires the agency to prepare a Small Business Economic Impact Statement (SBEIS) if the proposed rule will have a disproportionate impact on the state's small businesses because of the size of those businesses. In this case the agency is exempt from conducting a SBEIS when the proposed rules set or adjust fees or rates pursuant to legislative standards described in RCW 34.05.310(4)(f).

**Is a cost-benefit analysis required under RCW 34.05.328?**

Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

phone ( ) \_\_\_\_\_

fax ( ) \_\_\_\_\_

e-mail \_\_\_\_\_

No: Please explain: The Administrative Procedures Act (APA), Chapter 34.05 RCW requires the agency to prepare a Cost/Benefit

Analysis (CBA) prior to adopting a "significant legislative rule". The CBA determines whether the probable benefits of the rule are greater than its probable costs. In this case, the agency is exempt from conducting a CBA when the proposed rules set or adjust fees or rates pursuant to legislative standards (RCW 34.05.328(5)(b)(vi)).