



PROPOSED RULE MAKING

CR-102 (June 2012)

(Implements RCW 34.05.320)

Do NOT use for expedited rule making

Agency: Labor and Industries

- Preproposal Statement of Inquiry was filed as WSR 15-03-081 ; or
- Expedited Rule Making--Proposed notice was filed as WSR _____; or
- Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1).

- 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, Audit and Recordkeeping, Rates and Rating System for Washington Workers' Compensation Insurance, Chapter 296-17A WAC Classifications for Washington Workers' Compensation Insurance.

Hearing location(s): Labor & Industries Building
Room S119
7273 Linderson Way SW
Tumwater, WA 98501

Submit written comments to:

Name: Jo Anne Attwood
Address: PO Box 44148
Olympia, WA 98504-4148

e-mail JoAnne.Attwood@lni.wa.gov
fax (360) 902-4799 by (date) April 21, 2015, 5:00 p.m.

Date: April 21, 2015 Time: 10:00 a.m.

Assistance for persons with disabilities: Contact

Office of Information & Assistance by April 17, 2015

TTY (360) 902-5797

Date of intended adoption: May 19, 2015
(Note: This is **NOT** the effective date)

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

See Attachment 1 for a list of amended rules.

The Department intends to review these chapters and make revisions to:

- Correct typographical and other errors (such as invalid telephone numbers and out-of-date references),
- Revise wording and formatting to make the rules easier to understand and apply, and
- Incorporate and formalize existing agency practices (such as expressly including in a risk classification employment that the Department currently includes by interpretation or analogy).

The purpose of this rulemaking is not to make substantive changes to how the Department classifies employment, but to review and revise the classification plan to ensure it is clear and understandable. These changes will not change the way we calculate employer rates, our reporting requirements, or how we classify businesses.

As part of this rulemaking, the Department also intends to review these chapters as required by SSB 5679 (Chapter 30, 2013 Laws 2nd Special Session) to make changes where possible to reduce the regulatory burden on employers insured with the State Fund.

Statutory authority for adoption: RCW 51.04.020 and RCW 51.16.035

Statute being implemented: RCW 51.16.035

Is rule necessary because of a:

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

CODE REVISER USE ONLY

**OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED**

DATE: March 17, 2015

TIME: 8:38 AM

WSR 15-07-072

DATE
March 17, 2015

NAME (type or print)
Joel Sacks

SIGNATURE

TITLE
Director

(COMPLETE REVERSE SIDE)

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

Name of proponent: (person or organization)

- Private
- Public
- Governmental

Name of agency personnel responsible for:

| Name | Office Location | Phone |
|-----------------------------------|-----------------|----------------|
| Drafting..... Jo Anne Attwood | Tumwater, WA | (360) 902-4777 |
| Implementation.... Mike Ratko | Tumwater, WA | (360) 902-6369 |
| Enforcement..... Victoria Kennedy | Tumwater, WA | (360) 902-4997 |

Has a small business economic impact statement been prepared under chapter 19.85 RCW or has a school district fiscal impact statement been prepared under section 1, chapter 210, Laws of 2012?

Yes. Attach copy of small business economic impact statement or school district fiscal 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 agency is exempt from conducting a small business economic impact statement since the proposed rules set or adjust fees or rates pursuant to legislative standards described in RCW 34.05.310(4)(f) and do not change current coverage options for employers and workers.

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:

Since the proposed rules do not change any existing coverage options for employers or workers and adjust fees pursuant to legislative standards, they are exempted by RCW 34.05.328(5)(b)(vi) from the requirement for a cost-benefit analysis.

Attachment 1

2015 Miscellaneous classification and rating rule changes

WAC Chapter 296-17, General Reporting Rules, Audit and Recordkeeping, Rates and Rating System for Washington Workers' Compensation Insurance and WAC Chapter 296-17A Classifications for Washington Workers' Compensation Insurance.

| | WAC Numbers | WAC description | What is changing | Reason for change |
|----|--------------------|--|--|--|
| 1. | 296-17-31014 | Farming and agriculture | Add definition of a farm labor contractor to the agricultural reporting rules. | Classification and reporting rules refer to "farm labor contractor," yet no definition existed in the rules. The definition is taken from the Farm Labor Contracting rules in WAC 296-310-010. |
| 2. | 296-17A-3415 | Factory built housing dealers | Spelling out that 3415 (factory built housing dealers) includes delivery to a customer from the dealer. | We have always included this kind of delivery in 3415, but confusion existed because it was not spelled out in 3415. 0517 (set up of factory built housing units performed by a contractor) implied 3415 includes this delivery. |
| 3. | 296-17A-6207-04 | Fireworks exhibition | Correct reference in text from 4601 (Fireworks manufacturing) to 3701 (Chemical mixing, blending and repackaging only: Fireworks manufacturing). | Exclusion currently points to 4601, which was repealed in 2010. 3701 is the correct classification. |
| 4. | 296-17A-6303-03 | Insurance sales personnel and claims adjusters | Remove "voluntary" from "to elect voluntary coverage" to read "to elect coverage." | Confusion could exist around whether the rule referred to volunteer coverage. The coverage being elected is not volunteer coverage. |