



RULE-MAKING ORDER

CR-103P (May 2009)
(Implements RCW 34.05.360)

Agency: Department of Labor and Industries

Permanent Rule Only

Effective date of rule:

Permanent Rules

- 31 days after filing.
- Other (specify) January 01, 2017 (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

- Yes
 - No
- If Yes, explain:

Purpose:

These rule changes make it easier for agency staff and customers to understand and apply the risk classifications, subclassifications, and reporting rules for workers' compensation insurance, and help ensure fair and consistent rating for employers.

See Attachment B for details on the rules being updated and the purpose of the updates.

Citation of existing rules affected by this order:

Repealed: 0
 Amended: See Attachment A
 Suspended: 0

Statutory authority for adoption: RCW 51.04.020 and RCW 51.16.035

Other authority :

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 16-02-089 on January 05, 2016 (date).

Describe any changes other than editing from proposed to adopted version:

We removed from WAC 296-17A-7203 Classification 7203 the proposed sentence; "Although this coverage is optional, the Dept. of Corrections requires entities utilizing Class V offender services to provide workers' compensation coverage for the offenders, and report and pay premiums for the offenders to the department."

We determined this information has no impact on how the agency classifies employers and isn't needed in the classification description.

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name: _____ phone () _____
 Address: _____ fax () _____
 e-mail _____

Date adopted: July 05, 2016

NAME (TYPE OR PRINT)
Joel Sacks

SIGNATURE

TITLE
Director

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
 STATE OF WASHINGTON
 FILED
DATE: July 05, 2016
TIME: 8:56 AM
WSR 16-14-085

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	_____	Amended	_____	Repealed	_____
Federal rules or standards:	New	_____	Amended	_____	Repealed	_____
Recently enacted state statutes:	New	_____	Amended	_____	Repealed	_____

The number of sections adopted at the request of a nongovernmental entity:

New	_____	Amended	_____	Repealed	_____
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The number of sections adopted in the agency's own initiative:

New	_____	Amended	<u>22</u>	Repealed	_____
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	_____	Amended	<u>22</u>	Repealed	_____
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The number of sections adopted using:

Negotiated rule making:	New	_____	Amended	_____	Repealed	_____
Pilot rule making:	New	_____	Amended	_____	Repealed	_____
Other alternative rule making:	New	_____	Amended	_____	Repealed	_____

Attachment A

2016 Classification Rulemaking updates:

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

Amended:

WAC 296-17-31002	General rule definitions.
WAC 296-17-31011	Classification system and plan.
WAC 296-17-31012	Classification assignment.
WAC 296-17-31013	Building construction.
WAC 296-17-31014	Farming and agriculture.
WAC 296-17-31015	General inclusions.
WAC 296-17-31016	Classification by analogy.
WAC 296-17A-0214	Classification 0214
WAC 296-17A-0307	Classification 0307
WAC 296-17A-0518	Classification 0518
WAC 296-17A-2903	Classification 2903
WAC 296-17A-3702	Classification 3702
WAC 296-17A-4907	Classification 4907
WAC 296-17A-4908	Classification 4908
WAC 296-17A-5201	Classification 5201
WAC 296-17A-6109	Classification 6109
WAC 296-17A-6110	Classification 6110
WAC 296-17A-6204	Classification 6204
WAC 296-17A-6303	Classification 6303
WAC 296-17A-6308	Classification 6308
WAC 296-17A-6607	Classification 6607
WAC 296-17A-7203	Classification 7203

2016 Classification Rulemaking Attachment B

Chapter 296-17 WAC General reporting rules, audit and recordkeeping, rates and rating system for Washington workers' compensation insurance. and Chapter 296-17A WAC Classifications for Washington workers' compensation insurance.

	WAC Numbers and descriptions	Change	Reason for change
1.	WAC 296-17-31002 General rule definitions.	<ul style="list-style-type: none"> • Add definition for “principal” from WAC 296-17-31017 to the definitions in WAC 296-17-31002 	<ul style="list-style-type: none"> • Improve clarity to ensure consistent and fair application of the rules and to promote broad understanding of the rules • Incorporate and formalize existing agency practices
2.	WAC 296-17-31011 Classification system and plan.	<ul style="list-style-type: none"> • Revise to make it easier to understand 	
3.	WAC 296-17-31012 Classification assignment.	<ul style="list-style-type: none"> • Revise to make it easier to understand 	
4.	WAC 296-17-31013 Building construction.	<ul style="list-style-type: none"> • Revise to make it easier to understand • Clarify what is meant by “phase of construction” • Update examples used to illustrate application of rule • Add more detailed information about potential cost to employers who do not report and pay premiums on independent contractors that are covered workers 	
5.	WAC 296-17-31014 Farming and agriculture.	<ul style="list-style-type: none"> • Revise to make it easier to understand • Add list of classifications the Department considers to be farming or agriculture • Add details about the hand harvesting special exception classification 	
6.	WAC 296-17-31015 General inclusions.	<ul style="list-style-type: none"> • Revise to make it easier to understand 	
7.	WAC 296-17-31016 Classification by analogy.	<ul style="list-style-type: none"> • Revise to make it easier to understand • Update example used to illustrate application of rule 	

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	WAC Numbers and descriptions	Change	Reason for change
8.	<p>WAC 296-17A-0214</p> <ul style="list-style-type: none"> Concrete work in connection with highways, streets or roadways <p>WAC 296-17A-0518</p> <ul style="list-style-type: none"> Nonwood frame construction 	<ul style="list-style-type: none"> Add details on classifying construction of concrete parking lots Consolidated two very small 0518 subclassifications (metal carports and metal service station canopies) together 	<ul style="list-style-type: none"> Improve clarity to ensure consistent and fair application of the rules and to promote broad understanding of the rules Incorporate and formalize existing agency practices
9.	<p>WAC 296-17A-0307</p> <ul style="list-style-type: none"> HVAC installation, service, or repair 	<ul style="list-style-type: none"> Update format Revise to make it easier to understand Consolidate into a single classification (0307-01 Heating, ventilation, air conditioning, refrigeration and furnace systems: Installation, service or repair) these subclassifications: <ul style="list-style-type: none"> 0307-01, Furnaces and heating systems: Installation, service or repair and 0307-04, Ventilating, air conditioning and refrigerations systems: Installation, service or repair, N.O.C. 	<ul style="list-style-type: none"> Improve clarity to ensure consistent and fair application of the rules and to promote broad understanding of the rules Bring classification in line with how the industry operates Remove administrative burden and simplify reporting for accounts currently assigned both 0307-01 & 0307-04
10.	<p>WAC 296-17A-2903</p> <ul style="list-style-type: none"> Wood products manufacturing 	<ul style="list-style-type: none"> Update format Revise to make it easier to understand Consolidate into a single subclassification (2903-12, Manufacturing and assembly of wood products not otherwise classified (N.O.C.)) the following subclassifications: <ul style="list-style-type: none"> 2903-12, Wood products, N.O.C.:Manufacturing or assembly, 2903-20, Wood sign: Manufacturing, 	<ul style="list-style-type: none"> Improve clarity to ensure consistent and fair application of the rules and to promote broad understanding of the rules Incorporate and formalize existing agency practices Merge smaller subclassifications without enough exposure or losses to be statistically credible into

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	WAC Numbers and descriptions	Change	Reason for change
		<p>and</p> <ul style="list-style-type: none"> ○ 2903-27, Ridge cap and/or shim: Manufacturing • Add cutting and sizing lumber stock for other uses in addition to furniture manufacturing to the description of subclassification 2903-06, Manufacturing wood furniture stock • Add direction to subclassification 2903-28, Manufacturing, repairing, or refinishing wood boats, for classifying certain boat work not in connection with boat manufacturing • Remove verbiage excluding all activities away from the "shop or plant." This classification has always included pickup and delivery work, but this verbiage has, on occasion, caused the higher rated delivery classification to be added to the manufacturer's account 	larger subclassifications
11.	<p>WAC 296-17A-3702</p> <ul style="list-style-type: none"> • Breweries, wineries, and beverage bottling 	<ul style="list-style-type: none"> • Update format • Revise to make it easier to understand • Clarify rules for tasting rooms and restaurants associated with these manufacturers 	<ul style="list-style-type: none"> • Improve clarity to ensure consistent and fair application of the rules and to promote broad understanding of the rules • Incorporate and formalize existing agency practices

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	WAC Numbers and descriptions	Change	Reason for change
12.	<p>WAC 296-17A-4907</p> <ul style="list-style-type: none"> Inmate work opportunity <p>WAC 296-17A-4908</p> <ul style="list-style-type: none"> Inmates of adult honor camps 	<ul style="list-style-type: none"> Update format and language Revise to make it easier to understand Update to reflect DOC's current services Changing the terms "inmates" and "prisoners" to "offenders" 	<ul style="list-style-type: none"> Consistency with DOC's language in their recent WAC changes
13.	<p>WAC 296-17A-5201</p> <ul style="list-style-type: none"> Manufacturing of electronic apparatuses 	<ul style="list-style-type: none"> Update format Revise to make it easier to understand Add solar panel manufacturing to the description of subclassification 5201-75, Electric power or transmission equipment: Manufacturing or assembly 	<ul style="list-style-type: none"> Improve clarity to ensure consistent and fair application of the rules and to promote broad understanding of the rules Incorporate and formalize existing agency practices
14.	<p>WAC 296-17A-6109</p> <ul style="list-style-type: none"> Medical clinics <p>WAC 296-17A-6308</p> <ul style="list-style-type: none"> Eyewear and hearing aid stores 	<ul style="list-style-type: none"> Update format Revise to make it easier to understand Add clarification for classifying clerical and sales work for medical clinics Add clarification for classifying overnight stays for medical facilities Add clarification for classifying eye clinics and eyewear stores 	<ul style="list-style-type: none"> Improve clarity to ensure consistent and fair application of the rules and to promote broad understanding of the rules
15.	<p>WAC 296-17A-6204</p> <ul style="list-style-type: none"> Gyms and fitness centers 	<ul style="list-style-type: none"> Changing the title of subclassification 6204-04 from "Exercise or health institutes, gymnasiums, and health clubs" to "Exercise facilities, gyms, fitness and martial arts centers, N.O.C." to avoid classification confusion with 6205-00, Clubs, N.O.C. 	<ul style="list-style-type: none"> Improve clarity to ensure consistent and fair application of the rules and to promote broad understanding of the rules

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	WAC Numbers and descriptions	Change	Reason for change
16.	<p>WAC 296-17A-6303</p> <ul style="list-style-type: none"> • Social workers and dietitians <p>WAC 296-17A-6110</p> <ul style="list-style-type: none"> • Home health services and nursing care 	<ul style="list-style-type: none"> • Revise to make it easier to understand 	<ul style="list-style-type: none"> • Improve clarity to ensure consistent and fair application of the rules and to promote broad understanding of the rules
17.	<p>WAC 296-6607</p> <ul style="list-style-type: none"> • Subclassification 6607-02 recreational, social, and community centers 	<ul style="list-style-type: none"> • Add clarification for the classification of adult day care activities 	<ul style="list-style-type: none"> • Improve clarity to ensure consistent and fair application of the rules and to promote broad understanding of the rules • Incorporate and formalize existing agency practices
18.	<p>WAC 296-17A-7203</p> <ul style="list-style-type: none"> • Community service workers 	<ul style="list-style-type: none"> • Update format and language • Revise to make it easier to understand • Update to reflect DOC's current services 	<ul style="list-style-type: none"> • Consistency with DOC's language in their recent WAC changes