



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 16-03-058 ; 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 296-17A WAC Classifications for Washington Workers' Compensation Insurance.

Hearing location(s): Labor & Industries Building
 Room S117
 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) May 4, 2016, 5:00 p.m.

Date: May 4, 2016 Time: 10:00 a.m.

Date of intended adoption: May 17, 2016
 (Note: This is **NOT** the effective date)

Assistance for persons with disabilities: Contact
 Office of Information & Assistance by May 4, 2016
 TTY (360) 902-5797

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- Correct typographical and other errors (such as invalid telephone numbers and out-of-date references),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).
- Revise wording in Classification 7204, Preferred workers, to align with Preferred Worker Program changes made as a result of SHB 1496 enacted July 24, 2015.

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 for need, clarity, and consistency 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 22, 2016

TIME: 10:18 AM

WSR 16-07-119

DATE
 March 22, 2016

NAME (type or print)
 Joel Sacks

SIGNATURE

TITLE
 Director

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

2016 Miscellaneous classification and rating rule changes

WAC Chapter 296-17A, Classifications for Washington Workers' Compensation Insurance.

	WAC Numbers	WAC description	What is changing	Reason for change
1.	296-17A-0504-21 296-17A-0512-00 296-17A-0512-01 296-17A-0521-00 296-17A-4305-20	Painting: Exterior buildings or structures, N.O.C.; Cleaning: Interior/exterior of oil or gas storage tanks, beer vats, and sewage treatment tanks Insulation or sound proofing materials: Installation, N.O.C. Asbestos abatement Painting building interiors; wallpaper hanging/removal Hazardous waste and toxic material processing or handling, N.O.C.	Add the following reference for asbestos information: <i>Special note: See asbestos certification and training requirements at www.lni.wa.gov</i>	Safety and Ease of Doing Business. Staff from DOSH requested we reference requirements for handling asbestos in our classification rules. Asbestos handling is allowed in several classifications and DOSH staff want to make sure customers are thinking of the safety requirements also.
2.	296-17A-4808-01	Farms: Diversified field crops – not for fresh market	Correcting reference from 2102, Warehouse general merchandise, to 2104, Vegetable packing – Fresh.	The wrong classification was referenced in the July 2015 re-write of the classification.
3.	296-17A-4814 296-17A-4815 296-17A-4816	Farms – internship program	Remove outdated references to “governing classification” and WAC 296-17-310171.	References are no longer correct due to rule language changes made in July 2014 that repealed WAC 296-17-310171, which removed the practice of identifying the governing classification.
4.	296-17A-6408 296-17A-6409	Dealers: Farm machinery/implement Dealers: Service/repair garages, machinery, equipment, N.O.C.	Add note that sales may be reported in 6303 if businesses have sales representatives with no exposure to machinery and who meet criteria for WAC 296-17-31018 Exception classifications.	Ease of doing business. The scopes language for 6408 and 6409 was not clear about whether sales activities in 6408 and 6409 were allowed to be reported in 6303. Staff requested clarification due to the difficulty understanding the intent of the language. This will

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				reduce confusion for external customers and allow staff to provide consistent guidance to customers.
5.	296-17A-6902-03	Logging railroad – construction or maintenance	Correct classification reference from WAC 296-17-675 to WAC 296-17A-5206.	This reference was overlooked when classifications were re-named and put into a new Chapter WAC 296-17A in 2006.
6.	296-17A-6907	Household furnishings – moving and storage	Add exclusion to 6907 for modular work stations and office furniture, which are to be reported in 2002-13.	<p>Ease of doing business. Currently, the exclusions in 6907 do not reference moving/assembly of office furniture and modular work stations - 6907 exclusions only say that non-household furnishings go in the warehouse classification. Classification 2002 is not for warehouses; subclassification 2002-13 is freight handling, and already includes office furniture and modular work stations.</p> <p>Staff requested clarification due to the difficulty understanding the intent of the language. This will reduce confusion for external customers and allow staff to provide consistent guidance to customers.</p>
7.	296-17A-7204	Preferred Workers	Delete descriptions of eligibility and program details; add reference to Preferred Worker WAC 296-16; specify that all jobs are allowed in classification 7204.	<p>SHB 1496, enacted July 24, 2015, allows employers of injury to employ their injured workers as preferred workers, if the employer and the injured worker qualify for the Preferred Worker Program.</p> <p>7204 currently outlines eligibility and program details of the PW program. By removing the WAC 296-16 details, adding a reference to WAC 296-16, and specifying that all jobs are allowed in classification 7204, we are minimizing potential for future classification inconsistencies and required updates if changes happen within the preferred worker program.</p>