## WSR 07-14-028 EXPEDITED RULES STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

[Filed June 26, 2007, 10:30 a.m.]

Title of Rule and Other Identifying Information: WAC 131-08-005 General description of state board organization and operations.

### NOTICE

THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO DelRae Oderman, State Board for Community and Technical Colleges, P.O. Box 42495, Olympia, WA 98504-2495, AND RECEIVED BY September 4, 2007.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Update address to new office location.

Statutory Authority for Adoption: RCW 28B.50.070. Statute Being Implemented: RCW 28B.50.070.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: State board for community and technical colleges, governmental.

Name of Agency Personnel Responsible for Drafting, Implementation and Enforcement: DelRae Oderman, 1300 Quince Street S.E., Olympia, WA 98504-2495, (360) 704-4309.

June 26, 2007 DelRae Oderman Executive Assistant Agency Rules Coordinator

AMENDATORY SECTION (Amending WSR 98-15-002, filed 7/2/98, effective 8/2/98)

WAC 131-08-005 General description of state board organization and operations. (1) The state board for community and technical colleges consists of nine members appointed by the governor. Members serve for terms of four years; or until a successor is named.

(2) The executive officer and secretary of the board is the executive director of the state system of community and technical colleges. The executive director is in charge of the offices of the board and responsible to the board for the preparation of reports and the collection and dissemination of data and other public information relating to the state system of community and technical colleges. The executive director exercises, in the name of the board, all powers and duties delegated by the board and at the direction of the board executes, together with the chair of the board, all contracts entered into by the board.

- (3) It is the board's duty to exercise general supervision and control over the state system of community and technical colleges consistent with the specific powers and duties set forth in the Community and Technical College Act of 1991, chapter 28B.50 RCW.
- (4) The board's office is located in Olympia, Washington, ((319 Seventh Avenue)) 1300 Quince Street S.E., 98504.
- (5) Information about specific meeting places and times may be obtained at the board office. Formal submission or requests to the state board should be addressed to the executive director at the Olympia office.

## WSR 07-14-029 EXPEDITED RULES STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

[Filed June 26, 2007, 10:30 a.m.]

Title of Rule and Other Identifying Information: WAC 131-48-050 Minimum proficiency level—Definition.

### NOTICE

THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO Alleyne Bruch, State Board for Community and Technical Colleges, P.O. Box 42495, Olympia, WA 98504-2495, AND RECEIVED BY September 4, 2007.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Realigning the standard score for minimum proficiency in Washington state with federal guidelines set by GED testing service.

Reasons Supporting Proposal: GED testing service implemented the new version of the GED test in January 2002 which changed the standard score for minimum proficiency. This change will insure that the standard score remains aligned with GED testing service guidelines.

Statutory Authority for Adoption: RCW 28B.50.536. Statute Being Implemented: RCW 28B.50.536.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: State board for community and technical colleges, governmental.

Name of Agency Personnel Responsible for Drafting, Implementation and Enforcement: Alleyne Bruch, 1300 Ouince Street S.E., Olympia 98504-2495, (360) 704-4321.

June 26, 2007 DelRae Oderman Executive Assistant Agency Rules Coordinator

[1] Expedited

AMENDATORY SECTION (Amending WSR 93-22-006, filed 10/21/93, effective 11/21/93)

WAC 131-48-050 Minimum proficiency level—Definition. ((As used in this chapter, the term ")) Minimum proficiency level(("means a standard score of at least forty on each of the five portions of the general educational development test, and an average standard score of at least forty-five on the entire test)) in Washington state is that set by GED Testing Service, part of the American Council on Education.

## WSR 07-14-038 EXPEDITED RULES DEPARTMENT OF EARLY LEARNING

[Filed June 27, 2007, 9:43 a.m.]

Title of Rule and Other Identifying Information: ECEAP chapter 170-100 WAC, Changing department of community, trade, and economic development to department of early learning.

### **NOTICE**

THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO Heike Syben, Department of Early Learning, P.O. Box 40970, Olympia, WA 98504-0970, AND RECEIVED BY September 4, 2007.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The early child-hood education and assistance program was moved from the department of community, trade, and economic development to the newly established department of early learning on July 1, 2006. This proposal does not affect the existing rules, but is a technical fix to change the department name to the department of early learning.

Reasons Supporting Proposal: ECEAP is no longer under the authority of community, trade, and economic development. Chapter 43.215 RCW places authority with the department of early learning.

Statutory Authority for Adoption: Chapter 43.215 RCW.

Statute Being Implemented: Chapter 170-100 WAC.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Department of early learning, governmental.

Name of Agency Personnel Responsible for Drafting: Heike Syben, P.O. Box 40970, Olympia, WA 98504, (360) 725-2839; Implementation and Enforcement: Sangree Froelicher, P.O. Box 40970, Olympia, WA 98504, (360) 725-4686

June 25, 2007 Sangree Froelicher Assistant Director

AMENDATORY SECTION (Amending WSR 06-18-085, filed 9/5/06, effective 9/5/06)

**WAC 170-100-030 Definitions.** (1) "Contractor" means a nonsectarian public or private organization that contracts with the department of ((eommunity, trade, and economic development)) early learning to provide local early childhood education and assistance services.

- (2) "Department" means the department of ((eommunity, trade and economic development)) early learning.
- (3) "Director" means the director of the department of ((community, trade and economic development)) early learning.

### WSR 07-14-107 EXPEDITED RULES DEPARTMENT OF REVENUE

[Filed July 2, 2007, 4:02 p.m.]

Title of Rule and Other Identifying Information: WAC 458-30-300 Additional tax—Withdrawal or removal from classification, 458-30-330 Open space plan and public benefit rating system—Authorization and procedure to establish—Adoption—Notice to owner—Valuation, and 458-30-700 Designated forest land—Removal—Change in status—Compensating tax.

#### NOTICE

THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO Kim M. Qually, Department of Revenue, P.O. Box 47453, Olympia, WA 98504-7453, fax (360) 586-5543, e-mail kimq@dor.wa.gov, AND RECEIVED BY September 3, 2007.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: WAC 458-30-300 explains the process involved in removing land from classification under chapter 84.34 RCW, the Open Space Taxation Act. It includes a listing of events that trigger removal but do not result in the payment of additional tax, interest, and penalty generally due when land is removed from classification. WAC 458-30-700 contains similar provisions applicable to the removal of forest land from designation under chapter 84.33 RCW. This rule also outlines the collection and exemptions from the payment of compensating tax generally

Expedited [2]

due upon removal. The statutes underlying WAC 458-30-300 and 458-300-700 were amended during the 2007 session to delete out-of-date information. The rules are being revised to reflect current law. WAC 458-30-330 explains the public benefit rating system that some counties use to value classified open space land under chapter 84.34 RCW. The name of one of the recognized sources of open space priorities was changed during the 2007 session. The rule is being amended to recognize this change.

Reasons Supporting Proposal: The statutes authorizing these rules were amended by 2007 laws. RCW 84.34.108, which is interpreted in WAC 458-30-300, was amended by section 25, chapter 54, Laws of 2007, and RCW 84.33.140, which is interpreted in WAC 458-30-700, was amended by section 24, chapter 54, Laws of 2007. RCW 84.34.055, which is interpreted in WAC 458-30-330, was amended by section 73, chapter 241, Laws of 2007. The rules are being amended so they reflect the current text of the underlying statutes.

Copies of draft rules are available for viewing and printing on our web site at http://dor.wa.gov/content/FindALawOrRule/RuleMaking/agenda.aspx.

Statutory Authority for Adoption: RCW 84.34.141 and 84.08.070.

Statute Being Implemented: RCW 84.34.055, 84.34.-108, and 84.33.140.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Department of revenue, governmental.

Name of Agency Personnel Responsible for Drafting: Kim M. Qually, 1025 Union Avenue S.E., Suite #544, Olympia, WA, (360) 570-6113; Implementation and Enforcement: Brad Flaherty, 1025 Union Avenue S.E., Suite #200, Olympia, WA, (360) 570-5860.

July 2, 2007 Alan R. Lynn Rules Coordinator

AMENDATORY SECTION (Amending WSR 01-24-030, filed 11/27/01, effective 12/28/01)

WAC 458-30-300 Additional tax—Withdrawal or removal from classification. (1) Introduction. This rule outlines the withdrawal and removal procedures, events that trigger removal, and how to calculate the additional property tax ("additional tax"), interest, and penalty that may be imposed because land is withdrawn or removed from classification. When land is withdrawn or removed additional tax and interest are due. A twenty percent penalty is also due when land is removed from classification (see RCW 84.34.-108 and 84.34.070(2)).

(2) Duties of assessor and treasurer. As soon as possible after determining that the land no longer qualifies for classification under chapter 84.34 RCW or the use of the land has changed, the assessor must notify the owner in writing regarding this determination and of his or her intent to remove the land from classification. The assessor may not remove the land from classification until the owner has had an opportunity to be heard on the issue of removal.

- (a) The owner has thirty calendar days following the postmark date on the assessor's notice of intent to remove to respond, in writing, to the assessor about the removal of the land from classification. After giving the owner an opportunity to be heard and unless sufficient information or evidence is presented as to why the land should not be removed from classified status, the land will be removed from classification as of the date the land no longer qualified for classification or the use of the land changed.
- (b) Within thirty days of removing land from classification, the assessor notifies the owner, in writing, about the reasons for the removal. The owner, seller, or transferor may appeal the removal to the county board of equalization.
- (c) Unless the removal is reversed on appeal, the assessor revalues the affected land with reference to its true and fair value on the date of removal from classification. The assessment roll will list the assessed value of the land before and after the removal from classification. Taxes will be allocated to the part of the year to which each assessed value applies; that is, current use and true and fair value.
- (d) The assessor computes the amount of additional tax, interest, and penalty, unless the removal is the result of one of the circumstances listed in subsection (5) of this rule.
- (e) The assessor notifies the treasurer of the amount of additional tax, interest, and penalty due.
- (f) The treasurer mails or gives the owner written notice about the amount of the additional tax, interest, and, if required, penalty due and the date on which the total amount must be paid.
- (g) The total amount is due and payable to the treasurer thirty days after the owner is notified of the amount of additional tax, interest, and penalty due.
- (3) Amount of additional tax, interest, and penalty. The amount of additional tax, interest, and penalty will be determined as follows:
- (a) The amount of additional tax is equal to the difference between the property tax paid on the land because of its classified status and the property tax that would have been paid on the land based on its true and fair value for the seven tax years preceding the withdrawal or removal. And in the case of a removal, the taxes owed for the balance of the current tax year;
- (b) The amount of interest, calculated at the same statutory rate charged on delinquent property taxes specified in RCW 84.56.020, is based upon the amount of additional tax determined under (a) of this subsection, starting from the date the additional tax could have been paid without interest until the date the tax is paid; and
- (c) A penalty amounting to twenty percent of the additional tax and interest; that is, twenty percent of the total amount computed in (a) and (b) of this subsection. A penalty is not imposed when:
- (i) The land has been classified for at least ten years at the time it is withdrawn from classification and the owner submitted a request to withdraw classification to the assessor at least two assessment years prior to the date the land is withdrawn from classification; or
- (ii) The use of the land has changed and the change in use was the result of one of the circumstances listed in RCW

[3] Expedited

- 84.34.108(6). See subsection (5) of this rule for a detailed list of these circumstances.
- (4) Failure to sign notice of continuance. Land will be removed from current use classification if a new owner fails to sign the notice of continuance when the classified land is sold or transferred. Additional tax, interest, and penalty will be imposed in accordance with RCW 84.34.108(4) because of this removal. A notice of continuance is not required when classified land is transferred to a new owner who is the heir or devisee of a deceased owner and the new owner wishes to continue classified use (see RCW 84.34.108 (1)(c)). If the heir or devisee elects not to continue classified use, the land will be removed from classification and additional tax, interest, and penalty are due.
- (5) **Exceptions.** No additional tax, interest, or penalty will be imposed if the withdrawal or removal from classification was the result of one or more of the following circumstances:
- (a) Transfer to a governmental entity in exchange for other land located within the state of Washington;
- (b) A taking through the exercise of the power of eminent domain or the sale or transfer to an entity having the power of eminent domain in anticipation of the exercise of this power. This entity must have declared its intent to exercise the power of eminent domain in writing or by some other official action;
- (c) A natural disaster such as a flood, windstorm, earthquake, or other such calamity rather than an act of the land-owner changing the use of the property;
- (d) Official action by an agency of the state of Washington or by the county or city in which the land is located disallowing the current use of classified land. For the purposes of this rule, "official action" includes: City ordinances, zoning restrictions, Growth Management Act, Shoreline Management Act, and Environmental Policy Act;
- (e) Transfer of land to a church when the land would qualify for a property tax exemption under RCW 84.36.020. Only the land that would qualify for exemption under RCW 84.36.020 is included within this exception. Additional tax, interest, and, if appropriate, the penalty will be assessed upon the remainder of the land withdrawn or removed from classification:
- (f) Acquisition of property interests by public agencies or private organizations qualified under RCW 84.34.210 or 64.04.130 for the conservation purposes specified therein. See subsection (6) of this rule for a listing of these agencies, organizations, and purposes. However, when the property interests are no longer used for one of the purposes enumerated in RCW 84.34.210 or 64.04.130, additional tax, interest, and penalty will be imposed on the owner of the property at that time;
- (g) Removal of land granted classification as farm and agricultural land under RCW 84.34.020 (2)(d) because the principal residence of the farm operator or owner and/or housing for farm and agricultural employees was situated on it. This exception applies only to the land upon which the housing is located even if this portion of the agricultural enterprise has not been allocated a separate parcel number for assessment and tax purposes;

- (h) Removal of classification after a statutory exemption is enacted that would exempt the land from property tax and the landowner submits a written request to the assessor to remove the land from classification. This exception applies only to newly enacted exemptions that would cause classified land to go from taxable to exempt status. For example, in 1999 the legislature created a new property tax exemption for property used for agricultural research and education programs. Subsequently, the owner of such land requests removal of the land from classification, no additional tax, interest or penalty are imposed because of this new property tax exemption authorized by RCW 84.36.570.
- (i) The creation, sale, or transfer of forestry riparian easements under RCW 76.13.120;
- (j) The creation, sale, or transfer of a fee interest or a conservation easement for the riparian open space program under RCW 76.09.040;
- (k) The sale or transfer of land within two years of the death of an owner who held at least a fifty percent interest in the land if:
- (i) The individual(s) or entity(ies) who received the land from the deceased owner is selling or transferring the land; and
- (ii) The land has been continuously assessed and valued as classified or designated forest land under chapter 84.33 RCW or classified under chapter 84.34 RCW since 1993. The date of death shown on the death certificate begins the two-year period for sale or transfer; or
- (l) ((The sale or transfer of classified land between July 22, 2001, and July 22, 2003, if:
- (i) An owner who held at least a fifty percent interest in the land died after January 1, 1991;
- (ii) The individual(s) or entity(ies) who received the land from the deceased owner is selling or transferring the land; and
- (iii) The land has been continuously assessed and valued as classified or designated forest land under chapter 84.33 RCW or classified under chapter 84.34 RCW since 1993. The date of death shown on the death certificate is the date used to determine the deceased owner's date of death; or
- (m))) The result of one of the following changes in classification because of the owner's request:
- (i) Reclassification from farm and agricultural land under RCW 84.34.020(2) to: Timber land under RCW 84.34.020(3), open space land under RCW 84.34.020(1), or forest land under chapter 84.33 RCW;
- (ii) Reclassification from timber land under RCW 84.34.020(3) to: Farm and agricultural land under RCW 84.34.020(2), open space land under RCW 84.34.020(1), or forest land under chapter 84.33 RCW;
- (iii) Reclassification from open space/farm and agricultural conservation land under RCW 84.34.020 (1)(c) to farm and agricultural land under RCW 84.34.020(2) if the land was previously classified as farm and agricultural land; or
- (iv) Reclassification from forest land under chapter 84.33 RCW to open space land under RCW 84.34.020(1).
- (6) Land acquired by agencies or organizations qualified under RCW 84.34.210 or 64.04.130. If the purpose for acquiring classified land is to protect, preserve, maintain, improve, restore, limit the future use of, or conserve the land

Expedited [4]

for public use or enjoyment and the classified land is acquired by any of the following entities, no additional tax, interest, or penalty will be imposed as long as the property is used for one of these purposes:

- (a) State agency;
- (b) Federal agency;
- (c) County;
- (d) City;
- (e) Town;
- (f) Metropolitan park district (see RCW 35.61.010);
- (g) Metropolitan municipal corporation (see RCW 35.58.020);
- (h) Nonprofit historic preservation corporation as defined in RCW 64.04.130; or
- (i) Nonprofit nature conservancy corporation or association as defined in RCW 84.34.250.
- (7) Removal of classification from land that was previously classified or designated forest land under chapter 84.33 RCW. Land that was previously classified or designated as forest land under chapter 84.33 RCW may be reclassified under chapter 84.34 RCW at the request of the land owner. If such land is subsequently removed from the current use program before the land has been classified under chapter 84.34 RCW for at least ten assessment years, a combination of compensating tax imposed under chapter 84.33 RCW and additional tax, interest, and penalty imposed under chapter 84.34 RCW is due. RCW 84.33.145 explains the way in which these taxes are to be calculated.

AMENDATORY SECTION (Amending WSR 06-18-011, filed 8/24/06, effective 9/24/06)

WAC 458-30-330 Open space plan and public benefit rating system—Authorization and procedure to establish—Adoption—Notice to owner—Valuation. (1) Introduction. RCW 84.34.055 enables a county legislative authority to establish an open space plan, public benefit rating system, and valuation schedule for land classified as open space. This section explains the factors that must be considered when such a plan and rating system are established, includes a nonexclusive list of recognized sources used in determining open space priorities, and outlines the actions required after and effects of the approval of an open space plan and public benefit rating system.

- (2) **General authorization.** The county legislative authority may direct the county planning commission to set open space priorities and to adopt, following a public hearing, an open space plan and a public benefit rating system (rating system) for the county. As used in this section, "planning commission" means the county office, commission, or department that is responsible for making planning decisions at the county level. The open space plan must include, but is not limited to, the following:
  - (a) Criteria to determine the eligibility of land;
  - (b) A process to establish a rating system; and
- (c) An assessed valuation schedule developed by the assessor. This schedule is a percentage reduction of true and fair value based on the rating system.
- (3) **A public hearing is required.** At least one public hearing must be held before an open space plan, a public ben-

efit rating system, or an assessed valuation schedule may be approved by the county legislative authority.

- (4) What criteria are used to determine eligibility? Within the rating system the county legislative authority must include the criteria and elements contained in RCW 84.34.-020 (1)(a). This authority, which approves or denies applications for the classification and reclassification of land as open space, must consider the criteria when it makes its determination.
- (a) The rating system must provide a method to rank or rate classified open space land.
- (b) The legislative authority must give priority consideration to lands used for buffers planted with or primarily containing native vegetation no later than July 1, 2006, unless buffers of this nature already receive priority consideration in an existing open space plan, rating system, and assessed valuation schedule.
- (c) "Priority consideration" as used in this section, may include, but is not limited to, establishing classification eligibility, maintenance criteria, or a rating system for buffers with native vegetation.
- (5) **How is an open space plan and rating system developed?** The county planning commission must take all reasonable steps to determine open space priorities or use recognized sources for this purpose, or both.
- (a) Recognized sources of open space priorities include, but are not limited to:
  - (i) The natural heritage data base;
  - (ii) The state office of historic preservation;
- (iii) The ((interagency committee for outdoor)) recreation and conservation office inventory of dry accretion beach and shoreline features;
- (iv) The state, national, county, and/or state registers of historic places;
  - (v) The shoreline master program; or
- (vi) Studies conducted by the parks and recreation commission and by the departments of fisheries, natural resources, and wildlife.
- (b) Particular features and sites may be verified by an outside expert in the field and approved by the appropriate state or local agency. This verification is to be sent to the county legislative authority for final approval for inclusion in the open space plan.
- (6) How is an owner of classified open space land notified about the adoption of an open space plan, rating system, and valuation schedule? Can an owner choose not to participate and request removal from the current use **program?** Once the county legislative authority adopts an open space plan, rating system, and assessed valuation schedule, the planning commission or other designated agent of the legislative authority must assign a recommended number of priority rating points to all land classified as open space using the adopted rating system. The planning commission or agent will forward this recommendation to the county legislative authority for approval. After the number of priority rating points are assigned and approved, this information will be sent to the assessor. The assessor will determine the new assessed value of the classified open space land based on the number of priority rating points assigned and the adopted assessed valuation schedule. Thereafter, the assessor must

[5] Expedited

notify all owners of such land of the new assessed value of their land in the manner provided in RCW 84.40.045.

- (a) Within thirty days of receipt of this notice of the new assessed value, the owner may request that the parcel(s) of land be removed from the open space classification without payment of additional tax, interest, or penalty.
- (b) If previously classified open space land does not qualify for classification under the newly adopted open space plan and rating system, the assessor is not to remove the land from the open space classification. This land will retain its status as classified open space land. The assessor will determine the value of this land using the new priority rating system and valuation schedule.
- (7) How does a rating system affect assessed value of classified open space land? The assessed value of properties classified as open space is determined by a formula using a priority rating system typically consisting of "points." A county generally establishes a list of priority resources based on the definition of open space in RCW 84.34.020(1); these are also known as "open space priorities." Each priority resource is assigned a specific point or number of points. The more priority points the land is entitled to, the larger the reduction in true and fair value.
- (a) A parcel of classified open space land may contain a number of priority resources. In such cases, the open space plan and rating system may allow the parcel to receive multiple priority points based on the number of priority resources. This would entitle the parcel to a larger reduction in assessed value.
- (b) The priority rating system takes into consideration established priority resources, public access, and/or conservation or historic easements.
- (c) **Example.** Let's assume a wetland was designated as a priority resource in the adopted open space plan. A wetland entitles the land to receive three priority points. Each point may represent a ten percent reduction in assessed value (one point equals a ten percent reduction, two points equals a twenty percent reduction, and so on). A parcel with a priority rating of three points would be entitled to a thirty percent reduction in assessed value.

AMENDATORY SECTION (Amending WSR 02-20-041, filed 9/24/02, effective 10/25/02)

- WAC 458-30-700 Designated forest land—Removal—Change in status—Compensating tax. (1) Introduction. This rule describes what events trigger the removal of land from designated forest land status under chapter 84.33 RCW, the procedures followed for removal, and the resulting compensating tax.
- (2) Events triggering the removal of designated forest land status. The assessor must remove forest land from its designated forest land status when:
- (a) The owner submits a written request to remove the owner's land from designated forest land status;
- (b) The owner sells or transfers the land to an individual or entity exempt from property tax because of that individual's or entity's ownership;

- (c) The assessor determines that the land is no longer primarily devoted to and used for growing and harvesting timber:
- (d) The owner has failed to comply with a final administrative or judicial order made because of the violation of the restocking, forest management, fire protection, insect and disease control and forest debris provisions of Title 76 RCW or the rules that implement Title 76 RCW;
- (e) Restocking has not occurred to the extent or within the time specified in the application for designation of the land; or
- (f) The owner sells or transfers forest land to a new owner who has not signed a notice of continuance, except when the new owner is the heir or devisee of a deceased owner. RCW 84.33.140(5).
- (3) How to retain designated forest land status when the land is sold or transferred. When designated forest land is sold or transferred, the new owner may retain designated forest land status by filing a signed notice of continuance with the deed. The notice of continuance may be signed as part of the real estate excise tax (REET) affidavit or as a separate form if the county has decided it will require owners to submit both the REET affidavit and an attached separate notice of continuance. If multiple owners own the land, all owners or their agent(s) must sign the notice of continuance. A notice of continuance is not required for a new owner to retain designated forest land status when the new owner inherits the property.
- (a) The owner may obtain the notice of continuance form and a real estate excise tax (REET) affidavit from the county. The county assessor's office has the notice of continuance form and the county treasurer's office has the REET affidavit.

The notice of continuance may also be obtained on the internet at http://dor.wa.gov under property tax, "forms."

- (b) After the new owner signs the notice of continuance as part of the REET affidavit and, if required, the separate notice, the REET affidavit and notice must be submitted to the assessor for approval. The assessor may also require the owner to submit a timber management plan before approving the notice of continuance.
- (i) The assessor signs the REET affidavit and indicates whether the land will or will not qualify to continue as designated forest land.
- (ii) An assessor signs the REET affidavit and approves the land for continued classification if:
- (A) The owner provides a complete and accurate notice of continuance signed by the new owner demonstrating that the forest land will continue to qualify as designated forest land: and
- (B) At the assessor's option, the new owner provides a timber management plan for the property.
- (iii) The assessor is allowed up to fifteen days to confirm that the information upon the notice is complete and accurate. The assessor may use this time to confirm that the timber management plan provides:
  - (A) The correct legal description for the forest land;
- (B) The new owner's statement that the forest land is owned by the same person, consists of twenty or more contiguous acres, and is primarily devoted to and used to grow and harvest timber:

Expedited [6]

- (C) A statement about whether the land is used to graze livestock:
- (D) A brief description of the timber stands located on the land;
- (E) A statement about whether the land has been used in compliance with the restocking, forest management, fire protection, insect and disease control, and forest debris provisions of Title 76 RCW; and
- (F) If the land has been recently harvested or supports a growth of brush and noncommercial type timber, a description of the owner's plan to restock the forest land within three years.
- A timber management plan may contain, but is not required to contain, any other information that the harvester needs for its own business purposes (i.e., a statement of goals for managing the land or identifying resource protection areas on the land (like riparian buffer areas along a stream or an unstable slope) that limit harvesting activities).
- (iv) If the assessor determines that the notice of continuance or the timber management plan is not accurate or complete, the owner may resubmit the corrected information to the assessor.
- (v) If the assessor determines that the land does not qualify to continue as designated forest land, the assessor removes the land upon the date of the conveyance and provides the owner with a notice of removal containing reason(s) for the removal and the amount of compensating taxes owed.
- (c) Once the assessor signs the notice of continuance as part of the REET affidavit and the separate notice of continuance, if required, the notice(s) are then submitted to the treasurer. Before the treasurer can stamp the REET affidavit as approved for recording, the treasurer collects any REET due because of the transfer, and collects all compensating tax if the land does not qualify for continuance as designated forest land because it was denied continuance by the assessor. The county recording clerk must not accept any deeds or other transfer documents unless the treasurer has stamped the REET affidavit.
- (d) A notice of continuance is not required when the transfer of the forest land is to a new owner who is an heir or devisee, however, the new owner must continue to meet the requirements of designated forest land to avoid removal from designation. The treasurer determines that a transfer is by inheritance because the claim for the inheritance exemption is filled out on the REET affidavit with supporting documentation. The treasurer should notify the assessor when forest land has been transferred by inheritance without a notice of continuance.
- (4) **Assessor decisions and procedures.** Before removing the land from its designated forest land status, the assessor follows certain procedures and takes into account circumstances that may delay or prevent removal.
  - (a) The assessor must determine:
- (i) The actual area of land to be removed from forest land status;
- (ii) Whether the land has been exempted from an unretired special benefit assessment;
- (iii) The true and fair value of the area being removed as of January 1st of the year of removal from designation;
  - (iv) Forest land value for the area to be removed;

- (v) The last levy rate that applied for that area; and
- (vi) The amount of time the land has been designated and classified as forest land, including the number of days up to the date of removal for the current year of removal.
- (b) The assessor may require the owner to provide a legal description of the land area intended for removal when the landowner requests removal of owner's land from designated forest land status.
- (c) The remaining land outside of the affected removal area continues to be designated as forest land if the owner retains twenty or more contiguous acres primarily devoted to and used for growing and harvesting timber. If the remaining land fails to meet the forest land definition because there are less than twenty contiguous acres primarily devoted to and used for growing and harvesting timber, the owner may request reclassification as timber land under the open space program in chapter 84.34 RCW.
- (d) The assessor must provide the owner with a written notice and an opportunity to be heard by the assessor, or the assessor's deputy, when the assessor intends to remove the land because it is no longer primarily devoted to and used for growing and harvesting timber. RCW 84.33.140 (5)(d). Each county assessor may set his or her own procedure for giving a landowner this notice and opportunity to be heard so long as it is done in a reasonable and consistent manner that ensures due process for each owner.
- (e) An assessor may not remove forest land merely because an owner subdivides the land into separate parcels, if contiguous parcels of the subdivided land still add up to at least twenty contiguous acres, remain in the same ownership, and continue to be primarily devoted to and used for growing and harvesting timber. An assessor may ask an owner of designated forest land if the use of the land has changed when the owner subdivides a tract of designated forest land into separate parcels.
- (f) If the assessor determines the land is no longer primarily devoted to and used for growing and harvesting timber, but there is a pending acquisition by an entity that would qualify for exemption from compensating tax under subsection (6)(e) of this rule, the assessor must not remove the land from its designated forest land status. RCW 84.33.140 (5)(d)(i). In order to prevent removal, the government entity or other qualified recipient must provide written proof to the assessor of its intent to acquire the land or documentation that demonstrates the transaction will qualify for an exemption from compensating tax under subsection (6)(e) of this rule. The entity acquiring the land must provide this written proof within sixty days of a request by the assessor. Thereafter, once a year, the governmental entity or other recipient must provide the assessor of the county in which the land is located written evidence of its intent to acquire the land. This written evidence must be provided on or before December 31st of each year or at an earlier date if the assessor makes a written request for such information. RCW 84.33.140 (5)(d)(i). Upon the assessor's written request, the information must be provided within sixty days from the date the assessor mails or hands the request to the owner or the postmark date of the request, if later.
- (g) The assessor must not remove forest land from its designation if a governmental restriction is imposed on the

[7] Expedited

land that prohibits, in whole or in part, the harvesting of timber.

- (i) If only a portion of the forest land is impacted by the governmental restriction, the assessor cannot use the restriction as a basis to remove the remainder of the land from its designated forest land status.
  - (ii) A governmental restriction includes:
- (A) Any law, regulation, rule, ordinance, program, or other action adopted or taken by a federal, state, county, city, or other governmental entity; or
- (B) The land's zoning or its presence within an urban growth area designated under RCW 36.70A.110.
- (5) **Removal proceedings.** After determining that a triggering event causing removal has occurred, the assessor must provide timely written notice(s) to the taxpayer. RCW 84.33.140 (5)(d) (written notice and opportunity to be heard), RCW 84.33.140(9) (notice of removal). Upon receiving the notice of removal, the landowner may appeal the removal or apply for reclassification of the land to the open space program under chapter 84.34 RCW. If the owner chooses to appeal the removal, the appeal must be filed within thirty days of the postmark date for the notice or by July 1st of the year of removal, whichever is later. If the owner chooses to apply for reclassification, they must do so within thirty days of the postmark date of the notice.
- (a) When does the land get removed from the designated forest land status? If the removal is a result of a sale or transfer, the assessor removes the land on the date of sale or transfer provided in the legal conveyance. If the removal is based upon a determination made about the land by the assessor or at the request of the owner, the assessor removes the land on the date shown on the notice of removal mailed to the owner.
- (b) **Notice of removal.** The assessor uses the notice of removal to notify the owner that the land has been removed from designated forest land status. Within thirty days of removing land from designated forest land status, the assessor must mail a notice of removal to the owner with the reasons for the removal. The owner, seller, or transferor may appeal the removal to the county board of equalization.
- (i) If the property is being removed because the assessor has determined the land is no longer primarily devoted to and used for growing and harvesting timber, the assessor provides two notices. First, the assessor must notify the taxpayer of his or her intent to remove the property and give the owner an opportunity to be heard. The assessor may require the owner to provide pertinent information about the land and its use in the response to the assessor's first notice. When the assessor determines that the property still does not qualify as designated forest land after the first notice is sent, the assessor mails the owner the second notice, the notice of removal, but only after:
  - (A) The owner declines the opportunity to be heard;
- (B) The owner fails to timely respond to the first notice; or
- (C) The assessor has received and considered the owner's timely response to the notice of intent to remove and nevertheless concludes that the property is no longer primarily devoted to growing and harvesting timber.

- (ii) If the removal is based upon an owner's request for removal, upon receipt of a request for removal from an owner, the assessor sends the notice of removal to the owner showing the compensating tax and recording fee due.
- (iii) The notice provides the reason(s) for removing the land from designation and the date of the removal. RCW 84.33.140(9). The notice includes the compensating tax calculated in rule section (6) and the necessary recording fees to be paid. It also includes the due date for payment, along with the landowner's rights to appeal the removal or the true and fair value at the time of removal, and the owner's right to apply for the land to be reclassified under chapter 84.34 RCW. The county must use the notice of removal form prepared by the department.
- (iv) The assessor must also provide written notice of the removal to any local government filing a notice regarding a special benefit assessment under RCW 84.33.210 within a reasonable time after the assessor's decision to remove the land. The assessor may provide a simple statement with the legal description of the land, the name of the landowner, and the date of removal, if he or she includes a copy of the notice sent to the landowner. RCW 84.33.230.
- (c) What happens when an owner chooses to appeal the removal? Unless the removal is reversed upon appeal, the assessor continues the process to remove the property from designated forest land status. The assessor may choose to delay collection of the compensating tax and recording fee until the appeal is decided. However, if the assessor postpones the collection of the compensating tax and recording fee, the assessor must notify the treasurer to temporarily delay collection. The assessor must also notify the owner that if the determination to remove is upheld, then interest will be due from the date the compensating tax and recording fee were due.
- (i) If the removal is reversed upon appeal, the assessor shall reinstate the land as designated forest land, discharge any lien placed against the land, revise any assessments made against the property during the interim, refund the recording fee paid, and refund or cancel any compensating taxes and interest paid or owing.
- (ii) If the removal is upheld upon an appeal in which the assessor has delayed collection, the compensating tax and recording fee are due immediately with interest accrued from the date the tax and fee were originally due. Upon receiving notice of the decision upholding the removal, the assessor must immediately notify the treasurer to collect any unpaid compensating taxes, fees, and interest on the land.
- (d) What happens when an owner applies to have the land reclassified under chapter 84.34 RCW? If an application for reclassification is submitted by the owner within thirty days after the notice of removal has been mailed, the forest land is not removed from classification until the application for reclassification under chapter 84.34 RCW is denied or later removed from classification under RCW 84.34.108. RCW 84.33.145(1).
- (i) The assessor processes an application for reclassification in the same manner as it processes an initial application for classification under chapter 84.34 RCW.
- (ii) A timber management plan must be filed with the county legislative authority within sixty days of the date the

Expedited [8]

application for reclassification under this chapter or from designated forestland under chapter 84.33 RCW is received. The application for reclassification will be accepted, but may not be processed until this plan is received.

- (A) If this plan is not received within sixty days of the date the application for reclassification is received, the application will be denied.
- (B) If circumstances require it, the assessor may allow an extension of time for submitting a timber management plan when an application for reclassification is received. The applicant will be notified of this extension in writing. When the assessor extends the filing deadline for this plan, the county legislative authority may delay processing the application until the plan is received. If the timber management plan is not received by the date set by the assessor, the application for reclassification will be automatically denied.
- (iii) When the owner sells or transfers land (or a portion of the land) while an application for reclassification is pending, an assessor may accept a notice of continuation, and allow the owner to revise the application for reclassification to reflect the name of the new owner of the property.
- (iv) If the application for reclassification under chapter 84.34 RCW is approved, the assessor shall transfer the property to its new classification.
- (v) If the application for reclassification under chapter 84.34 RCW is denied, the assessor must record the removal notice and inform the treasurer's office to immediately begin collection of the compensating tax and the recording fee.
- (6) **Compensating tax.** Compensating tax is imposed when land is removed from its forest land status. This tax

recaptures taxes that would have been paid on the land if it had been assessed and taxed at its true and fair value instead of the forest land value.

- (a) Calculating the compensating tax. The assessor uses the current year's levy rate, the forest land value, and the true and fair value for the area to be removed from forest land status to calculate the compensating tax. The compensating tax consists of two parts: The recapture of taxes for previous years that the land was classified or designated as forest land, up to a maximum of nine years; and the recapture of taxes for the portion of the current year up to the date of removal in the year the land is removed from designation. RCW 84.33.140 (11).
- (i) The compensating tax for the previous years is calculated by determining the difference between the amount of taxes assessed at the forest land value for the removal area and the amount of taxes that would have been paid if the land had been valued at its true and fair value in the year of removal. That difference is multiplied by the number of years the land was classified or designated as forest land up to a maximum of nine years.
- (ii) The compensating tax for the portion of the year of removal from January 1st to the date of removal is calculated by determining the difference between the amount of taxes assessed at the forest land value and the taxes that would have been paid if the land had been valued at its true and fair value for the portion of the year up to the removal date.
  - (b) Formulas for calculating taxes after removal:
  - (i) Calculation of prior year's compensating tax:

True and								
Fair Value				Last levy				
of Land				Rate				
(Jan 1st of		Forest Land		Extended		Years		
year		Value at time		Against	Multiplied	(not to		Compensating
removed)	Less	of removal	Multiplied by	Land	by	exceed 9)	Equals	Tax
\$	_	\$	Х	\$	X		=	\$

(ii) Calculation of current year's taxes to date of removal:

		÷	365		=		
<del>-</del>	No. of days designated as forest land		No. of days	in year	_	Proration (To items (A	n factor A) and (B))
(A)	\$	X		X		=	\$
	Market value		Levy rate		Proration factor		
(B)	\$	X		X		=	\$
	Forest land value		Levy rate		Proration factor		
(C)	Amount of compensating tax for current year ((A) minus (B))					=	<b>\$</b>

(c) The assessor notifies the treasurer of the amount of compensating tax and the due date for the tax by providing the treasurer a copy of the removal notice. Compensating tax is due and payable to the county treasurer thirty days after the assessor mails to the owner the notice of removal informing the owner of the reasons for removal and the amount of compensating tax due. RCW 84.33.140(11). However, when property is sold or transferred, any compensating tax owed must be paid to the county treasurer before recording the conveyance. The county recording authority will not accept any

instrument transferring the land, unless the compensating tax was paid or was not owed.

(d) What happens if the compensating tax is not paid on the due date? If the compensating tax is not paid by the due date, the tax is considered delinquent. Interest, set at the statutory rate for delinquent property taxes specified in RCW 84.56.020, will accrue against the amount of the outstanding taxes from the due date until the entire amount owing is paid. Unpaid compensating tax and interest becomes a lien on the land. RCW 84.60.020.

[9] Expedited

- (i) This lien attaches at the time the forest land is removed from designation.
- (ii) The lien has priority over any recognizance, mortgage, judgment, debt, obligation, or responsibility against the land
- (iii) This lien must be fully paid before any other recognizance, mortgage, judgment, debt, obligation, or responsibility may be charged against the land.
- (iv) The lien can be foreclosed upon expiration of the same period after delinquency and in the same manner as liens for delinquent real property taxes are foreclosed under RCW 84.64.050. RCW 84.33.140(12).
- (e) Compensating tax is not imposed on land removed from the forest land designation if the removal resulted solely from any of the following:
- (i) A transfer to a government entity in exchange for other forest land within Washington state;
- (ii) A transfer under either the power of eminent domain or upon the threat of eminent domain by an entity with the power of eminent domain that intends to exercise this power. The entity must threaten to exercise eminent domain in writing or demonstrate this threat by some other official action;
- (iii) A donation of fee title, development rights, or the right to harvest timber in order to protect, preserve, maintain, improve, restore, limit the future use, or conserve the property for public use or enjoyment (see RCW 84.34.210 and 64.04.130). Provided, this donation is made to a:
  - (A) State agency;
  - (B) Federal agency;
  - (C) County;
  - (D) City;
  - (E) Town;
  - (F) Metropolitan park district (see RCW 35.61.010);
- (G) Metropolitan municipal corporation (see RCW 35.58.020);
- (H) Nonprofit historic preservation corporation as defined in RCW 64.04.130; or
- (I) Nonprofit nature conservancy corporation or association as defined in RCW 84.34.250.
- However, when the land is no longer being used for one of the purposes listed above, compensating tax will be imposed on the owner of the land at that time;
- (iv) The sale or transfer of fee title to a government entity (see the governmental entities listed above in clause (iii) of this rule section) or a nonprofit nature conservancy corporation as defined in RCW 64.04.130 exclusively for the protection and conservation of lands recommended for state natural area preserve purposes by the natural heritage advisory council under its established natural heritage plan as defined in chapter 79.70 RCW (natural area preserves). However, if the land is no longer used to protect and conserve the area for state natural area preserve purposes, or fails to comply with the terms of a natural heritage plan, compensating tax will be imposed on the owner of the land at that time;
- (v) A sale or transfer of fee title to the state's parks and recreations commission for park and recreation purposes;
- (vi) An official action of an agency of the state of Washington or the county or city in which the land is located disallowing the current use of the land. "Official action" includes city ordinances, zoning restrictions, the Growth Management

- Act, the Shoreline Management Act, and the Environmental Policy Act;
- (vii) The creation, sale, or transfer of forestry riparian easements under RCW 76.13.120;
- (viii) The creation, sale, or transfer of a fee interest or a conservation easement for the riparian open space program under RCW 76.09.040;
- (ix) In a county with a population of more than one million (i.e., King County), a transfer of a property interest to a government entity, or to a nonprofit historic preservation corporation or nonprofit nature conservancy corporation (as these corporations are defined in RCW 64.04.130) and the property interest being transferred is to:
  - (A) Protect or enhance public resources; or
- (B) Preserve, maintain, improve, restore, limit the future use of, or otherwise to conserve for public use or enjoyment. When the land is no longer being used for any of these purposes, the owner of the land at the time will be required to pay compensating tax. RCW 84.33.140 (12) and (13); or
- (x) The sale or transfer of forest land within two years after the death of an owner who held at least a fifty percent interest in the land if:
- (A) The individual(s) or entity(s) who received the land from the deceased owner is selling or transferring the land; and
- (B) The land has been continuously assessed and valued as classified or designated forest land under chapter 84.33 RCW or classified under chapter 84.34 RCW since 1993. The date of death shown on the death certificate begins the two-year period for sale or transfer((; or
- (xi) The sale or transfer of forest land between July 22, 2001, and July 22, 2003, if:
- (A) An owner who held at least a fifty percent interest in the land died after January 1, 1991;
- (B) The individual(s) or entity(s) who received the land from the deceased owner is selling or transferring the land; and
- (C) The land has been continuously assessed and valued as classified or designated forest land under chapter 84.33 RCW or classified under chapter 84.34 RCW continuously since 1993. The date of death shown on the death certificate is the date used to determine the owner's date of death)).
- (7) When will the land be assessed at its true and fair value and the taxes become payable? The land will be assessed at its true and fair value on the date it is removed from forest land status. The assessor revalues the land removed from forest land status with reference to its true and fair value on January 1st in the year of removal. RCW 84.33.140(10). The property tax for the remainder of the year following the date of removal is based on land's true and fair value.
- (a) To calculate the increase the assessor must determine the number of days remaining in the year from the date of removal. The increase in property tax is due on the same due date as all other property taxes are due for the year (generally, April 30th and October 1st of the current year. See RCW 84.56.020).
- (b) Formula for calculating the increase in property taxes for the remainder of the year in which the land is being removed:

Expedited [10]

(i)		÷			_ =		
()	No. of days from date of removal to	No. of o		nys in year		Proration factor for true and fai land value	
(ii)	\$ Market value	X	L	X	Donation Contra	=	\$
(iii)	\$ Forest land value	x	Levy rate	X	Proration factor	=	\$
(iv)	Total amount of incr	eased taxes	Levy rate s for current vear (	(ii) minus	Proration factor (iii)	=	\$

- (c) If the taxes for the year of removal have not yet been billed, the tax should be recalculated based on the true and fair value of the land removed for the portion of the year following the date of removal.
- (d) An owner may appeal the true and fair value of the land used to calculate the increase in the remaining current year's taxes or the compensating taxes within thirty days of the notice (or up to sixty days if such time limit has been adopted by the county legislative authority) or on or before July 1st, whichever is later. RCW 84.40.038.
- (8) What happens when forest land reclassified under chapter 84.34 RCW is later removed from that classification before ten years have passed? If reclassified forest land is later removed, a combination of compensating tax and additional tax will be imposed unless the basis for removal is one of the circumstances listed as exempt from additional tax under RCW 84.34.108(6).
- (a) The amount of compensating tax is equal to the difference, if any, between the amount of property tax last levied on the land as forest land and an amount equal to the new true and fair value of the land when removed from classification under RCW 84.34.108 multiplied by the dollar rate of the last property tax levy extended against the land, multiplied by
  - (b) A number equal to:
- (i) The number of years the land was classified or designated as forest land under chapter 84.33 RCW, if the total number of years the land was classified or designated under chapter 84.33 RCW and classified under chapter 84.34 RCW is less than ten; or
- (ii) Ten minus the number of years the land was classified under chapter 84.34 RCW, if the total number of years the land was classified or designated under chapter 84.33 RCW and under chapter 84.34 RCW is at least ten.

# WSR 07-14-109 EXPEDITED RULES OFFICE OF INSURANCE COMMISSIONER

[Insurance Commissioner Matter No. R 2007-07—Filed July 2, 2007, 4:28 p.m.]

Title of Rule and Other Identifying Information: Unfair practices rules regarding personal injury protection (PIP).

### NOTICE

THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO Kacy Scott, Insurance Commissioner, P.O. Box 40258-0258, Olympia, WA 98504-0258, AND RECEIVED BY September 4, 2007.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: WAC 284-30-500 (2)(b), adopted in 1987, sets minimum standards for personal injury protection (PIP) coverage. RCW 48.22.095, enacted during the 2003 legislative session, sets different minimum standards for PIP coverage. Because the later-adopted law conflicts with the rule, the rule will be repealed. This requires a rewrite of WAC 284-30-500; however, the only substantive change is the repeal of the PIP standards.

Reasons Supporting Proposal: This proposed rule making eliminates WAC 284-30-500 (2)(b) and eliminates the conflict.

Statutory Authority for Adoption: RCW 48.02.060.

Statute Being Implemented: RCW 48.30.010.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Mike Kreidler, insurance commissioner, governmental.

Name of Agency Personnel Responsible for Drafting: Kacy Scott, P.O. Box 40258, Olympia, WA 98504-0258, (360) 725-7041; Implementation: John Hamje, P.O. Box 40255, Olympia, WA 98504-0255, (360) 725-7262; and Enforcement: Carol Sureau, P.O. Box 40255, Olympia, WA 98504-0255, (360) 725-7050.

July 2, 2007 Mike Kreidler Insurance Commissioner

<u>AMENDATORY SECTION</u> (Amending Order R 87-5, filed 4/21/87)

WAC 284-30-500 Unfair practices with respect to vehicle insurance. (1) ((Beginning July 1, 1985,)) The following practices by any insurer with respect to every vehicle

[11] Expedited

liability insurance policy applicable to private passenger automobiles registered or principally garaged in this state are unfair and prohibited:

- (a) Failing to provide, to any insured under such policy, liability limits at least as great as those required by RCW 46.29.090, as measured at the effective date of the ((pertinent)) applicable policy or its renewal;
- (b) Denying or limiting liability coverage in such policy to less than the limits required by RCW 46.29.090, solely because the injured person is related to the insured by blood or marriage, as, for example, through use of so-called "family" or "household" exclusions;
- (c) Denying or limiting liability coverage in such policy, with respect to injuries sustained by motorcycle passengers, to an amount below the bodily injury liability limits required by RCW 46.29.090, if the policy provides liability coverage for an insured's ownership, operation, or use of a motorcycle.
- (2) ((Beginning July 1, 1985, the following practices by any insurer, with respect to vehicle insurance policies applicable to private passenger vehicles registered or principally garaged in this state, are unfair and prohibited:
- (a) Failing to provide a named insured under such policy an itemization of the premium costs for the coverages under the policy as to which there are identifiable separate premium charges. Such itemization shall be given no later than the time of delivery of a policy and with each offer to renew thereafter:
- (b) Failing, except with respect to a motorcycle policy, to provide, to any named insured who so requests and pays the premium therefor, first party automobile benefits such as those in medical payments coverage or personal injury protection, on approved forms commonly used by the insurer in the state of Washington, with maximum benefit limits, as appropriate to the particular form, of at least:
- (i) \$35,000 for medical and hospital benefits incurred within three years of the accident;
- (ii) \$35,000 for one year's income continuation benefits, subject to a limit of the lesser of \$700 per week or eighty-five percent of the weekly income; and
- (iii) \$40 per day for loss of services benefits, for at least a year.)) With respect to vehicle insurance policies applicable to private passenger vehicles registered or principally garaged in this state, failing to provide a named insured an itemization of the premium costs for the coverages under the policy if there are identifiable separate premium charges for the coverages is unfair and prohibited. The required itemization must be given to a named insured no later than at the time of delivery of a policy and must accompany each offer to renew thereafter.
- (3) ((Beginning July 1, 1987, it shall be)) It is an unfair practice for any insurer to consider traffic violations or accidents which occurred more than three years in the past, with respect to the acceptance, rejection, cancellation or nonrenewal of any insured under a private passenger automobile insurance policy, unless, because of the individual's violations, accidents or driving record during the three years immediately past, the earlier violations or accidents are significantly relevant to the individual's qualifications for insurance.

(4) For purposes of this section, the definition of a "private passenger automobile" is that set forth in RCW 48.18.-297, and includes a motorcycle except as otherwise specifically provided in this section.

### WSR 07-14-157 EXPEDITED RULES EMPLOYMENT SECURITY DEPARTMENT

[Filed July 5, 2007, 11:04 a.m.]

Title of Rule and Other Identifying Information: Sections within Title 192 WAC pertaining to applying for unemployment benefits (WAC 192-110-005, 192-110-010, 192-110-020, 192-110-050), determining eligibility for benefits (WAC 192-130-080, 192-140-100, 192-150-110, 192-150-150, 192-150-200, 192-150-215, 192-150-220), job search requirements (WAC 192-180-005, 192-180-010, 192-180-015, 192-180-025), educational employees (WAC 192-210-005), regular shareable benefits (WAC 192-240-020, 192-240-025, 192-240-030, 192-240-040), employer reports and records (WAC 192-310-010, 192-310-020, 192-310-055), and calculating wages (WAC 192-310-060 and 192-310-070).

### NOTICE

THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO Juanita Myers, Employment Security Department, P.O. Box 9046, Olympia, WA 98507-9046, AND RECEIVED BY September 17, 2007.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: This filing is part of the department's ongoing efforts to review and revise its rules when necessary as required by Executive Order 97-02. The rules are rewritten in clear language to improve their understandability and accessibility. In addition, WAC 192-110-005, 192-110-010, 192-110-020, and 192-110-050 are updated to reflect the current processes for filing an application for benefits or reopening an existing claim. WAC 192-130-080, 192-140-100, 192-150-215, and 192-150-220 are updated to eliminate references to RCW 50.20.060 and 50.20.065, which apply only to claims effective prior to January 4, 2004. WAC 192-150-110 is revised to incorporate statutory changes relating to eligibility of persons whose spouse has been subject to a mandatory military transfer. WAC 192-180-005 and 192-180-010 are updated to incorporate references to recently adopted regulations. WAC 192-210-005 is revised to correct a statutory reference. WAC 192-240-020, 192-240-025, 192-240-030, and 192-240-040 are revised to eliminate references to regular shareable benefits, which are no longer available due to changes in state law.

Expedited [12]

WAC 192-110-210, 192-150-065, 192-240-010, and 192-240-035 are repealed as no longer necessary.

Statutory Authority for Adoption: RCW 50.12.010 and 50.12.040.

Statute Being Implemented: RCW 50.20.140, 50.20.050 (2)(b)(iii), 50.20.240, and 50.12.070.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Employment security department, governmental.

Name of Agency Personnel Responsible for Drafting and Implementation: Juanita Myers, 212 Maple Park, Olympia, (360) 902-9665; and Enforcement: Nan Thomas, 212 Maple Park, Olympia, (360) 902-9303.

July 3, 2007 Karen Lee Commissioner

**Reviser's note:** The material contained in this filing exceeded the page-count limitations of WAC 1-21-040 for appearance in this issue of the Register. It will appear in the 07-15 issue of the Register.

[13] Expedited