

WSR 12-03-007**PREPROPOSAL STATEMENT OF INQUIRY
DEPARTMENT OF REVENUE**

[Filed January 5, 2012, 8:54 a.m.]

Subject of Possible Rule Making: WAC 458-20-193 (Rule 193) Inbound and outbound interstate sales of tangible personal property.

Statutes Authorizing the Agency to Adopt Rules on this Subject: RCW 82.32.300 and 82.01.060(2).

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: Rule 193 provides guidance on how Washington's B&O and retail sales taxes apply to sales of tangible personal property associated with interstate commerce.

The department is considering a limited amendment to Rule 193, the primary purpose of which would be to reconcile the existing different trailing nexus periods for the B&O and retail sales taxes.

Rule 193 currently explains in subsection (7)(c) that once nexus is established, nexus (referred to as "trailing nexus") continues for up to five years, notwithstanding the in-state activity that created nexus has ceased. Section 102, chapter 23, Laws of 2010 1st sp.s., changed the trailing nexus period, for B&O tax only, so that B&O nexus now exists only through the following tax year. (See RCW 82.04.220.) This legislation only addresses B&O tax nexus. Thus, under current Rule 193, a seller remains responsible for collecting retail sales tax on sales made up to five years after the activity creating nexus ends, even though the seller is liable for B&O tax for only one additional year. The department is considering an amendment to Rule 193 to establish a one-year tax trailing nexus period for all other taxes.

The department is also considering other changes to clarify existing information, such as:

- Removing the outdated sample exemption certificate now provided in the rule, which can be used to substantiate certain tax-exempt sales. The department anticipates referring readers to the department's web site for the "Buyer's Retail Sales Tax Exemption Certificate";
- Updating subsection (6)(b), to recognize chapter 7, Laws of 2011, which amended the sales tax exemption available for sales of property to residents of certain states, United States possessions, and Canadian territories or provinces; and
- Clarifying the explanation of the tax-reporting responsibilities associated with drop-shipment sales.

While the department believes that other guidance provided in current Rule 193 is outdated, and warrants updating, it does not at this time anticipate proceeding with amendments in these areas - unless there is stakeholder support for these changes. Nonetheless, to the extent guidance in Rule 193 conflicts with statutory provisions, the statute controls. Examples include recognizing:

- RCW 82.32.730 (9)(f)'s definition of "receive" and "receipt," particularly the provision stating that these terms "do not include possession by a shipping company on behalf of the purchaser."

- RCW 82.04.627, which provides that sales of certain parts to the manufacturer of a commercial airplane are deemed to occur at the site of final testing or inspection.

Other Federal and State Agencies that Regulate this Subject and the Process Coordinating the Rule with These Agencies: None.

Process for Developing New Rule: Parties interested in this rule making may contact the individual listed below. The public may also participate by providing written comments throughout this rule making or giving oral testimony at a public rule-making meeting or public rule-making hearing scheduled for this rule action.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication. The department anticipates that a preliminary draft of possible rule changes will be available by January 13, 2012, via the department's on-line Rules Agenda. The department is at this time asking for written comments regarding its anticipated course for amending Rule 193. Written comments should be directed to Gayle Carlson, ITA Division, P.O. Box 47453, Olympia, WA 98504-7453, e-mail GayleC@dor.wa.gov. Please provide your comments no later than February 10, 2012.

January 5, 2012

Alan R. Lynn

Rules Coordinator

WSR 12-03-039**PREPROPOSAL STATEMENT OF INQUIRY
DEPARTMENT OF COMMERCE**

[Filed January 9, 2012, 4:18 p.m.]

Subject of Possible Rule Making: Determination of practicable goals for use of biofuels and electricity by all state agencies operating vessels, vehicles and construction equipment.

Statutes Authorizing the Agency to Adopt Rules on this Subject: RCW 43.325.080 Electricity and biofuel usage goals—Rules.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: To establish standards for the extent practicable (e.g. regional availability of fuels, vehicle costs, cost of program implementation; cost differentials in different parts of the state, differences between types of vehicles, vessels or equipment) for state government planning and compliance with RCW 43.19.648.

Other Federal and State Agencies that Regulate this Subject and the Process Coordinating the Rule with These Agencies: Washington state departments of enterprise services, ecology, agriculture, and transportation.

Process for Developing New Rule: Standard rule-making process.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting Carolee Sharp, P.O. Box 42525, Olympia, WA 98504-2525, carolee.sharp@commerce.wa.gov, (360) 725-3118, fax (360) 586-0049. Commerce will host stakeholder webinars and meetings seeking input. Likely

participants include affected state agencies, biofuel industry representatives, alternate fuel vehicle and electric vehicle industry representatives, and the general public. Person[s] interested in providing input may attend meetings, or provide information via e-mail or other printed submission.

January 4, 2012
Nick Demerice
Rules Coordinator

WSR 12-03-044

PREPROPOSAL STATEMENT OF INQUIRY GAMBLING COMMISSION

[Filed January 10, 2012, 3:28 p.m.]

Subject of Possible Rule Making: Chips used in card games.

Statutes Authorizing the Agency to Adopt Rules on this Subject: RCW 9.46.070, 9.46.0282.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: We have received a petition for rule change from Shuffle Master, a licensed manufacturer, requesting a rule amendment to authorize electronic facsimiles of chips to be used in authorized gambling activities.

Process for Developing New Rule: Interested parties can participate in the discussion of this proposed change by attending a commission meeting, or contacting the agency rules coordinator at the contact information below.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting Susan Arland, Rules Coordinator, P.O. Box 42400, Olympia, WA 98504-2400, (360) 486-3466, e-mail Susan.Arland@wsgc.wa.gov, fax (360) 486-3625.

[Meetings on] March 8, 2012, at the Olympia Red Lion, 2300 Evergreen Park Drive, Olympia, WA 98502, visit www.wsgc.wa.gov on March 1 to confirm meeting location and start time; on April 12, 2012, at the Comfort Inn Conference Center, 1620 74th Avenue S.W., Tumwater, WA 98501, visit www.wsgc.wa.gov on April 1 to confirm meeting location and start time; and on May 10 or 11, 2012, at a location to be determined, Spokane, Washington, visit www.wsgc.wa.gov on May 1 to confirm meeting location and start time.

January 10, 2012
Susan Arland
Rules Coordinator

WSR 12-03-048

PREPROPOSAL STATEMENT OF INQUIRY DEPARTMENT OF SOCIAL AND HEALTH SERVICES

[Filed January 11, 2012, 8:56 a.m.]

Subject of Possible Rule Making: The department is amending chapter 388-02 WAC to clarify, in accordance with case law and commonly accepted legal principles, which

department program rules apply when the parties challenge action that the department may be taking against them.

Statutes Authorizing the Agency to Adopt Rules on this Subject: RCW 34.05.020.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: The current rule states that administrative law judges and review judges must apply the program rules in effect on the date the department sent notice of its intended action to the parties. This is not consistent with case law stating that the date of agency conduct or action determines which law applies. It is also not consistent with the department's due process obligation to send parties advance notice of department action prior to the effective date of the action and the amended rules on which the action is based. The proposed amendments to WAC 388-02-0220(3) and 388-02-0010 resolve these inconsistencies. The proposed amendments also enable application of program rules amended due to budget shortfalls, which may become effective after the date of the department's notice but before (or on) the date of the department's action.

Other Federal and State Agencies that Regulate this Subject and the Process Coordinating the Rule with These Agencies: The department is coordinating this rule making with the Washington state health care authority, which is making similar changes to hearing rules governing medicaid-funded programs.

Process for Developing New Rule: DSHS welcomes the public to take part in developing the rules. Anyone interested should contact the staff person identified below. At a later date, DSHS will file a proposal with the office of the code reviser with a notice of proposed rule making. A copy of the proposal will be sent to everyone on the mailing list and to anyone who requests a copy.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting Diamanta Tornatore and James Conant, P.O. Box 45803, Olympia, WA 98504-5803, phone (360) 664-6061/664-6081, fax (360) 664-6187, e-mail tornadl@dshs.wa.gov/conanjw@dshs.wa.gov.

January 10, 2012
Katherine I. Vasquez
Rules Coordinator

WSR 12-03-055

PREPROPOSAL STATEMENT OF INQUIRY DEPARTMENT OF ECOLOGY

[Order 11-10—Filed January 11, 2012, 3:21 p.m.]

Subject of Possible Rule Making: Amendments to general regulations for air pollution sources, chapter 173-400 WAC.

Statutes Authorizing the Agency to Adopt Rules on this Subject: Washington Clean Air Act, RCW 70.94.510.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: The department of ecology plans to amend the general regulations for air pollution sources (chapter 173-400 WAC). The purpose of the rule making is to amend the rule sections that relate to two seg-

ments of the United States Environmental Protection Agency's (EPA) required state implementation plan related to permits for industrial and commercial sources of air pollution:

1. Minor new source review.
2. Major new source review (prevention of significant deterioration).

The amendments will also update the rule by incorporating federal rules by reference. We will also correct any typographical errors and clarify the rule language as needed to align with federal requirements.

Other Federal and State Agencies that Regulate this Subject and the Process Coordinating the Rule with These Agencies: We will maintain an active dialog with EPA and local clean air agencies to ensure that the proposals are consistent with federal requirements.

Process for Developing New Rule: Ecology will notify existing air operating permit sources, ecology's listserv, the Association of Washington Business, energy facilities site evaluation council, the environmental community, and Washington local air agencies of our intent to adopt the federal requirements. Interested parties will have the opportunity to comment on the proposed rule. Ecology will hold at least one public hearing. The proposed amendments will be posted on the agency web site and provided to interested parties.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting Linda Whitcher, Air Quality Program, Department of Ecology, P.O. Box 47600, Olympia, WA 98504-7600, phone (360) 407-6875, fax (360) 407-7534, e-mail Linda.Whitcher@ecy.wa.gov, ecology web page <http://www.ecy.wa.gov/laws-rules/currentactivity.html>.

January 11, 2012

Stuart A. Clark
Program Manager

WSR 12-03-062

PREPROPOSAL STATEMENT OF INQUIRY DEPARTMENT OF LICENSING

[Filed January 12, 2012, 9:10 a.m.]

Subject of Possible Rule Making: Director's authority on conducting audits and investigations of business and profession licensees.

Statutes Authorizing the Agency to Adopt Rules on this Subject: RCW 43.24.016.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: Clarify the director's procedures on investigation and auditing.

Other Federal and State Agencies that Regulate this Subject and the Process Coordinating the Rule with These Agencies: None.

Process for Developing New Rule: Internal review and consultation with stakeholders.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting Clark J. Holloway, Department of

Licensing, P.O. Box 9020, Olympia, WA 98507-9020, (360) 902-3846, cholloway@dol.wa.gov.

January 12, 2012
Damon G. Monroe
Rules Coordinator

WSR 12-03-071

PREPROPOSAL STATEMENT OF INQUIRY YAKIMA VALLEY COMMUNITY COLLEGE

[Filed January 12, 2012, 3:29 p.m.]

Subject of Possible Rule Making: Repeal of chapter 132P-20 WAC.

Statutes Authorizing the Agency to Adopt Rules on this Subject: Under RCW 28B.50.140 (7)(a) the board of trustees has rule-making authority for the college.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: This proposal is to repeal chapter 132P-20 WAC, which was promulgated in 1968 and has not been changed since. Instead, the subject of the rule, drug abuse, has been incorporated into the code of student rights and responsibilities (chapter 132P-33 WAC), the Drug-free Workplace Act, and other college procedures.

Other Federal and State Agencies that Regulate this Subject and the Process Coordinating the Rule with These Agencies: Rule changes will be coordinated with the assigned Washington state assistant attorney general's office.

Process for Developing New Rule: Agency study.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting Leslie Blackaby, Dean of Student Services, South 16th Avenue and Nob Hill Boulevard, Yakima, WA 98902, phone (509) 574-6867, e-mail lblackaby@yvcc.edu, or fax (509) 574-6879.

January 12, 2012
Suzanne West
Rules Coordinator

WSR 12-03-092

PREPROPOSAL STATEMENT OF INQUIRY DEPARTMENT OF LABOR AND INDUSTRIES

[Filed January 17, 2012, 8:31 a.m.]

Subject of Possible Rule Making: Chapter 296-46B WAC, Electrical safety standards, administration, and installation.

Statutes Authorizing the Agency to Adopt Rules on this Subject: Chapter 19.28 RCW and chapter 50, Laws of 2011 (2ESHB 1087).

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: The electrical program's budget and projected revenue indicate a fee increase is necessary to ensure the program has a six-month fund balance. The program needs to maintain a fund balance equal to six

months of expenditures in order to meet its commitment to ensure the quality and safety of electrical work performed by contractors. The electrical program was given the authority by 2ESHB 1087, which passed the 2011 legislature, to increase fees.

The purpose of this rule making is to increase the fees for the electrical program.

Other Federal and State Agencies that Regulate this Subject and the Process Coordinating the Rule with These Agencies: None.

Process for Developing New Rule: Parties interested in these rules may contact the individual listed below. The public may also participate by commenting after amendments are proposed by providing written comments and/or testimony during the public hearing and comment process.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting Sally Elliott, Department of Labor and Industries, Specialty Compliance Services Division. P.O. Box 44400, Olympia, WA 98504-4400, phone (360) 902-6411, fax (360) 902-5292, e-mail sally.elliott@lni.wa.gov.

January 17, 2012

Judy Schurke

Director

WSR 12-03-103

PREPROPOSAL STATEMENT OF INQUIRY TRANSPORTATION COMMISSION

[Filed January 17, 2012, 12:40 p.m.]

Subject of Possible Rule Making: Tacoma Narrows Bridge toll rate and policy setting.

Statutes Authorizing the Agency to Adopt Rules on this Subject: Chapter 47.46 RCW and RCW 47.56.165.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: State statute requires rates must be sufficient to meet maintenance and operational costs, insurance costs, and make principal and interest payments on the debt. In order to meet the requirements in state law, Tacoma Narrows Bridge toll rates and policies will need to be adjusted.

Other Federal and State Agencies that Regulate this Subject and the Process Coordinating the Rule with These Agencies: Washington state department of transportation will review and coordinate with the transportation commission on this rule-making process.

Process for Developing New Rule: Agency study.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication. The transportation commission will hold public input meetings in the regional area surrounding the Tacoma Narrows Bridge in the spring of 2012. More details will be issued in coming weeks. Public comment will be taken at the public input meetings as well as at the final hearing. Comments may also be submitted in writing to the Transportation Commission, P.O. Box 47308, Olympia, WA 98504-7308,

phone (360) 705-7070, fax (360) 705-6802, or e-mail trans@wsdot.wa.gov.

January 17, 2012

Reema Griffith

Executive Director

WSR 12-03-104

PREPROPOSAL STATEMENT OF INQUIRY BUILDING CODE COUNCIL

[Filed January 17, 2012, 12:52 p.m.]

Subject of Possible Rule Making: Chapter 51-50 WAC, adoption and amendment of the 2012 International Building Code.

Statutes Authorizing the Agency to Adopt Rules on this Subject: RCW 19.27.074.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: The state building code council regularly reviews the Washington State Building Code, as outlined in chapter 51-04 WAC and RCW 19.27.-074, to review revisions made to the codes by the national model code committees, and to review and consider proposals for statewide code amendments. The estimated effective date of the 2012 codes is July 1, 2013.

Process for Developing New Rule: Stakeholder and subject expert technical advisory group (TAG) review.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication. To receive information on meetings of the TAGs contact Tim Nogler, Managing Director, Washington State Building Code Council, P.O. Box 41449, Olympia, WA 98504-1449, (360) 407-9280, fax (360) 586-5366, e-mail sbcc@ga.wa.gov.

January 13, 2012

Kristyn Clayton

Council Chair

WSR 12-03-105

PREPROPOSAL STATEMENT OF INQUIRY BUILDING CODE COUNCIL

[Filed January 17, 2012, 12:52 p.m.]

Subject of Possible Rule Making: Chapter 51-51 WAC, adoption and amendment of the 2012 International Residential Code.

Statutes Authorizing the Agency to Adopt Rules on this Subject: RCW 19.27.074.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: The state building code council regularly reviews the Washington State Building Code, as outlined in chapter 51-04 WAC and RCW 19.27.-074, to review revisions made to the codes by the national model code committees, and to review and consider proposals for statewide code amendments. The estimated effective date of the 2012 codes is July 1, 2013.

Process for Developing New Rule: Stakeholder and subject expert technical advisory group (TAG) review.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication. To receive information on meetings of the TAGs contact Tim Nogler, Managing Director, Washington State Building Code Council, P.O. Box 41449, Olympia, WA 98504-1449, (360) 407-9280, fax (360) 586-5366, e-mail sbcc@ga.wa.gov.

January 13, 2012
Kristyn Clayton
Council Chair

WSR 12-03-106

PREPROPOSAL STATEMENT OF INQUIRY BUILDING CODE COUNCIL

[Filed January 17, 2012, 12:53 p.m.]

Subject of Possible Rule Making: Chapter 51-52 WAC, adoption and amendment of the 2012 International Mechanical Code.

Statutes Authorizing the Agency to Adopt Rules on this Subject: RCW 19.27.074.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: The state building code council regularly reviews the Washington State Building Code, as outlined in chapter 51-04 WAC and RCW 19.27.-074, to review revisions made to the codes by the national model code committees, and to review and consider proposals for statewide code amendments. The estimated effective date of the 2012 codes is July 1, 2013.

Process for Developing New Rule: Stakeholder and subject expert technical advisory group (TAG) review.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication. To receive information on meetings of the TAGs contact Krista Braaksma, Washington State Building Code Council, P.O. Box 41449, Olympia, WA 98504-1449, (360) 407-9278, fax (360) 586-5366, e-mail sbcc@ga.wa.gov.

January 13, 2012
Kristyn Clayton
Council Chair

WSR 12-03-107

PREPROPOSAL STATEMENT OF INQUIRY BUILDING CODE COUNCIL

[Filed January 17, 2012, 12:53 p.m.]

Subject of Possible Rule Making: Chapter 51-54 WAC, adoption and amendment of the 2012 International Fire Code.

Statutes Authorizing the Agency to Adopt Rules on this Subject: RCW 19.27.074.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: The state building code council regularly reviews the Washington State Building Code, as outlined in chapter 51-04 WAC and RCW 19.27.-

074, to review revisions made to the codes by the national model code committees, and to review and consider proposals for statewide code amendments. The estimated effective date of the 2012 codes is July 1, 2013.

Process for Developing New Rule: Stakeholder and subject expert technical advisory group (TAG) review.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication. To receive information on meetings of the TAGs contact Joanne McCaughan, Washington State Building Code Council, P.O. Box 41449, Olympia, WA 98504-1449, (360) 407-9279, fax (360) 586-5366, e-mail sbcc@ga.wa.gov.

January 13, 2012
Kristyn Clayton
Council Chair

WSR 12-03-108

PREPROPOSAL STATEMENT OF INQUIRY BUILDING CODE COUNCIL

[Filed January 17, 2012, 12:53 p.m.]

Subject of Possible Rule Making: Chapters 51-56, 51-57 WAC, adoption and amendment of the 2012 Uniform Plumbing Code and Uniform Plumbing Code Standards.

Statutes Authorizing the Agency to Adopt Rules on this Subject: RCW 19.27.074.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: The state building code council regularly reviews the Washington State Building Code, as outlined in chapter 51-04 WAC and RCW 19.27.-074, to review revisions made to the codes by the national model code committees, and to review and consider proposals for statewide code amendments. The estimated effective date of the 2012 codes is July 1, 2013.

Process for Developing New Rule: Stakeholder and subject expert technical advisory group (TAG) review.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication. To receive information on meetings of the TAGs contact Krista Braaksma, Washington State Building Code Council, P.O. Box 41449, Olympia, WA 98504-1449, (360) 407-9278, fax (360) 586-5366, e-mail sbcc@ga.wa.gov.

January 13, 2012
Kristyn Clayton
Council Chair

WSR 12-03-110

PREPROPOSAL STATEMENT OF INQUIRY TRANSPORTATION COMMISSION

[Filed January 17, 2012, 1:40 p.m.]

Subject of Possible Rule Making: WAC 468-300-040.

Statutes Authorizing the Agency to Adopt Rules on this Subject: RCW 47.56.030, 47.60.315, section 205(1), chapter 247, Laws of 2010.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: WAC 468-300-040 currently includes a commercial vehicle reservation fee for Washington state ferries' (WSF's) routes in the San Juan Islands. WSF's proposed new reservation system includes the Port Townsend/Coupeville and Anacortes/Sidney, B.C. routes, and commercial vehicles for the domestic San Juan Islands routes. The new reservation system is anticipated to become effective in May 2012. In accordance with the guiding principle in the new system that reservations should not result in total cost above what that customer would have paid without reservations, the transportation commission proposes to delete a section in WAC 468-300-040 that requires a vehicle reservation fee for ferry routes in the San Juan Islands.

Other Federal and State Agencies that Regulate this Subject and the Process Coordinating the Rule with These Agencies: None.

Process for Developing New Rule: Negotiated rule making.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting Mr. Ray Deardorf, Planning Director, WSDOT Ferries Division, 2901 Third Avenue, Suite 500, Seattle, WA 98121-3014, phone (206) 515-3491, fax (206) 515-3499.

January 17, 2012
Reema Griffith
Executive Director

WSR 12-03-111

PREPROPOSAL STATEMENT OF INQUIRY BUILDING CODE COUNCIL

[Filed January 17, 2012, 2:27 p.m.]

Subject of Possible Rule Making: Chapter 51-11 WAC, adoption and amendment of the 2012 Washington State Energy Code.

Statutes Authorizing the Agency to Adopt Rules on this Subject: RCW 19.27A.020, 19.27A.025, and 19.27A.045.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: The state building code council regularly reviews the Washington State Building Code, as outlined in chapter 51-04 WAC, RCW 19.27A.025 and 19.27A.045, to review and consider proposals for state-wide code amendments. The estimated effective date of the 2012 codes is July 1, 2013.

In accordance with RCW 19.27A.020 the council will consider adoption of the International Energy Conservation Code (IECC) in place of the Washington State Energy Code.

The council will consider amendments to the IECC to maintain or improve the Washington State Energy Code.

Process for Developing New Rule: Stakeholder and subject expert technical advisory groups (TAG).

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication. To receive information on meetings of the TAGs or 2012 IECC resource draft, contact Krista Braaksma, Washington State Building Code Council, P.O. Box 41449, Olym-

pia, WA 98504-1449, (360) 407-9278, fax (360) 586-5366, e-mail sbcc@ga.wa.gov.

January 13, 2012
Kristyn Clayton
Council Chair

WSR 12-03-115

PREPROPOSAL STATEMENT OF INQUIRY DEPARTMENT OF FINANCIAL INSTITUTIONS

(Securities Division)

[Filed January 17, 2012, 3:55 p.m.]

Subject of Possible Rule Making: The division is considering amending WAC sections to correct references made to RCW 21.20.005, which are inaccurate due to a reordering and renumbering of the definitions contained therein. The impacted sections are WAC 460-10A-215, 460-20B-035, 460-24A-020, 460-24A-045, 460-33A-010, 460-33A-015, and 460-44A-501.

Statutes Authorizing the Agency to Adopt Rules on this Subject: RCW 21.20.450.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: RCW 21.20.005 was revised by the office of the code reviser pursuant to RCW 1.08.015 (2)(k). This revision resulted in a renumbering of the definitions found in RCW 21.20.005. As a result, the Washington Administrative Code now contains several inaccurate references. The proposed rule making would correct these inaccuracies. By engaging in this rule making, the government and the public will be benefited through more efficient and accurate regulation and communication.

Other Federal and State Agencies that Regulate this Subject and the Process Coordinating the Rule with These Agencies: The amendments that the division is considering affect the regulation of securities, investment advisers, and broker-dealers. Securities, broker-dealers, and investment advisers are subject to regulation by the Securities and Exchange Commission under federal law. Further, broker-dealers and their representatives are subject to the regulation of FINRA, a self-regulatory organization authorized under federal law. However, the amendments considered by the division create no necessity to coordinate our rules with other federal or state agencies.

Process for Developing New Rule: The division is soliciting comments from interested persons and will adopt rules only after the consideration of public comments.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting Dan Matthews, Department of Financial Institutions, Securities Division, P.O. Box 9033, Olympia, WA 98507-9033, phone (360) 902-8785, fax (360) 704-6496, e-mail dmatthews@dfi.wa.gov.

January 11, 2012
William M. Beatty
Director
Securities Division