

WSR 17-24-008
PERMANENT RULES
DEPARTMENT OF
SOCIAL AND HEALTH SERVICES

(Economic Services Administration)

[Filed November 27, 2017, 1:43 p.m., effective January 1, 2018]

Effective Date of Rule: January 1, 2018.

Purpose: The department is amending WAC 388-492-0070 How are my WASHCAP food benefits calculated?, in order to decrease the low shelter standard from \$235 to \$210 to maintain cost neutrality as required by FNS to continue the operation of the WASHCAP demonstration project.

Citation of Rules Affected by this Order: Amending WAC 388-492-0070.

Statutory Authority for Adoption: RCW 74.04.050, 74.04.055, 74.04.057, 74.04.500, 74.04.510, 74.08.090, and 7 C.F.R. 282.1.

Other Authority: 7 C.F.R. 282.1.

Adopted under notice filed as WSR 17-20-095 on October 3, 2017.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 1, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 1, Repealed 0.

Date Adopted: November 27, 2017.

Katherine I. Vasquez
 Rules Coordinator

AMENDATORY SECTION (Amending WSR 17-13-019, filed 6/12/17, effective 7/13/17)

WAC 388-492-0070 How are my WASHCAP food benefits calculated? We calculate your Washington state combined application project (WASHCAP) food benefits as follows:

- (1) We begin with your gross income.
- (2) We subtract the current standard deduction for one person under WAC 388-450-0185 from your gross income to get your countable income.
- (3) We figure your shelter cost based on information we receive from the Social Security Administration (SSA) unless you report a change as described under WAC 388-492-0080.
 - (a) If you pay three hundred twenty dollars or more a month for shelter, we use four hundred twenty-five dollars as your shelter cost.

(b) If you pay less than three hundred twenty dollars a month for shelter, we use two hundred (~~and thirty-five~~) ten dollars as your shelter cost.

(c) We add the current standard utility allowance under WAC 388-450-0195 to the shelter cost we use under either (a) or (b) of this subsection to determine your total shelter cost.

(4) We figure your shelter deduction by subtracting one half of your countable income from your total shelter cost under subsection (3)(c) of this section.

(5) We figure your net income by subtracting your shelter deduction from your countable income and rounding the resulting figure up from fifty cents and down from forty-nine cents to the nearest whole dollar.

(6) We figure your WASHCAP food benefits (allotment) by:

(a) Multiplying your net income by thirty percent and rounding up to the next whole dollar; and

(b) Subtracting the result from the maximum allotment under WAC 388-478-0060.

(7) If you are eligible for WASHCAP, you will get at least the minimum monthly benefit for basic food under WAC 388-412-0015.

WSR 17-24-009
PERMANENT RULES
DEPARTMENT OF
SOCIAL AND HEALTH SERVICES

(Economic Services Administration)

[Filed November 27, 2017, 1:45 p.m., effective December 28, 2017]

Effective Date of Rule: Thirty-one days after filing.

Purpose: The department is amending WAC 388-310-1000 WorkFirst—Vocational education. 2SSB 5347 passed during the 2017 regular session, allowing the department to extend vocational education as an approvable WorkFirst work activity from twelve to twenty-four months, subject to funding.

Citation of Rules Affected by this Order: Amending WAC 388-310-1000.

Statutory Authority for Adoption: RCW 74.04.050, 74.08A.250, 74.04.055, 74.08.090, 74.04.057, 2SSB 5347 (section 1, chapter 156, Laws of 2017).

Adopted under notice filed as WSR 17-20-068 on October 2, 2017.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 1, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 1, Repealed 0.

Date Adopted: November 27, 2017.

Katherine I. Vasquez
Rules Coordinator

AMENDATORY SECTION (Amending WSR 09-14-019, filed 6/22/09, effective 7/23/09)

WAC 388-310-1000 WorkFirst—Vocational education. (1) What is vocational education?

Vocational education is training that leads to a degree or certificate in a specific occupation, not to result in a (~~baccalaureate~~) bachelor's or advanced degree unless otherwise indicated (~~below~~) in subsection (4) of this section, (~~and is~~) offered by an accredited:

- (a) Public and private technical college or school;
- (b) Community college;
- (c) Tribal college; or
- (d) (~~For~~) Community based organizations for customized job skills training (~~((formerly known as preemployment training), community-based organizations))~~ programs only.

(2) Vocational education may include one or more of the following:

- (a) Customized job skills training;
- (b) High-wage/high-demand training;
- (c) Approved homework and study activities associated with the educational activity; (~~and/or~~)
- (d) Remedial/developmental education, prerequisites, basic education (~~and/or~~) or English as a second language training deemed a necessary part of the vocational education program.

(3) What is customized job skills training?

Customized job skills training helps you learn skills (~~you need~~) needed for an identified entry-level job that pays more than average entry-level wages(~~(~~ Customized job skills training), and is an acceptable

WorkFirst activity when an employer or industry commits to hiring or giving hiring preference (~~(to WorkFirst participants who successfully complete customized job skills training))~~ upon completion.

(~~(b) You can find out about current customized job skills training opportunities by asking your employment services counselor, your case manager or staff at your local community and technical college.~~)

(4) What is high-wage/high-demand training?

(a) There are two types of high-wage/high-demand (~~(HWHD))~~) full-time training options for (~~(TANF recipients))~~ WorkFirst participants to complete a certificate or degree that will lead to employment in a high-wage/high-demand occupation:

(i) Information technology, health care, or other professional-technical programs(~~(This option allows you))~~) that allows recipients to start and finish a one-year or shorter state, community, or technical college training program in (~~(the information technology, health care))~~) these fields or other professional-technical programs that meet high-wage/high-demand criteria(~~(and/or))~~.

(ii) Certificate/degree completion(~~(This option allows you))~~) programs that allow recipients to finish (~~(up))~~) the last year of any certificate or degree program, not to exceed a (~~(baccalaureate))~~ bachelor's degree, in a high-wage/high-demand field on an exception basis. (~~(The high-wage/high-demand criteria for this option is based on median income and high-demand occupations within the local labor market as determined by))~~) Employment security department bases the high-wage/high-demand criteria on median income and high-demand occupations with the local labor market.

(b) (~~(For both types of HWHD training, the training can be approved one-time only (barring an approved exception to policy))~~) The department may approve high-wage/high-demand training once in a lifetime without an approved exception to policy.

(c) To qualify for (~~(HWHD))~~) high-wage/high-demand training, you must also:

- (i) Meet all of the prerequisites (~~(for the course))~~);
- (ii) Be able to obtain the certificate or degree within twelve calendar months;
- (iii) Participate full time in the training program and make satisfactory progress;
- (iv) Work with (~~(WorkFirst staff))~~) the employment security department during the last quarter of training for job placement; and
- (v) Return to job search once you complete the educational program if still unemployed.

(5) When (~~can~~) may vocational education be included in my individual responsibility plan?

(~~We~~) The department may (~~add~~) include vocational education (~~to~~) in your individual responsibility plan for up to twelve months if:

- (a) Your comprehensive evaluation shows that you:
 - (i) Need this education to become employed or get a better job; and (~~you~~)
 - (ii) Are able to participate full time in vocational education or combine vocational education with any approved WorkFirst work activity(~~(or))~~.

(b) You are in an internship or practicum for up to twelve months that is paid or unpaid and required to complete a course of vocational training or to obtain a license or certificate in a high demand program; (~~or~~)

(c) You have limited English proficiency and (~~you~~) lack job skills that are in demand for entry-level jobs in your area(~~(s))~~), and the vocational education program is the only way that you can acquire these skills (because there is no available work experience, community service or on-the-job training that can teach you these skills); or

(d) You (~~(are in the pregnancy to employment pathway))~~) meet the requirements in WAC 388-310-1450 and your comprehensive evaluation shows vocational education would help you find and keep employment. (~~(See WAC 388-310-1450.))~~)

(6) (~~Can~~) May I get help with paying the costs of vocational education?

WorkFirst may pay for the costs of (~~your~~) vocational education, such as tuition or books, (~~for~~) up to twelve months, if vocational education is in your individual responsibility plan and there is no other way to pay them. You may also get help with paying your child care costs through the

working connections child care program(~~(See chapter 388-290 [170-290] WAC for the working connections child care program rules.))~~ if you meet criteria in chapter 388-290 WAC.

(7) May the department include vocational education in my individual responsibility plan longer than twelve months?

The department may increase the twelve-month limit for vocational education training to twenty-four months subject to funding appropriated specifically for this purpose.

WSR 17-24-014

PERMANENT RULES

DEPARTMENT OF HEALTH

[Filed November 27, 2017, 3:18 p.m., effective March 1, 2018]

Effective Date of Rule: March 1, 2018.

Purpose: WAC 246-827-990 Medical assistant, 246-836-990 Naturopathic physician, 246-843-990 Nursing home administrator, 246-845-990 Nursing pool, and 246-849-990 Ocularist fees and renewal cycle, this filing delays the effective date of the adopted rules filed October 27, 2017, as WSR 17-22-088, from February 1, 2018, to March 1, 2018. This is needed to allow time for the adopted fees to be incorporated into the department's licensing system.

Citation of Rules Affected by this Order: Amending none [WAC 246-827-990, 246-836-990, 246-843-990, 246-845-990, and 246-849-990].

Statutory Authority for Adoption: RCW 43.70.250 and 43.70.280.

Adopted under notice filed as WSR 17-15-069 on July 14, 2017.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: November 27, 2017.

John Wiesman, DrPH, MPH
Secretary

WSR 17-24-015

PERMANENT RULES

DEPARTMENT OF HEALTH

(Nursing Care Quality Assurance Commission)

[Filed November 27, 2017, 4:34 p.m., effective January 1, 2018]

Effective Date of Rule: January 1, 2018.

Purpose: WAC 246-840-015 Collection of demographic data at the time of licensure, the nursing care quality assurance commission (commission) adopted a rule to require all nurses to submit demographic data after initial licensure and during the renewal processes. Collection of nationally standardized demographic data elements allows analysis and evaluation of the current nursing workforce composition. Requiring licensees to provide standard minimum demographic data as part of licensure allows the commission to fully meet the intent of RCW 18.79.202, which is to safeguard and promote patient safety and quality of care by addressing the nursing shortage.

Citation of Rules Affected by this Order: New WAC 246-840-015.

Statutory Authority for Adoption: RCW 18.79.110, 18.79.160, 18.79.202.

Adopted under notice filed as WSR 17-16-129 on July 31, 2017.

A final cost-benefit analysis is available by contacting Carole Reynolds, P.O. Box 47864, Olympia, WA 98504-7864, phone 360-236-4785, fax 360-236-4738, TTY 360-833-6388 or 711, email Carole.Reynolds@doh.wa.gov, web site <https://www.doh.wa.gov/LicensesPermitsandCertificates/NursingCommission>.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 1, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 1, Amended 0, Repealed 0.

Date Adopted: November 27, 2017.

Paula R. Meyer MSN, RN, FRE
Executive Director, Nursing Commission

NEW SECTION

WAC 246-840-015 Requirement to submit demographic data. Collecting and supplying demographic data for the nursing profession in Washington state is essential to answering the fundamental questions on supply, demand, and distribution of the nursing workforce.

(1) Applicants and licensees must complete all demographic data elements and attest to the completion of the data elements as part of their licensure requirements for:

(a) Licensed practical nurse as defined under WAC 246-840-010(22); or

(b) Registered nurse as defined under WAC 246-840-010(33).

(2) Advanced practice nurses do not have to complete additional demographic data. The demographic data is collected on their RN license.

(3) The commission shall verify compliance with this section during the continued competency audit process in WAC 246-840-230.

WSR 17-24-017

PERMANENT RULES

DEPARTMENT OF LICENSING

[Filed November 28, 2017, 7:38 a.m., effective December 29, 2017]

Effective Date of Rule: Thirty-one days after filing.

Purpose: Chapter 98-12 WAC, Endowment care cemeteries, this provides cemeteries the option of using total return to maintain a healthy endowment care fund that is used to maintain the normal operations of the cemeteries across the state.

Citation of Rules Affected by this Order: New WAC 98-12-051, 98-12-052, 98-12-053, 98-12-054 and 98-12-055; and amending WAC 98-12-030.

Statutory Authority for Adoption: RCW 68.05.105.

Adopted under notice filed as WSR 17-21-057 on October 16, 2017.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 5, Amended 1, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 5, Amended 1, Repealed 0.

Date Adopted: November 28, 2017.

Damon Monroe
Rules Coordinator

AMENDATORY SECTION (Amending WSR 83-02-063, filed 1/5/83)

WAC 98-12-030 (~~("Gross sales price" defined.)~~)

Definitions. For the purposes of this chapter, the following terms will be construed as follows:

(1) "Average fair market value" means the average of the fair market values of assets held by the endowment care fund on the first day of the current fiscal year and the first day of each of the two preceding fiscal years, or the average of the fair market value for the entire term of the fund if there are less than two preceding years.

(2) "Board" means the funeral and cemetery board.

(3) "Cemetery authority" means an entity that has obtained a certificate of authority to operate a cemetery from the funeral and cemetery board.

(4) "Endowment care cemetery" means a cemetery required to establish an endowment care fund in accordance with chapter 68.40 RCW.

(5) "Extraordinary distributions" means distributions from the endowment care fund pursuant to written consent of the board.

(6) "Fair market value" means the fair market value of the assets held by the fund, reduced by all known noncontingent liabilities.

(a) The fair market value of real estate will be established by the county assessor's valuation on the first day of the current fiscal year.

(b) The fair market value of fractional ownership interests in real estate will be determined by generally accepted valuation methods.

(c) The fair market value of the endowment care fund assets that are not publicly traded on a stock or other regulated securities exchange shall be determined by written valuation certified by a qualified independent public appraiser or qualified independent certified public accountant not affiliated with the cemetery authority or its principals within twelve months of the first day of the fiscal year. If the valuation is not provided, the asset(s) will be assigned a zero value for the purpose of determining fair market value.

(7) "Fiduciary responsibility" means the trustee(s) will manage the endowment care fund in accordance with RCW 11.100.020.

(8) "Gross sales price," in determining "ten percent of the gross sales price" pursuant to RCW 68.40.010, gross sales price shall not include the endowment care fund portion. Endowment care shall be added to the gross sales price and separately identified as endowment care on any contract. For example: Grave gross sales price - \$100.00. Endowment care requirement - \$10.00. Total contract price - \$110.00.

(9) "Income" means:

(a) Ordinary income, that is, interest, dividends, rents and other amounts received by the fund as current returns on investments, but excludes realized or unrealized capital gains or losses; or

(b) The amount available for distribution using the total return distribution method.

(10) "Net ordinary income" means the ordinary income of the fund reduced by the expenses of operating the fund.

(11) "Total return distribution" means the distributions of the endowment care fund based on the average fair market value of the endowment care fund assets, determined under WAC 98-12-052 multiplied by the total return percentage.

(12) **"Total return distribution method"** means an alternative distribution method intended to encourage the utilization of endowment care fund investments that will ultimately result in higher endowment care fund income levels through growth in the endowment care fund principal over time.

(13) **"Total return percentage"** means the annual percentage selected by the endowment care trustee or cemetery authority in accordance with WAC 98-12-051. The total return percentage shall not be less than three percent and not exceed five percent of the average fair market value of the endowment care fund.

(14) **"Trustee(s)"** means the bank, trust company or persons appointed by the cemetery authority or association of lot owners to hold fiduciary responsibility in managing the endowment care fund in accordance with chapter 68.44 RCW and subject to the direction of the cemetery authority.

NEW SECTION

WAC 98-12-051 Application for total return distribution. (1) An application for implementation of the total return distribution method shall be submitted at least sixty days prior to the effective date of the election to use total return. The cemetery authority shall provide the board with the following:

(a) A written investment and distribution policy in which future distributions from the endowment care fund will be total return distribution amounts rather than net ordinary income distribution amounts. The investment goals shall be to achieve principal growth through investments including, but not limited to, equity investments, as well as achieve current income through investments including, but not limited to, income investments.

(b) An amended endowment care trust agreement to clearly show intent to use the total return distribution method.

(c) A written document establishing the average fair market value signed by the cemetery authority and/or trustee(s), and supporting documents.

(d) Completed application form indicating the total return percentage and signed by the cemetery authority.

(2) The application shall be considered approved unless the cemetery authority or trustee is notified otherwise by the board within thirty days of receipt. Such notification shall contain details of the information needed to remedy any deficiencies in the application.

(3) The maximum total return percentage for the first year will be four percent. The cemetery authority or trustee may submit a written request to the board to modify the total return percentage twelve months after implementation of the total return distribution method.

(4) If the cemetery authority or trustee alters the total return percentage, the cemetery authority or trustee shall send written notice to the board. This notification shall be made before the first distribution is taken based on the new total return percentage and shall contain the revised total return percentage and the reason for the revision.

(5) The trustee shall distribute income to the cemetery authority at least annually or in more frequent installments agreed to by the trustee and the cemetery authority.

(6) A cemetery authority that converts the endowment care fund to a total return fund may elect to reconvert the fund to a net ordinary income fund by submitting written documentation to the board in support of the reconversion at least sixty days before the proposed effective date of the reconversion, including a copy of the trust agreement, notification on the proposed effective date of the reconversion, and any additional information required by the board.

(7) Unless an application and required documents for conversion to the total return distribution method have been received and approved by the board, a cemetery authority or trustee(s) may distribute only the net ordinary income from the endowment care fund for the general care, maintenance and embellishment of the cemetery.

NEW SECTION

WAC 98-12-052 Calculation of the average fair market value. The cemetery authority or trustee shall calculate the average fair market value of the fund at the beginning of each fiscal year. Appraisal methods and or sources utilized to determine fair market value to establish the initial value must remain the same in each reporting year.

(1) When calculating the average fair market value, if assets have been added to the fund during the years used to determine the average, the amount of each addition is added to all years in which such addition was not included. If extraordinary distributions were taken during any of the years used to determine the average, the amount of each distribution is subtracted from all years in which the distribution was not included.

(2) The cemetery authority or trustee shall exclude from the fair market value calculations any asset for which the fair market value cannot be established.

(3) The cemetery authority or trustee shall use the fair market value to calculate the average fair market value.

NEW SECTION

WAC 98-12-053 Limitation of total return distribution. (1) The board may take corrective measures including reducing the total return percentage under one or more of the following circumstances:

(a) If the average fair market value of the endowment care fund declines by ten percent or more over a two-year period; or

(b) The fair market value of the fund at the beginning of a fiscal year is less than eighty percent of the fair market value of the fund the first day of the fiscal year when the endowment care fund started making distributions based on the total return distribution method; or

(c) There is an uncorrected endowment care deficiency as determined by the board's audit of the endowment care funds.

(2) The board may evaluate the endowment care fund conditions and choose not to impose corrective measures if it finds that:

(a) The reasons are due to unusual or temporary factors not within the control of the cemetery authority or the trustee and which could not have been reasonably anticipated;

(b) The current investment policy of the fund is reasonably designed to protect the fund from further declines in fair market value; or

(c) The exception appears to be both necessary and appropriate for the continued protection of the endowment care fund.

(3) The cemetery authority or trustee(s) shall not utilize the total return distribution method for part of the endowment care assets and concurrently distribute net income for part of the endowment care assets. Endowment care distributions may only be taken as net ordinary income or the total return distribution method.

NEW SECTION

WAC 98-12-054 Fees and taxes. (1) In the event that the fees paid by the endowment care fund exceed one percent of the average fair market value, the amount in excess of one percent shall be paid from the distribution.

(2) Taxes may be paid from the corpus.

NEW SECTION

WAC 98-12-055 Annual reporting requirements for total return distribution method. The cemetery authority will provide the board with a report that includes the average fair market value used to determine distribution for the following year and maintain a record of the fair market value each year while using the total return distribution method.

As part of the cemetery endowment care annual report required by RCW 68.05.180 and 68.05.235, cemetery authorities approved to use the total return distribution method must file an addendum to the annual report which details the following:

- (1) The asset allocation.
- (2) The annual distribution to the cemetery authority.
- (3) Any changes to the investment and distribution policy.
- (4) Calculation of the average fair market value to determine the current year's distribution, and supporting documents.
- (5) Any other information the board deems pertinent.

WSR 17-24-021

PERMANENT RULES

DEPARTMENT OF

RETIREMENT SYSTEMS

[Filed November 28, 2017, 11:21 a.m., effective December 29, 2017]

Effective Date of Rule: Thirty-one days after filing.

Purpose: To amend the department's rule concerning fees for copying and providing public records in compliance with EHB 1595 (chapter 304, Laws of 2017).

Citation of Rules Affected by this Order: Amending WAC 415-06-060.

Statutory Authority for Adoption: RCW 41.50.050(5).

Adopted under notice filed as WSR 17-21-078 on October 16, 2017.

Permanent

Changes Other than Editing from Proposed to Adopted Version: No changes. The text being adopted is identical to the text as proposed.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 1, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: November 22, 2017.

Tracy Guerin
Director

AMENDATORY SECTION (Amending Order 4, filed 7/27/77)

WAC 415-06-060 ((Copying-)) Fees. (1) No fee shall be charged for the inspection of public records (~~The department shall charge a fee equal to the amount necessary to reimburse the department for its actual costs incident to any copying~~) or for locating public records and making them available for copying. However, the department may charge fees for copying and providing copies of public records. Such fees will not exceed the rates established in RCW 42.56.120, as amended by section 3, chapter 304, Laws of 2017.

(2) Pursuant to RCW 42.56.120, as amended by section 3, chapter 304, Laws of 2017, the department declares for the following reasons that it would be unduly burdensome to calculate the actual costs of copying and providing copies of public records: Department resources were not allocated for performing a study to calculate the actual costs; the department lacks the necessary resources to perform such a study and calculations; and such a study would interfere with and disrupt other essential department functions.

WSR 17-24-026

PERMANENT RULES

OFFICE OF THE CODE REVISER

[Filed November 28, 2017, 3:16 p.m., effective December 29, 2017]

Effective Date of Rule: Thirty-one days after filing.

Purpose: The office of the code reviser is amending chapter 1-06 WAC to better conform such chapter to: (1) Recent changes in the law concerning public records; (2) model rules recommended by the attorney general's office (chapter 44-14 WAC); and (3) current agency practices.

Citation of Rules Affected by this Order: New WAC 1-06-082, 1-06-084, 1-06-086 and 1-06-095; repealing WAC 1-

06-040, 1-06-120 and 1-06-160; and amending WAC 1-06-010, 1-06-020, 1-06-030, 1-06-050, 1-06-060, 1-06-070, 1-06-080, 1-06-090, 1-06-100, 1-06-110, 1-06-130, and 1-06-140.

Statutory Authority for Adoption: RCW 42.56.040, 42.56.070, 42.56.100, 42.56.120, and 42.56.520; and chapter 304, Laws of 2017.

Adopted under notice filed as WSR 17-20-105 on October 4, 2017.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 4, Amended 12, Repealed 3.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 4, Amended 12, Repealed 3.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: November 28, 2017.

K. Kyle Thiessen
Code Reviser

AMENDATORY SECTION (Amending WSR 06-16-019, filed 7/24/06, effective 8/24/06)

WAC 1-06-010 Purpose. The purpose of this chapter ~~((shall be))~~ is to ensure compliance by the statute law committee and the office of the code reviser with the provisions of chapter 42.56 RCW ~~((dealing with public records)), the Public Records Act. The agency adopts these rules and regulations so as to provide fullest assistance to inquirers and full public access to the agency's public records while protecting those records from damage or disorganization, preventing excessive interference with other essential agency functions, and not unreasonably disrupting agency operations.~~

AMENDATORY SECTION (Amending WSR 06-16-019, filed 7/24/06, effective 8/24/06)

WAC 1-06-020 Definitions. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

~~(1) ("Public record" includes any writing containing information relating to the conduct of government or the performance of any governmental or proprietary function prepared, owned, used, or retained by this agency regardless of physical form or characteristics, except (a) those records of the bill drafting functions of the code reviser deemed confidential pursuant to RCW 1.08.027 and (b) computer programs, products, and databases deemed exempt pursuant to chapter 42.56 RCW.~~

~~Public record as relates to this agency does not include computer programs, products, and databases prepared,~~

~~owned, used, or retained by this agency for the benefit of another state agency. Applications for the disclosure of such records should be addressed to the agency in interest.~~

~~(2) "Writing" means handwriting, typewriting, printing, photostating, photographing, and every other means of recording any form of communication or representation, including letters, words, pictures, sounds, symbols, or combination thereof; and all papers, maps, magnetic or paper tapes, photographic films and prints, magnetic or punched cards, discs, drums, and other documents.~~

~~(3)) "Agency" means the committee, the code reviser, the office of the code reviser, and the staff and employees thereof.~~

~~(2) "Business days" are weekdays, Monday through Friday, excluding state legal holidays.~~

~~(3) "Code reviser" means the code reviser employed by the committee pursuant to RCW 1.08.011.~~

~~(4) "Committee" means the statute law committee created pursuant to chapter 1.08 RCW ~~((chapter 157, Laws of 1951).~~~~

~~(4) "Reviser" means the code reviser employed by the committee pursuant to RCW 1.08.011, and where appropriate the term also refers to the staff and employees of the office of the code reviser.~~

~~(5) "Agency" means the committee, the code reviser, and the staff and employees thereof, unless the context clearly indicates otherwise.~~

~~(6) "Records of the bill drafting functions" means any file or writing in the office of the code reviser created in connection with a request for preparation of legislation or research thereon, and the confidentiality of such records may be waived only by the person who requested the services of the office of the code reviser).~~

~~(5) "Public record" and "writing" have the meanings given in RCW 42.56.010.~~

~~(6) "Public Records Act" means chapter 42.56 RCW.~~

AMENDATORY SECTION (Amending WSR 06-16-019, filed 7/24/06, effective 8/24/06)

WAC 1-06-030 Description of central and field organization. (1) ~~((The office of the code reviser is located in the Pritchard Building, Olympia, Washington, 98504.~~

~~(2)) The committee consists of eleven members. ~~((The secretary of the senate, the chief clerk of the house of representatives, the staff director of a nonpartisan professional committee, staff of the senate and the house of representatives, two members of the senate and the house of representatives, and one each appointed by the governor, the chief justice of the supreme court, and the Washington State Bar Association.))~~ The committee employs a code reviser, who serves as its secretary, employs necessary staff for the office of the code reviser, and manages the daily operations of the office of the code reviser.~~

~~((3))~~ (2) Among the primary responsibilities of the ~~((committee and the code reviser))~~ agency is the duty to periodically codify, index, and publish the *Revised Code of Washington* and to revise, correct, and harmonize the statutes by means of administrative or suggested legislative action as may be appropriate. The agency is also the official bill draft-

ing arm of the legislature and its various committees, and prepares for the legislature all bills, memorials, resolutions, amendments, and conference reports, which activities are pursued on a nonpartisan, professional, lawyer-client, confidential basis under RCW 1.08.027(~~(, and RCW 1.08.028 prohibits the office of the code reviser from rendering written opinions concerning the constitutionality of any proposal)~~). The agency also produces the legislative digest and history of bills (~~(and the daily status report)~~). Immediately following each session of the legislature, the committee indexes and publishes the (~~(temporary edition of the)~~) session laws (~~(and subsequently publishes the permanent edition; it also responds to citizen's requests for copies of recently enacted laws)~~). The committee administers chapter 34.05 RCW, the Administrative Procedure Act, serving as official repository for the rules of the various state agencies and the institutions of higher education, and creating and publishing the *Washington Administrative Code* and the *Washington State Register*.

AMENDATORY SECTION (Amending WSR 06-16-019, filed 7/24/06, effective 8/24/06)

WAC 1-06-050 Public records available. All public records of the agency(~~(, as defined in WAC 1-06-020, are deemed to be)~~) are available for public inspection and copying pursuant to ((these rules)) this chapter, except as otherwise provided by (~~(chapter 42.56 RCW and WAC 1-06-100))~~ law.

AMENDATORY SECTION (Amending WSR 06-16-019, filed 7/24/06, effective 8/24/06)

WAC 1-06-060 Public records officer. The agency's public records (~~(shall be)~~) are in the charge of the public records officer designated by the code reviser. The public records officer (~~(shall be)~~) is responsible for the following: The implementation of the agency's rules and regulations regarding release of public records, coordinating the staff of the agency in this regard, and generally insuring compliance by the staff with the public records disclosure requirements of (~~(chapter 42.56 RCW))~~ the Public Records Act. The public records officer may be contacted as described in WAC 1-06-140.

AMENDATORY SECTION (Amending WSR 09-14-023, filed 6/23/09, effective 8/1/09)

WAC 1-06-070 Office hours. Public records (~~(shall be)~~) are available for inspection and copying by appointment only, as described in WAC 1-06-086. Appointments may only be scheduled during the customary office hours of the agency. For the purposes of this chapter, the customary office hours (~~(shall be)~~) of the agency are from 8:00 a.m. to noon and from 1:00 p.m. to 4:00 p.m., Monday through Friday, excluding legal holidays.

AMENDATORY SECTION (Amending WSR 06-16-019, filed 7/24/06, effective 8/24/06)

WAC 1-06-080 Requests for public records. (~~(In accordance with requirements of chapter 42.56 RCW that agencies prevent unreasonable invasions of privacy, protect public records from damage or disorganization, and prevent excessive interference with essential functions of the agency, public records may be inspected or copied or copies of such records may be obtained, by members of the public, upon compliance with the following procedures:~~

(1) ~~A request shall be made in writing upon a form prescribed by the agency which shall be available at its office. The form shall be presented to the public records officer, or to any member of the agency's staff, if the public records officer is not available, at the office of the agency during customary office hours. The request shall include the following information:~~

(a) ~~The name, address, and organization represented, if any, of the person requesting the record;~~

(b) ~~The time of day and calendar date on which the request was made;~~

(c) ~~The nature of the request;~~

(d) ~~If the matter requested is referenced within the current index maintained by the records officer, a reference to the requested record as it is described in such current index;~~

(e) ~~If the requested matter is not identifiable by reference to the agency's current index, an appropriate description of the record requested;~~

(2) ~~In all cases in which a member of the public is making a request, it shall be the obligation of the public records officer or staff member to whom the request is made to assist the member of the public in appropriately identifying the public record requested.)~~ All requests under the Public Records Act to inspect or copy public records of the agency must be written and directed to the agency public records officer at the email address, street address, or facsimile number set forth in WAC 1-06-140. Requests may also be physically delivered to the front desk of the office of the code reviser during normal business hours. Each request must include:

(1) The requestor's name, email address or street address, and telephone number;

(2) A request for identifiable public records; and

(3) An indication that the request is made pursuant to the Public Records Act.

NEW SECTION

WAC 1-06-082 Responses to public records requests.

(1) **Generally.** The agency will respond to public records requests in the manner prescribed by the Public Records Act.

(2) **Priority of requests.** The agency will generally handle requests in the order in which they are received. However, the agency will modify this approach, to the extent it deems necessary, to ensure that requests which seek larger volumes of records, require closer review, or are otherwise more complicated or time consuming, do not unreasonably delay simpler, more routine requests.

(3) **Installments.** The agency may provide records on an installment basis as provided in the Public Records Act. For

purposes of WAC 1-06-084 through 1-06-090 each installment of records is treated as a separate public records request, unless otherwise specified.

(4) **Customized electronic access.** Where the agency deems it appropriate, the agency may choose to provide customized electronic access to public records. However, any requestor seeking such customized electronic access must pay, in advance, for agency staff time and any other direct costs related to providing such customized electronic access. Because the agency maintains electronic records in a very wide variety of formats, the viability of providing this service is evaluated on a case-by-case basis.

NEW SECTION

WAC 1-06-084 Notice of availability. (1) **Generally.** Once records responsive to a request, or any installment thereof, have been located, assembled, reviewed, and prepared for release, and any affected third persons or agencies notified, the agency will promptly notify the requestor that those records are available for inspection or copying.

(2) **Statement of copying, mailing, or other costs.** The notice of availability will state any costs for obtaining a copy of the records, the costs for having a copy mailed to the requestor, and any other allowable costs under WAC 1-06-090 or the Public Records Act.

(3) **Response to notice of availability.** Upon receipt of a notice of availability, the requestor may inspect the records by:

(a) Scheduling a viewing appointment as provided under WAC 1-06-086;

(b) Requesting that a copy of the requested records be held for pickup at the agency office, subject to payment of any copying or other charges; or

(c) Requesting that a copy of the requested records be sent to the requestor, subject to payment of any copying or other charges.

(4) **Failure to respond to notice of availability.** If, within ten business days of issuance of a notice of availability, the requestor fails to claim the records, or any installment thereof, by either scheduling a viewing appointment or requesting copies and making any required payment, the agency may consider the request closed. In such case, the agency may cease locating, assembling, reviewing, or otherwise processing any remaining records, and it may dispose of any records made available as provided under WAC 1-06-095.

NEW SECTION

WAC 1-06-086 Viewing appointments. (1) **No fee.** No fee is charged for inspecting records at the agency's office.

(2) **By appointment only.** In-office inspections are by appointment only. In-office inspections must be scheduled in advance by contacting the agency as provided in WAC 1-06-140.

(3) **Protection of public records.** Access to records during viewing appointments is restricted to the viewing area designated by the agency. No document may be physically removed by a member of the public from the viewing area for any reason whatsoever; nor may any member of the public

who is viewing documents disassemble, deface, or cause the disorganization of any record for any reason whatsoever. An agency staff member may observe any inspection to ensure that records are not disorganized, defaced, or otherwise harmed. Records furnished must be returned in the same file sequence or organization as when furnished. Boisterous or otherwise disruptive conduct during viewing appointments is not permitted.

(4) **Identification of records reviewed.** At the end of each viewing appointment, the requestor shall identify to agency staff those records reviewed during the appointment. If any records remain to be reviewed, another viewing appointment must be scheduled at that time. Reviewed records, or remaining records for which no further viewing appointment has been scheduled, are subject to disposition as provided under WAC 1-06-095.

(5) **Obtaining copies at viewing appointments.** At the end of each viewing appointment, the requestor shall identify to agency staff any records he or she would like copied. Agency staff will arrange to provide such copies in as timely a manner as possible in view of all circumstances, including the volume of copies requested, any pending copying requests, time of day, staff resources, and any other relevant considerations. Records identified for copying during viewing appointments are subject to prepayment of any copying or other costs in accordance with WAC 1-06-090.

(6) **Failure to attend a scheduled viewing appointment.** A requestor who fails to attend a scheduled viewing appointment must call the agency within ten business days to reschedule the missed appointment. Unless otherwise permitted by the agency, a viewing appointment may not be rescheduled more than two times. If a requestor fails to reschedule a missed viewing appointment within ten business days or has already rescheduled the appointment two times, the agency may consider the request closed and may dispose of any records or copies made available in accordance with WAC 1-06-095.

AMENDATORY SECTION (Amending WSR 06-17-010, filed 8/4/06, effective 9/4/06)

WAC 1-06-090 Copying of public records. ~~((No fee shall be charged for the inspection of public records. Upon request for an identifiable public record, the office of the code reviser may charge a fee of:~~

~~•Thirty five cents per page of copy for providing paper copies of public records maintained on paper or electronically;~~

~~•Two dollars per CD-ROM for copies of electronically maintained public records;~~

~~•Two dollars per page and fifteen dollars per hour charge for double column, publication master copies of electronically maintained public records.~~

~~The office of the code reviser may fax documents, but there is a ten-page maximum. There is no charge for this service.~~

~~These charges are the amounts necessary to reimburse the agency for its actual costs incident to such copying.)~~ (1) **Copying facilities available.** Subject to payment of copying and other charges, facilities will be made available to request-

ors for the copying of public records as set forth under WAC 1-06-086, except when and to the extent that this would unreasonably disrupt the operations of the agency.

(2) **Copying costs.** In accordance with RCW 42.56.070 (7) and 42.56.120, the agency may charge fees for providing copies of public records. The agency has determined that calculating the actual costs for providing copies would be unduly burdensome. This determination is based on the large number of factors involved in calculating the actual cost and the frequency with which these factors change. The agency does not currently have accurate data regarding these factors, nor does it have the resources or appropriated funds to conduct an actual cost study. The agency cannot divert resources away from other critical agency programs in order to perform such a cost study. Additionally, such a study would likely need to be repeated on a regular basis. Therefore, the agency adopts the schedule of fees provided in RCW 42.56.120(2).

(3) **Other costs.** The agency may charge for nonpaper media (for example, without limitation, compact disks (CDs), digital versatile disks (DVDs), audiotape, or videotape) used to provide copies, packaging, postage, or other charges as allowed by law. Such charges will not exceed the amount necessary to reimburse the agency for actual costs.

(4) **Deposits.** The agency may require a ten percent deposit on copying or other charges. Any required deposit must be paid before the request is processed.

(5) **Prepayment.** The agency will not release any requested copies of public records unless and until the requestor has paid all copying and other charges. If payment is not received by the agency within fifteen business days of issuance of the agency's notice of availability, the agency may consider the request closed, and any records or copies responsive to such request are subject to disposition as provided under WAC 1-06-095.

(6) **Waiver.** The agency, in its sole discretion, may waive any fee assessed for providing copies of public records whenever the agency determines that collection of the fee would be contrary to the agency's mission or would not be in the public interest.

(7) **Customized publications.** The agency maintains a separate fee schedule for use with requests that seek creation of a customized publication or compilation. Because these requests seek creation of a new record, they are outside the scope of this chapter and chapter 42.56 RCW.

NEW SECTION

WAC 1-06-095 Closing public records requests. (1) **Generally.** Once the requestor has inspected or been provided with copies of the records made available in response to his or her request, that request is closed. However, with respect to any installment of records other than the final installment, the foregoing applies only to that installment and not the entire request, unless otherwise provided in this chapter.

(2) **Other closing events.** A request may also be closed:

(a) If a requestor does not respond to a request for clarification or otherwise fails to clarify within ten business days;

(b) If the requestor fails to make a required deposit or payment for requested copies as provided under WAC 1-06-090;

(c) If the requestor fails to respond to a notice of availability as provided under WAC 1-06-084;

(d) If all records identified in any notice of availability, including a notice with respect to an installment of records, have not been inspected, paid for, or picked up within fifteen business days of issuance of such notice of availability; or

(e) As otherwise provided by this chapter or by law.

(3) **Disposition of records upon closing.** Upon the closing of a request, originals of any records assembled in response to the request will be refiled, and any copies of records may be destroyed.

AMENDATORY SECTION (Amending WSR 06-16-019, filed 7/24/06, effective 8/24/06)

WAC 1-06-100 Exemptions. (1) ~~(The agency reserves the right to determine that a public record requested in accordance with the procedures outlined in WAC 1-06-080 is exempt under the provisions of RCW 1.08.027 or chapter 42.56 RCW.~~

(2) ~~In addition, pursuant to RCW 42.56.070(1), the agency reserves the right to delete identifying details when it makes available or publishes any public record, in any cases where there is reason to believe that disclosure of such details would be an invasion of personal privacy protected by chapter 42.56 RCW. The public records officer will fully justify such deletion in writing.~~

(3)) **Generally.** Chapter 42.56 RCW, and other applicable law, provide that certain public records are exempt from public inspection and copying. For informational purposes only, the agency lists the following laws that are believed to exempt or prohibit disclosure of specific information or records of the agency:

(a) RCW 1.08.027 exempts or prohibits disclosure of certain records related to the bill drafting functions of the agency. This includes any file or writing in the office of the code reviser created in connection with a request for preparation of legislation or research thereon.

(b) RCW 5.60.060 (2)(a) exempts or prohibits disclosure of certain records relating to communication between an attorney and his or her client.

(c) RCW 44.68.060(2) may exempt or prohibit disclosure of certain records placed or maintained in the legislative service center by the agency. RCW 44.68.060(3) exempts or prohibits disclosure of certain bill drafting records placed or maintained in the legislative service center by the agency.

(2) **Identification of exemptions.** All denials of requests for public records (~~must~~) will be accompanied by a written statement specifying the reason for the denial, including a statement of the specific exemption authorizing the withholding of the record and a brief explanation of how the exemption applies to the records withheld.

AMENDATORY SECTION (Amending Order 8, filed 9/25/74, effective 10/25/74)

WAC 1-06-110 Review of denials of public records request. (1) **Petition for review.** Any person who objects to

the denial of a request for a public record may petition for prompt review of such decision by tendering a written request for review to the public records officer. The written request ~~((shall))~~ must specifically refer to the written statement by the public records officer or other staff member which constituted or accompanied the denial.

(2) **Response to petition.** Immediately after receiving a written request for review of a decision denying a public record, the public records officer or other staff member denying the request ~~((shall))~~ will refer ~~((it))~~ the request for review to the code reviser~~((, who shall))~~ or his or her designee. The code reviser or designee will immediately consider the matter and either affirm or reverse such denial~~((The request shall be returned with a final decision,))~~ within two business days following ~~((the original))~~ receipt of the written request for review of the denial.

(3) **Exhaustion of administrative remedies.** Administrative remedies ~~((shall))~~ are not ~~((be considered))~~ exhausted until the agency has returned the petition with a decision or until the close of the second full business day following receipt of the written request for review of the denial ~~((of inspection))~~, whichever occurs first.

AMENDATORY SECTION (Amending WSR 06-16-019, filed 7/24/06, effective 8/24/06)

WAC 1-06-130 Records index. (1) A chronological index is maintained providing identifying information as to all governmental records ~~((issued, adopted, or promulgated after June 30, 1972,))~~ that are deemed by the agency to fall within the purview of RCW 42.56.070 ~~((and that are not exempted under chapter 42.56 RCW, RCW 1.08.027, 40.14.180, or WAC 1-06-020))~~ (5).

(2) The current index promulgated by the agency ~~((must be))~~ is available to all persons under the same rules ~~((and on the same rules))~~ and on the same conditions as are applied to public records available for inspection and copying.

AMENDATORY SECTION (Amending WSR 06-16-019, filed 7/24/06, effective 8/24/06)

WAC 1-06-140 ~~((Communications with the agency.))~~ **Public records address.** ~~((All communications with the agency including but not limited to the submission of materials pertaining to its operations and/or the administration or enforcement of chapter 42.56 RCW and these rules; requests for copies of the agency's rules and other matters, shall be addressed as follows:))~~ The agency's public records officer may be contacted at the following mailing address, telephone number, or email address:

Public Records Officer
Office of the Code Reviser~~((e/o Public Records Officer,))~~
P.O. Box 40551(7)
Olympia, WA 98504-0551
Telephone: 360-786-6777
Facsimile: 360-786-1471
Email: CodeRev.WA@leg.wa.gov
The agency's web site is at <http://leg.wa.gov/CodeReviser/>.

REPEALER

The following sections of the Washington Administrative Code are repealed:

WAC 1-06-040 Operations and procedures.
WAC 1-06-120 Protection of public records.
WAC 1-06-160 Request for public record—Form.

WSR 17-24-032

PERMANENT RULES

DEPARTMENT OF REVENUE

[Filed November 29, 2017, 12:57 p.m., effective December 30, 2017]

Effective Date of Rule: Thirty-one days after filing.

Purpose: WAC 458-16-266 Homeownership development, is a new rule that explains the requirements of a new property tax exemption for nonprofit organizations that develop or redevelop on real property, one or more residences that are sold to low-income households.

Citation of Rules Affected by this Order: New WAC 458-16-266 Homeownership development.

Statutory Authority for Adoption: RCW 84.36.865.

Adopted under notice filed as WSR 17-17-059 on August 11, 2017.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 1, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 1, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 1, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: November 29, 2017.

Erin T. Lopez
Rules Coordinator

NEW SECTION

WAC 458-16-266 Homeownership development. (1) **Introduction.** RCW 84.36.049 explains that real property owned by a nonprofit entity for the purpose of developing or redeveloping on the real property one or more residences to be sold to low-income households is exempt from state and local property taxes, subject to certain limitations.

(2) **Definitions.**

(a) "Financial statements" means an audited annual financial statement and a completed United States treasury internal revenue service return form 990 for organizations exempt from income tax.

(b) "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is less than eighty percent of the median family income, adjusted for family size as most recently determined by the federal Department of Housing and Urban Development for the county in which the property is located.

(c) "Nonprofit entity" means a nonprofit as defined in RCW 84.36.800 that is exempt from federal income taxation under 26 U.S.C. Sec. 501 (c)(3) of the federal Internal Revenue Code of 1986, as amended.

(d) "Property tax year" means the year in which property taxes are due.

(e) "Real property" has the same meaning as contained in RCW 84.04.090.

(f) "Residence" means a single-family dwelling unit whether such unit is separate or part of a multiunit dwelling, including the land on which such dwelling stands. If the residence is part of a multiunit dwelling, such as a condominium complex, the purchaser must also receive a fractional interest in the land for the nonprofit entity to qualify for the exemption.

(3) **Examples.** This rule includes examples that identify a number of facts and then state a conclusion. These examples should only be used as a general guide. The tax results of other situations must be determined after a review of all the facts and circumstances.

(4) **Exemption application.** The exemption is effective June 9, 2016. Nonprofit entities may qualify for this exemption for up to a maximum of ten consecutive property tax years. The initial exemption is for a period of up to seven consecutive property tax years and the exemption extension, as described in subsection (5) of this rule, is for an additional period of up to three consecutive property tax years.

(a) **Initial application.** Initial applications will not be accepted after December 31, 2026. To apply for this exemption, the nonprofit entity must submit a completed application to the department:

(i) On or before July 1, 2016, for the 2017 property tax year;

(ii) On or before March 31st of each year, thereafter, for taxes to be collected in the following property tax year; or

(iii) Within sixty days of either acquiring the property or converting the property to an exempt use, whichever is later.

(b) **Retroactive applications.** Retroactive applications for this exemption for previous years are accepted, up to a maximum of three years from the date taxes were due on the property. The applicant must provide the department with acceptable proof that the property qualified for exemption during the pertinent assessment years and pay the late filing penalties. Retroactive applications will not be approved for taxes due prior to the 2017 property tax year and will not be accepted after December 31, 2026.

(c) **Renewal application.** Once a nonprofit entity is approved by the department for this exemption, no annual renewal application is required.

(d) **Late filing.** Late filing fees apply to retroactive applications, as described in (b) of this subsection, and to late applications filed under (a) of this subsection. Late filing fees of ten dollars per month or portion of a month will accrue beginning the date following the application deadline and

continues through the application's actual postmark or email date.

(e) **Reporting requirements.** To measure the effectiveness of this exemption:

(i) All nonprofit entities receiving this exemption must provide, upon request by the joint legislative and audit review committee, annual financial statements for each year the exemption was claimed. The nonprofit entity must clearly identify the line or lines on the financial statements that represent the percentage of revenues dedicated to the development of affordable housing; and

(ii) The department must provide, upon request, approved initial applications for this exemption and owner occupancy notices reported by the nonprofit entity receiving this exemption, to the joint legislative audit and review committee.

(5) Extensions.

(a) If the nonprofit entity believes that title to the real property will not be transferred by the end of the sixth consecutive property tax year, it may file a notice of extension with the department. The extension:

(i) Is for a period of up to three property tax years;

(ii) Must be filed with the department on or before March 31st of the sixth consecutive property tax year. If the sixth consecutive property tax year occurs on or after January 1, 2027, the nonprofit entity must file an extension application no later than December 31, 2026; and

(iii) Requires a filing fee equal to the greater of two hundred dollars or one-tenth of one percent of the real market value of the property as of the most recent assessment date.

(b) **Example 1.** ABC Homes, a nonprofit entity, purchases vacant land on December 1, 2017, and begins building a single family residence that will subsequently be sold to a low-income household. ABC Homes must submit an initial application to the department within sixty days of acquiring the property to qualify for the exemption beginning in the 2018 property tax year. If approved, the exemption will continue until the residence is sold or transferred to a low-income household or through the 2024 property tax year, whichever is earlier. If ABC Homes believes the residence will not be sold or transferred to a low-income household by December 31, 2023 (the sixth consecutive property tax year), it may apply for a three-year extension no later than March 31, 2023. If the extension is approved, the exemption will be effective for taxes payable through the 2027 property tax year.

(c) **Example 2.** DEF Development, a nonprofit entity, purchases a residence on August 1, 2021. The residence will be remodeled and then sold to a low-income household. DEF Development must submit an initial application to the department within sixty days of acquiring the property to qualify for the exemption beginning in the 2022 property tax year. If approved, the exemption will continue until the residence is sold or transferred to a low-income household or through the 2028 property tax year, whichever is earlier. If DEF Development believes the residence will not be sold or transferred to a low-income household by December 31, 2027 (the sixth consecutive property tax year), it may apply for a three-year extension no later than December 31, 2026 (the last day to apply for a three-year extension). If the extension is

approved, the exemption will be effective for taxes payable through the 2031 property tax year.

(6) **Expiration.** This exemption expires on or at the earlier of:

(a) The date on which the nonprofit entity transfers title of the real property;

(b) The end of the seventh consecutive property tax year without an extension;

(c) The end of the tenth consecutive property tax year with an extension; or

(d) The date the real property and residence is no longer held for the purpose for which the exemption was granted. The lease or rental of the property is not considered a qualifying exempt purpose.

(7) **Disqualification and additional tax.**

(a) If the nonprofit entity has not transferred title of the real property to a low-income household within the applicable periods described in subsection (6)(b) or (c) of this rule, or if the real property is no longer held for the purpose for which the exemption was granted as described in subsection (6)(d) of this rule, then the real property is disqualified from the exemption. When real property is disqualified, additional tax and interest are due.

(b) Additional tax and interest. When real property is disqualified from this exemption, the county treasurer must:

(i) Collect additional tax. The additional tax is equal to all taxes that would have been paid on the real property had the exemption not been granted, along with interest at the same rate and calculated in the same manner as interest on delinquent property taxes. The additional tax and interest are due in full thirty days from the issue date on the treasurer's statement; and

(ii) Distribute the additional taxes in the same manner that current property taxes on the real property are distributed. The additional tax and interest are a lien on the real property. If the nonprofit entity sells or transfers the property, any unpaid additional tax and interest must be paid by the nonprofit entity selling the property prior to conveyance of the property. The nonprofit entity or the new owner may appeal the assessed value on which the additional tax was calculated to the county board of equalization (see RCW 84.40.038).

(c) **Example 3.** Homes Unlimited, a nonprofit entity, owns a residence that it will improve and then sell to a low-income household. Homes Unlimited applies to the department and is approved for the exemption. Upon completion of the improvements, Homes Unlimited leases the residence to a low-income household until it can find a low-income household to purchase the residence. Because the lease of the property is not a qualifying exempt purpose, the residence is disqualified from the exemption and is subject to additional tax and interest.

(d) **Example 4.** Dream Home, Inc., a nonprofit entity, is building a duplex on land it owns and intends on selling each unit, along with the land, to low-income households. Dream Home, Inc., applies to the department and is approved for the exemption. Upon completion of the duplex, Dream Home, Inc., sells one of the two units to a low-income household. The second unit goes unsold so Dream Home, Inc., applies to the department for a three-year extension and is approved.

Upon expiration of the three-year extension, the second unit has still not been sold to a low-income household. The second unit of the duplex is disqualified from the exemption and is subject to additional tax and interest.

(8) **Sale or transfer of real property to a low-income household.** A nonprofit entity must immediately notify the department when the exempt real property is sold or transferred to a low-income household. This notice must include:

(a) Certification by the nonprofit entity that the occupants are a low-income household. Low-income verification forms can be found on the department's web site at dor.wa.gov; and

(b) The date when the title to the real property was transferred.

(9) **Cessation of exemption.** Upon expiration or disqualification of the exemption, the value of new construction and improvements to the property, if not previously considered as new construction, must be considered as new construction for the purposes of calculating levies under chapter 84.55 RCW. If the value of new construction and improvements to property were previously considered as new construction when calculating levies under chapter 84.55 RCW, then it may not be considered as new construction upon expiration or disqualification of the exemption.

**WSR 17-24-035
PERMANENT RULES
NOXIOUS WEED
CONTROL BOARD**

[Filed November 29, 2017, 1:38 p.m., effective January 1, 2018]

Effective Date of Rule: January 1, 2018.

Purpose: The Washington state noxious weed list provides the basis for noxious weed control efforts for county and district weed control boards as well as other entities. This rule-making order amends chapter 16-750 WAC by:

- Adding small-flowered jewelweed, *Impatiens parviflora*, as a Class A noxious weed.
- Adding European coltsfoot, *Tussilago farfara*, as a Class B noxious weed, to be designated for control throughout Washington, except for in Grant, Lincoln, Adams, Benton, and Franklin counties.
- Adding Malta starthistle, *Centaurea melitensis*, a Class B noxious weed, to be designated for control throughout Washington except in Klickitat, Whitman, Benton, Franklin, Walla Walla, Columbia, Garfield, and Asotin counties, and a portion of Stevens County.
- Adding spotted jewelweed, *Impatiens capensis*, as a Class C noxious weed.
- Adding the Eurasian watermilfoil hybrid (*Myriophyllum spicatum* x *M. sibiricum*) as a Class C noxious weed.
- Reclassifying the Class A noxious weed spurge flax, *Thymelaea passerina*, to a Class B noxious weed to be designated for control throughout Eastern Washington, except in Okanogan County.
- Undesignating butterfly bush, *Buddleja davidii*, and shiny geranium, *Geranium lucidum*, in Thurston County.

- Undesignating yellow nutsedge, *Cyperus esculentus*, in Clark County.
- Designating policeman's helmet, *Impatiens glandulifera*, for control in Clark County.

Citation of Rules Affected by this Order: Amending WAC 16-750-005, 16-750-011, and 16-750-015.

Statutory Authority for Adoption: Chapter 17.10 RCW.

Other Authority: Chapter 34.05 RCW.

Adopted under notice filed as WSR 17-19-110 on September 20, 2017.

Changes Other than Editing from Proposed to Adopted Version: A few proposed changes to the noxious weed list (chapter 16-750 WAC) were not adopted, namely: Adding cheatgrass as a Class C noxious weed; designating indigo-bush in Clark County and Eurasian watermilfoil in Kittitas County; and undesignating Eurasian watermilfoil in Cowlitz and Clark counties.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 2, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 3, Repealed 0.

Date Adopted: November 29, 2017.

Anthony Stadelman
Chairman

AMENDATORY SECTION (Amending WSR 16-24-031, filed 11/30/16, effective 1/1/17)

WAC 16-750-005 State noxious weed list—Class A noxious weeds.

Common Name	Scientific Name
broom, French	<i>Genista monspessulana</i>
broom, Spanish	<i>Spartium junceum</i>
common crupina	<i>Crupina vulgaris</i>
cordgrass, common	<i>Spartina anglica</i>

AMENDATORY SECTION (Amending WSR 16-24-031, filed 11/30/16, effective 1/1/17)

WAC 16-750-011 State noxious weed list—Class B noxious weeds.

Name	Will be a "Class B designate" in all lands lying within:
(1) blueweed, <i>Echium vulgare</i>	(a) regions 1, 2, 3, 4, 6 (b) region 5, except Spokane County

Common Name	Scientific Name
cordgrass, dense-flowered	<i>Spartina densiflora</i>
cordgrass, salt meadow	<i>Spartina patens</i>
cordgrass, smooth	<i>Spartina alterniflora</i>
dyer's woad	<i>Isatis tinctoria</i>
eggleaf spurge	<i>Euphorbia oblongata</i>
false brome	<i>Brachypodium sylvaticum</i>
floating primrose-willow	<i>Ludwigia peploides</i>
flowering rush	<i>Butomus umbellatus</i>
garlic mustard	<i>Alliaria petiolata</i>
giant hogweed	<i>Heracleum mantegazzianum</i>
goatsrue	<i>Galega officinalis</i>
hydrilla	<i>Hydrilla verticillata</i>
Johnsongrass	<i>Sorghum halepense</i>
knapweed, bighead	<i>Centaurea macrocephala</i>
knapweed, Vochin	<i>Centaurea nigrescens</i>
kudzu	<i>Pueraria montana</i> var. <i>lobata</i>
meadow clary	<i>Salvia pratensis</i>
oriental clematis	<i>Clematis orientalis</i>
purple starthistle	<i>Centaurea calcitrapa</i>
reed sweetgrass	<i>Glyceria maxima</i>
ricefield bulrush	<i>Schoenoplectus mucronatus</i>
sage, clary	<i>Salvia sclarea</i>
sage, Mediterranean	<i>Salvia aethiopsis</i>
silverleaf nightshade	<i>Solanum elaeagnifolium</i>
((spurge flax	<i>Thymelaea passerina</i>)
<u>small-flowered jewelweed</u>	<u><i>Impatiens parviflora</i></u>
Syrian bean-caper	<i>Zygophyllum fabago</i>
Texas blueweed	<i>Helianthus ciliaris</i>
thistle, Italian	<i>Carduus pycnocephalus</i>
thistle, milk	<i>Silybum marianum</i>
thistle, slenderflower	<i>Carduus tenuiflorus</i>
variable-leaf milfoil	<i>Myriophyllum heterophyllum</i>
wild four o'clock	<i>Mirabilis nyctaginea</i>

Name		Will be a "Class B designate" in all lands lying within:	
(2)	Brazilian elodea, <i>Egeria densa</i>	(a)	region 1, except Grays Harbor and Pacific counties
		(b)	region 2, except Kitsap and Snohomish counties
		(c)	King County of region 2, except lakes Dolloff, Fenwick, Union, Washington, and Sammamish, and the Sammamish River
		(d)	region 3, except Wahkiakum County
		(e)	regions 4, 5, and 6
(3)	bugloss, annual, <i>Anchusa arvensis</i>	(a)	regions 1, 2, 3, 4, and 6
		(b)	region 5, except Spokane County
(4)	bugloss, common, <i>Anchusa officinalis</i>	(a)	regions 1, 2, 3, and 6
		(b)	All of region 4 except those areas lying within the Entiat River Valley between the Columbia River confluence and Stormy Creek in Chelan County
		(c)	region 5, except Spokane County
(5)	butterfly bush, <i>Buddleja davidii</i>	(a)	((The portion of Thurston County lying below the ordinary high water mark of the Nisqually River in region 2
		(b))	Cowlitz County of region 3
(6)	camelthorn, <i>Alhagi maurorum</i>	(a)	regions 1, 2, 3, 4, and 5
		(b)	region 6, except Walla Walla County
(7)	common fennel, <i>Foeniculum vulgare</i> (except bulbous fennel, <i>F. vulgare</i> var. <i>azoricum</i>)	(a)	region 1, except Jefferson County
		(b)	region 2, except King and Skagit counties
		(c)	region 3, except Clark County
		(d)	regions 4, 5, and 6
(8)	common reed, <i>Phragmites australis</i> (nonnative genotypes only)	(a)	regions 1, 2, 3, and 4
		(b)	region 5, except Grant County
		(c)	Asotin, Columbia, and Garfield counties of region 6
(9)	Dalmatian toadflax, <i>Linaria dalmatica</i> ssp. <i>dalmatica</i>	(a)	regions 1 and 2
		(b)	region 3, except Cowlitz County
		(c)	Adams and Lincoln counties of region 5
		(d)	Benton and Walla Walla counties of region 6
(10)	Eurasian watermilfoil, <i>Myriophyllum spicatum</i>	(a)	region 1, except Pacific and Mason counties
		(b)	Island and San Juan counties of region 2
		(c)	Clark and Cowlitz counties of region 3
		(d)	Chelan and Okanogan counties, and all lakes with public boat launches except Fan Lake in Pend Oreille County of region 4
		(e)	Adams and Lincoln counties of region 5
		(f)	Asotin, Columbia, and Garfield counties of region 6
(11)	<u>European coltsfoot, <i>Tussilago farfara</i></u>	(a)	<u>regions 1, 2, 3, and 4</u>
		(b)	<u>region 5, except Adams, Grant, and Lincoln counties</u>
		(c)	<u>region 6, except Benton and Franklin counties</u>
(12)	fanwort, <i>Cabomba caroliniana</i>	(a)	regions 2, 4, 5, and 6
		(b)	region 1, except Grays Harbor
		(c)	region 3, except Cowlitz County

Name	Will be a "Class B designate" in all lands lying within:
((12)) (13) gorse, <i>Ulex europaeus</i>	(a) region 1, except Grays Harbor and Pacific counties (b) regions 2, 3, 4, 5, 6
((13)) (14) grass-leaved arrowhead, <i>Sagittaria graminea</i>	(a) region 1, except Mason County (b) region 2, except Snohomish County (c) regions 3, 4, 5, and 6
((14)) (15) hairy willow-herb, <i>Epilobium hirsutum</i>	(a) regions 1, 3, and 4 (b) region 2, except Thurston and Whatcom counties (c) region 5, except Klickitat County (d) Asotin, Columbia, and Garfield counties of region 6
((15)) (16) hawkweed oxtongue, <i>Picris hieracioides</i>	(a) regions 1, 2, 4, 5, and 6 (b) region 3, except Skamania County
((16)) (17) hawkweed, orange, <i>Hieracium aurantiacum</i>	(a) regions 1, 3, and 6 (b) region 2, except Whatcom County (c) region 4, except Pend Oreille and Stevens counties (d) region 5, except Kittitas and Spokane counties
((17)) (18) hawkweeds: All nonnative species and hybrids of the Meadow subgenus (<i>Pilosella</i>), including, but not limited to, mouseear (<i>Hieracium pilosella</i>), pale (<i>H. lactucella</i>), queen-devil (<i>H. glomeratum</i>), tall (<i>H. piloselloides</i>), whiplash (<i>H. flagellare</i>), yellow (<i>H. caespitosum</i>), and yellow-devil (<i>H. x floribundum</i>)	(a) region 1 (b) region 2, except Thurston County (c) region 3, except Cowlitz County (d) Chelan, Douglas, and Okanogan counties of region 4 (e) region 5, except Klickitat and Spokane counties (f) region 6
((18)) (19) hawkweeds: All nonnative species and hybrids of the Wall subgenus (<i>Hieracium</i>), including, but not limited to, common (<i>Hieracium lachenalii</i>), European (<i>H. sabaudum</i>), polar (<i>H. atratum</i>), smooth (<i>H. laevigatum</i>), spotted (<i>H. maculatum</i>), and wall (<i>H. murorum</i>)	(a) regions 1, 3, 5, and 6 (b) region 2, except King, Skagit and Whatcom counties (c) region 4, except Stevens County
((19)) (20) herb-Robert, <i>Geranium robertianum</i>	(a) regions 4, 5, and 6
((20)) (21) hoary alyssum, <i>Berteroa incana</i>	(a) regions 1, 2, 3, and 6 (b) region 4, except Pend Oreille County and those areas lying north of Highway 20 in Ferry County (c) region 5, except Klickitat County
((21)) (22) houndstongue, <i>Cynoglossum officinale</i>	(a) regions 1, 2, and 3 (b) Chelan County of region 4 (c) Yakima, Grant and Adams counties of region 5 (d) Benton County of region 6
((22)) (23) indigobush, <i>Amorpha fruticosa</i>	(a) regions 1, 2, and 4 (b) Lewis and Skamania counties of region 3

Name	Will be a "Class B designate" in all lands lying within:
	(c) region 5, except Klickitat County
((23)) (24) knapweed, black, <i>Centaurea nigra</i>	(a) regions 1, 2, 3, 4, 5, and 6
((24)) (25) knapweed, brown, <i>Centaurea jacea</i>	(a) regions 1, 2, 3, 4, 5, and 6
((25)) (26) knapweed, diffuse, <i>Centaurea diffusa</i>	(a) region 1, except Mason County
	(b) region 2
	(c) region 3, except Cowlitz County
	(d) Adams County of region 5
((26)) (27) knapweed, meadow, <i>Centaurea x moncktonii</i>	(a) regions 1 and 4
	(b) region 2, except Whatcom County
	(c) Thurston County of region 2, except below the ordinary high-water mark of the Nisqually River
	(d) region 3, except Cowlitz County
	(e) region 5, except Kittitas and Klickitat counties
	(f) region 6, except Franklin and Walla Walla counties
((27)) (28) knapweed, Russian, <i>Acroptilon repens</i>	(a) regions 1, 2, and 3
	(b) Ferry and Pend Oreille counties of region 4
	(c) Lincoln, Spokane, and Whitman counties of region 5
	(d) Adams County of region 5, except for the area west of Highway 17 and north of Highway 26
	(e) Asotin and Garfield counties of region 6
((28)) (29) knapweed, spotted, <i>Centaurea stoebe</i>	(a) region 1, except Grays Harbor
	(b) region 2, except Whatcom County
	(c) region 3, except Cowlitz County
	(d) Ferry County of region 4
	(e) Adams, Grant and Yakima counties of region 5
	(f) region 6, except Columbia and Walla Walla counties
((29)) (30) knotweed, Bohemian, <i>Polygonum x bohemicum</i>	(a) Island County of region 2
	(b) Skamania County of region 3
	(c) region 4, except Stevens County
	(d) region 5, except Whitman and Yakima counties
	(e) region 6
((30)) (31) knotweed, giant, <i>Polygonum sachalinense</i>	(a) region 2, except King, Pierce, and Snohomish counties
	(b) region 3, except Cowlitz and Lewis counties
	(c) regions 4, 5, and 6
((31)) (32) knotweed, Himalayan, <i>Polygonum polystachyum</i>	(a) region 1, except Pacific County
	(b) region 2, except King and Pierce counties
	(c) Cowlitz, Lewis and Skamania counties of region 3
	(d) region 4, except Stevens County
	(e) regions 5 and 6
((32)) (33) knotweed, Japanese, <i>Polygonum cuspidatum</i>	(a) Island, San Juan, and Whatcom counties of region 2
	(b) Skamania County of region 3
	(c) region 4, except Okanogan and Stevens counties

Name	Will be a "Class B designate" in all lands lying within:
((33)) (34) kochia, <i>Kochia scoparia</i>	(d) region 5, except Spokane County (e) region 6 (a) regions 1, 2, and 3 (b) Stevens and Pend Oreille counties of region 4 (c) Adams County of region 5
((34)) (35) lesser celandine, <i>Ficaria verna</i>	(a) Snohomish County of region 2 (b) Skamania County of region 3 (c) Pend Oreille and Stevens counties of region 4
((35)) (36) loosestrife, garden, <i>Lysimachia vulgaris</i>	(a) regions 1, 2, 3, 4, 5, 6
((36)) (37) loosestrife, purple, <i>Lythrum salicaria</i>	(a) Clallam and Jefferson counties of region 1 (b) region 2, except Kitsap, Pierce, Skagit, and Snohomish counties (c) Clark, Lewis, and Skamania counties of region 3 (d) region 4, except Douglas County (e) region 5, except Grant and Spokane counties (f) Columbia, Garfield, and Walla Walla counties of region 6
((37)) (38) loosestrife, wand, <i>Lythrum virgatum</i>	(a) Clallam and Jefferson counties of region 1 (b) region 2, except Kitsap, Pierce, Skagit, and Snohomish counties (c) Clark, Lewis, and Skamania counties of region 3 (d) region 4, except Douglas County (e) region 5, except Grant and Spokane counties (f) Columbia, Garfield, and Walla Walla counties of region 6
((38)) (39) <u>Malta starthistle, <i>Centaurea melitensis</i></u>	(a) <u>regions 1, 2, and 3</u> (b) <u>region 4, except T36 R38 in the area contained within Hwy 395/Hwy 20, Pingston Creek Road, and Highland Loop Road in Stevens County</u> (c) <u>region 5, except Klickitat and Whitman counties</u>
(40) parrotfeather, <i>Myriophyllum aquaticum</i>	(a) region 1, except Pacific County (b) regions 2, 4, 5, and 6 (c) Clark and Skamania counties of region 3
((39)) (41) perennial pepperweed, <i>Lepidium latifolium</i>	(a) regions 1, 2, and 4 (b) region 3, except Clark and Cowlitz counties (c) Kittitas, Lincoln and Spokane counties of region 5 (d) Columbia and Garfield counties of region 6
((40)) (42) poison hemlock, <i>Conium maculatum</i>	(a) Clallam, Mason, and Pacific counties of region 1 (b) region 2, except King, Skagit, and Whatcom counties (c) Clark and Skamania counties of region 3 (d) Chelan and Pend Oreille counties of region 4 (e) Grant, Kittitas and Lincoln counties of region 5
((41)) (43) policeman's helmet, <i>Impatiens glandulifera</i>	(a) region 1, except Pacific County (b) region 2, except Pierce, Thurston, and Whatcom counties

Name	Will be a "Class B designate" in all lands lying within:
((42)) (44) puncturevine, <i>Tribulus terrestris</i>	<ul style="list-style-type: none"> (c) ((region 3, except Clark County (d)) regions <u>3</u>, 4, 5, and 6 (a) regions 1, 2, and 3 (b) Ferry, Pend Oreille, and Stevens counties of region 4 (c) region 5, except Grant, Klickitat, and Yakima counties
((43)) (45) Ravenna grass, <i>Saccharum ravennae</i>	<ul style="list-style-type: none"> (a) Cowlitz County of region 3 (b) region 4, except Chelan County (c) region 5, except Grant and Yakima counties (d) region 6, except Benton County
((44)) (46) rush skeletonweed, <i>Chondrilla juncea</i>	<ul style="list-style-type: none"> (a) regions 1 and 3 (b) region 2, except Kitsap County (c) region 4, except all areas of Stevens County south of Township 29 (d) Kittitas and Yakima counties of region 5, and Adams County, except those areas lying east of Sage Road, the western border of Range 36 (e) Asotin County of region 6
((45)) (47) saltcedar, <i>Tamarix ramosissima</i> (unless intentionally planted prior to 2004)	<ul style="list-style-type: none"> (a) regions 1, 3, 4, and 5 (b) region 2, except King and Thurston counties (c) region 6, except Benton and Franklin counties
((46)) (48) Scotch broom, <i>Cytisus scoparius</i>	<ul style="list-style-type: none"> (a) regions 4 and 6 (b) region 5, except Klickitat County
((47)) (49) shiny geranium, <i>Geranium lucidum</i>	<ul style="list-style-type: none"> (a) regions 1, ((2,)) 4, 5, and 6 (b) <u>regions 2, except Thurston County</u> (c) region 3, except Clark County
((48)) (50) <u>spurge flax, <i>Thymelaea passerina</i></u>	<ul style="list-style-type: none"> (a) <u>region 4, except Okanogan County</u> (b) <u>regions 5 and 6</u>
(51) spurge laurel, <i>Daphne laureola</i>	<ul style="list-style-type: none"> (a) region 1, except Clallam and Jefferson counties (b) region 2, except King, Kitsap, and Pierce counties (c) region 3, except Skamania County (d) regions 4, 5, and 6
((49)) (52) spurge, leafy, <i>Euphorbia esula</i>	<ul style="list-style-type: none"> (a) regions 1, 2, 3, and 4 (b) region 5, except Spokane and Whitman counties (c) region 6, except Columbia and Garfield counties
((50)) (53) spurge, myrtle, <i>Euphorbia myrsinites</i>	<ul style="list-style-type: none"> (a) region 1, except Clallam and Jefferson counties (b) region 2, except King, Kitsap, Pierce, and Whatcom counties (c) regions 3, 5, and 6 (d) region 4, except Okanogan and Stevens counties
((51)) (54) sulfur cinquefoil, <i>Potentilla recta</i>	<ul style="list-style-type: none"> (a) region 1 (b) region 2, except Pierce and Thurston counties (c) region 3, except Lewis and Skamania counties (d) Adams, Grant, Lincoln, and Whitman counties of region 5 (e) region 6, except Asotin County

Name	Will be a "Class B designate" in all lands lying within:
((52)) <u>(55)</u> tansy ragwort, <i>Senecio jacobaea</i>	(a) Island and San Juan counties of region 2 (b) Clark and Wahkiakum counties of region 3 (c) regions 4 and 6 (d) region 5, except Klickitat County
((53)) <u>(56)</u> thistle, musk, <i>Carduus nutans</i>	(a) regions 1, 2, 3, and 6 (b) region 4, except Douglas and Ferry counties (c) region 5, except Kittitas County
((54)) <u>(57)</u> thistle, plumeless, <i>Carduus acanthoides</i>	(a) regions 1, 2, 3, 5, 6 (b) region 4, except those areas north of State Highway 20 in Stevens County
((55)) <u>(58)</u> thistle, Scotch, <i>Onopordum acanthium</i>	(a) regions 1, 2, and 3 (b) region 4, except Douglas County (c) region 5, except Spokane and Whitman counties
((56)) <u>(59)</u> velvetleaf, <i>Abutilon theophrasti</i>	(a) regions 1, 2, 3, and 4 (b) region 5, except Yakima County (c) region 6, except Franklin County
((57)) <u>(60)</u> water primrose, <i>Ludwigia hexapetala</i>	(a) regions 1, 2, 4, 5, and 6 (b) region 3, except Cowlitz County
((58)) <u>(61)</u> white bryony, <i>Bryonia alba</i>	(a) regions 1, 2, 3, and 4 (b) region 5, except Whitman County (c) Benton County of region 6
((59)) <u>(62)</u> wild chervil, <i>Anthriscus sylvestris</i>	(a) regions 1, 4, and 6 (b) region 2, except Island and Whatcom counties (c) Wahkiakum and Lewis counties of region 3 (d) region 5, except Whitman County
((60)) <u>(63)</u> yellow archangel, <i>Lamiaeum galeobdolon</i>	(a) Clallam County of region 1 (b) Island, San Juan, Skagit, and Whatcom counties of region 2 (c) Skamania and Wahkiakum counties of region 3 (d) regions 4, 5, and 6
((61)) <u>(64)</u> yellow floating heart, <i>Nymphoides peltata</i>	(a) regions 1, 2, and 6 (b) region 3, except Cowlitz County (c) region 4, except Stevens County (d) region 5, except Spokane County
((62)) <u>(65)</u> yellow nutsedge, <i>Cyperus esculentus</i>	(a) regions 1((,3,)) and 4 (b) region 2, except Skagit and Thurston counties (c) <u>region 3, except Clark County</u> (d) region 5, except Klickitat and Yakima counties
((63)) <u>(66)</u> yellow starthistle, <i>Centaurea solstitialis</i>	((d)) <u>(e)</u> region 6, except Franklin and Walla Walla counties (a) regions 1, 2, and 3 (b) region 4, except T36 R38 in the area contained within Hwy 395/Hwy 20, Pingston Creek Road, and Highland Loop Road in Stevens County (c) region 5, except Klickitat, and Whitman counties

AMENDATORY SECTION (Amending WSR 15-24-078, filed 11/30/15, effective 12/31/15)

WAC 16-750-015 State noxious weed list—Class C noxious weeds.

Common Name	Scientific Name
absinth wormwood	<i>Artemisia absinthium</i>
Austrian fieldcress	<i>Rorippa austriaca</i>
babysbreath	<i>Gypsophila paniculata</i>
black henbane	<i>Hyoscyamus niger</i>
blackberry, evergreen	<i>Rubus laciniatus</i>
blackberry, Himalayan	<i>Rubus armeniacus</i>
blackgrass	<i>Alopecurus myosuroides</i>
buffalobur	<i>Solanum rostratum</i>
cereal rye	<i>Secale cereale</i>
common barberry	<i>Berberis vulgaris</i>
common catsear	<i>Hypochaeris radicata</i>
common groundsel	<i>Senecio vulgaris</i>
common St. Johnswort	<i>Hypericum perforatum</i>
common tansy	<i>Tanacetum vulgare</i>
common teasel	<i>Dipsacus fullonum</i>
curly-leaf pondweed	<i>Potamogeton crispus</i>
English hawthorn	<i>Crataegus monogyna</i>
English ivy 4 cultivars only:	<i>Hedera hibernica</i> 'Hibernica'
	<i>Hedera helix</i> 'Baltica'
	<i>Hedera helix</i> 'Pittsburgh'
	<i>Hedera helix</i> 'Star'
<u>Eurasian watermilfoil hybrid</u>	<u><i>Myriophyllum spicatum</i> x <i>M. sibiricum</i></u>
field bindweed	<i>Convolvulus arvensis</i>
fragrant water lily	<i>Nymphaea odorata</i>
hairy whitetop	<i>Lepidium appelianum</i>
hoary cress	<i>Lepidium draba</i>
Italian arum	<i>Arum italicum</i>
Japanese eelgrass	<i>Zostera japonica</i>
jointed goatgrass	<i>Aegilops cylindrica</i>
jubata grass	<i>Cortaderia jubata</i>
lawnweed	<i>Soliva sessilis</i>
longspine sandbur	<i>Cenchrus longispinus</i>
Medusahead	<i>Taeniatherum caput-medusae</i>
nonnative cattail species and hybrids	Including, but not limited to, <i>Typha angustifolia</i> , <i>T. domingensis</i> and <i>T. x glauca</i>
old man's beard	<i>Clematis vitalba</i>
oxeye daisy	<i>Leucanthemum vulgare</i>

Common Name	Scientific Name
pampas grass	<i>Cortaderia selloana</i>
perennial sowthistle	<i>Sonchus arvensis</i> ssp. <i>arvensis</i>
reed canarygrass	<i>Phalaris arundinacea</i>
Russian olive	<i>Elaeagnus angustifolia</i>
scentless mayweed	<i>Matricaria perforata</i>
smoothseed alfalfa dodder	<i>Cuscuta approximata</i>
spikeweed	<i>Centromadia pungens</i>
spiny cocklebur	<i>Xanthium spinosum</i>
<u>spotted jewelweed</u>	<u><i>Impatiens capensis</i></u>
Swainsonpea	<i>Sphaerophysa salsula</i>
thistle, bull	<i>Cirsium vulgare</i>
thistle, Canada	<i>Cirsium arvense</i>
tree-of-heaven	<i>Ailanthus altissima</i>
ventenata	<i>Ventenata dubia</i>
white cockle	<i>Silene latifolia</i> ssp. <i>alba</i>
wild carrot (except where commercially grown)	<i>Daucus carota</i>
yellow flag iris	<i>Iris pseudacorus</i>
yellow toadflax	<i>Linaria vulgaris</i>

WSR 17-24-040

PERMANENT RULES

DEPARTMENT OF LICENSING

[Filed November 30, 2017, 9:18 a.m., effective December 31, 2017]

Effective Date of Rule: Thirty-one days after filing.

Purpose: The amendment will modify rule to allow more flexibility in the training and supervision of appraiser trainees by giving supervisory appraisers more latitude to determine when a trainee is competent to inspect subject properties in accordance with the national standards. Rule change suggested by the real estate appraiser commission appraisal subcommittee.

Citation of Rules Affected by this Order: Amending WAC 308-125-095 (1)(h)(i).

Statutory Authority for Adoption: RCW 18.140.030.

Other Authority: Title XI § 1122 (b), 12 U.S.C.

Adopted under notice filed as WSR 17-17-028 on August 8, 2017.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 1, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: November 29, 2017.

Damon Monroe
Rules Coordinator

AMENDATORY SECTION (Amending WSR 16-02-008, filed 12/28/15, effective 1/28/16)

WAC 308-125-095 Responsibilities of the appraiser supervisor. (1) A certified real estate appraiser licensed by the state of Washington may supervise trainees in accordance with the following provisions:

(a) The certified real estate appraiser is in good standing and not subject to any disciplinary action which affects their legal eligibility to engage in appraisal practice within the three years preceding registration to become a supervisory appraiser.

(b) The certified real estate appraiser shall have been certified for a minimum of three years prior to becoming a supervisory appraiser.

(c) The certified real estate appraiser shall have completed a course that, at a minimum, complies with the specification for course content established by the appraiser qualifications board. This course must be completed prior to supervising a registered appraiser trainee.

(d) Not more than three real estate appraiser trainees may be supervised in accordance with the appraiser qualifications board standards unless written authorization by the department is granted to exceed that number of trainees at any one time.

(e) Supervision of trainees in the process of appraising real property shall occur within the boundaries of the state of Washington and comply with jurisdictional and established agreements with other states. If a trainee is supervised by a certified appraiser who is licensed in both the state of Washington and with another state or has a temporary license in another state; and the trainee is registered as a trainee in that other state by either temporary permit, license, or registration, then the appraisal assignments shall qualify as work experience on the experience log.

(f) Authorization to exceed supervision of three trainees may be granted by the director upon approval of a written request and under the provisions of subsection (2) of this section.

(g) A registered real estate appraiser trainee may assist in the completion of an appraisal report, including determination of an opinion of value and may sign the appraisal report, provided that he/she is actively and personally supervised by a state-certified real estate appraiser, and provided that the appraisal report is reviewed and signed by the state-certified real estate appraiser; and provided the state-certified appraiser accepts total responsibility for the appraisal report.

(h) The certified appraiser shall:

(i) Personally inspect each appraised property with the trainee appraiser, ~~((at a minimum, the interior of twenty-five subject properties, or))~~ until the supervisory appraiser ~~((considers))~~ determines the trainee is competent to inspect the property, in accordance with the Competency Rule of USPAP for the property type.

(ii) Personally review and verify each appraisal report prepared by the trainee as entered on the trainee experience log as qualifying work experience prior to the log being submitted to the department by the supervised trainee. The trainee shall be entitled to obtain copies of the appraisal reports in which the trainee provided appraisal assistance.

(iii) Personally review and verify each appraisal report prepared by a state licensed or certified residential appraiser as entered on the qualifying work experience log prior to the log being submitted to the department by the licensee. The state licensed or certified residential appraiser shall be entitled to obtain copies of the appraisal reports in which the state licensed and certified residential appraiser provided appraisal assistance.

(iv) Comply with all USPAP requirements.

(v) Maintain a separate "properties inspected with trainee" log for each supervised trainee. This log must be made available to the department upon request and is to be submitted with trainee's application for license or certification.

(vi) Register with the department as a supervisory appraiser and include the names of the registered real estate appraiser trainees being supervised. Registration must be five business days prior to the start of supervision. The supervisory appraiser shall notify the department when they are no longer a supervisory appraiser of a trainee, with such notice including the name, address, and registration number of the registered trainee.

(2) Authorization may be granted by the director to a certified appraiser to exceed the number of trainees allowed to be supervised providing:

(a) The certified appraiser has more than five years certified experience.

(b) The certified appraiser shall make a written application to the department requesting to supervise not more than three trainees with less than one year experience; and three trainees with more than one year experience; and five trainees with greater than two years experience. The total number of supervised trainees shall not exceed eight for all experience levels at any one time.

(c) The certified appraiser shall prepare and maintain trainee progress reports and make them available to the department until such time as the trainee becomes certified or licensed or after two years has lapsed since supervising the trainee.

(d) The certified appraiser shall provide to the department a mentoring plan for consideration prior to the department authorizing supervision of more than three trainees.

WSR 17-24-041
PERMANENT RULES
DEPARTMENT OF
LABOR AND INDUSTRIES

[Filed November 30, 2017, 9:59 a.m., effective January 1, 2018]

Effective Date of Rule: January 1, 2018.

Purpose: The purpose of this rule adoption is to establish premium rates and experience rating parameters for calendar year 2018. Washington law, RCW 51.16.035, 51.32.073, 51.18.010, and 51.04.020, requires labor and industries to adjust rates to ensure solvency of the accident, medical aid, and supplemental pension funds. RCW 51.16.035 also provides that premium rates vary by industry and degree of hazard. Labor and industries is proposing a 2.5 percent overall average decrease to workers' compensation insurance premium rates beginning January 1, 2018, and adjusting each industry risk classification rate to reflect current loss experience.

This rule adoption will amend the tables of classification base premium rates, experience rating plan parameters, experience modification factor calculation limitations, and retrospective rating plan size groupings for the workers' compensation insurance program for calendar year 2018. Classification base rates were amended for updated loss and payroll experience. The department proposes a 2.5 percent overall average premium rate decrease.

The department's decision to decrease overall rates by an overall average of 2.5 percent is intended to ensure adequate premiums to cover expected losses for 2018 claims and to maintain the contingency reserve at adequate levels.

Finally, this rule making provides notice that the director intends to transfer the amount of the accident and medical-aid funds combined that exceed ten percent of funded liabilities as required by RCW 51.44.023.

Citation of Rules Affected by this Order: Amending WAC 296-17-855 Experience modification, 296-17-875 Table I, 296-17-880 Table II, 296-17-885 Table III, 296-17-890 Table IV, 296-17-895 Industrial insurance accident fund base rates, stay at work and medical aid base rates by class of industry, 296-17-89502 Industrial insurance accident fund, stay at work, medical aid and supplemental pension rates by class of industry for nonhourly rated classifications, 296-17-89507 Horse racing rates, 296-17-901 Risk classification hazard group table, 296-17-920 Assessment for supplemental pension fund, 296-17B-540 Determining loss incurred for each claim, and 296-17B-900 Retrospective rating plans standard premium size ranges.

Statutory Authority for Adoption: RCW 51.16.035 (base rates), 51.32.073 (supplemental pension), 51.18.010 (retrospective rating), and 51.04.020(1) (general authority).

Adopted under notice filed as WSR 17-19-113 on September 20, 2017.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 12, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: November 30, 2017.

Joel Sacks
 Director

AMENDATORY SECTION (Amending WSR 16-24-014, filed 11/29/16, effective 1/1/17)

WAC 296-17-855 Experience modification. The basis of the experience modification shall be a comparison of the actual losses charged to an employer during the experience period with the expected losses for an average employer reporting the same exposures in each classification. The comparison shall contain actuarial refinements designed to weigh the extent to which the actual experience is credible, due consideration being given to the volume of the employer's experience. Except for those employers who qualify for an adjusted experience modification as specified in WAC 296-17-860 or 296-17-865, the experience modification factor shall be calculated from the formula:

$$\begin{aligned} \text{EXPERIENCE MODIFICATION FACTOR} &= \frac{\text{Credible Actual Primary Loss} + \text{Credible Actual Excess Loss}}{\text{Expected Loss}} \\ \text{Where} & \\ \text{Credible Actual Primary Loss} &= \text{Actual Primary Loss} \times \text{Primary Credibility} \\ &+ \text{Expected Primary Loss} \times (100\% - \text{Primary Credibility}) \\ \text{Credible Actual Excess Loss} &= \text{Actual Excess Loss} \times \text{Excess Credibility} \\ &+ \text{Expected Excess Loss} \times (100\% - \text{Excess Credibility}) \end{aligned}$$

The meaning and function of each term in the formula is specified below.

For each claim, the actual primary loss is the first dollar portion of the claim costs, which has been shown in actuarial studies, to have the greater credibility in predicting future experience. These amounts are summed over all claims. For each claim in excess of \$20,112 the actual primary loss shall be determined from the formula:

$$\text{ACTUAL PRIMARY LOSS} = \frac{50,280}{(\text{Total loss} + 30,168)} \times \text{total loss}$$

For each claim, less than \$20,112 the full value of the claim shall be considered a primary loss.

For each claim, the excess actual loss is the remaining portion of the claim costs, which have been shown in actuarial studies to have less credibility in predicting future experience. The excess actual loss for each claim shall be deter-

mined by subtracting the primary loss from the total loss. These amounts are summed over all claims.

For any claim without disability benefits (time loss, partial permanent disability, total permanent disability or death) either actually paid or estimated to be paid, the total actual losses for calculating the primary loss and excess loss shall first be reduced by the lesser of \$((2,820)) 2,930 or the total cost of the claim. Here are some examples for these claims:

Total Loss	Type of Claim	Total Loss (after deduction)	Primary Loss	Excess Loss
300	Medical Only	0	0	0
3,000	Medical Only	((180))	((180))	0
		<u>70</u>	<u>70</u>	
3,000	Time Loss	3,000	3,000	0
30,000	Medical Only	((27,180))	((23,830))	((3,350))
		<u>27,070</u>	<u>23,779</u>	<u>3,291</u>
30,000	Time Loss	30,000	25,070	4,930
130,000	PPD	130,000	40,810	89,190
500,000	TPD Pension	((275,499))	((45,318))	((230,181))
		<u>277,022</u>	<u>45,342</u>	<u>231,680</u>
2,000,000	TPD Pension	((275,499))	((45,318))	((230,181))
		<u>277,022</u>	<u>45,342</u>	<u>231,680</u>

Note: The deduction, \$((2,820)) 2,930, is twice the average case incurred cost of these types of claims occurring during the three-year period used for experience rating. On average this results in reducing the average actual loss about seventy percent for these types of claims adjusted. This is done to help make the transition between the two different experience rating methods better by helping make the change in experience factor reasonable for small changes to the actual losses.

For each employer, the primary credibility and the excess credibility determines the percentage weight given to the corresponding actual primary losses and the actual excess losses, included in the calculation of the experience modification, based on the volume of expected losses. Primary credibility and excess credibility values are set forth in Table II.

An employer's expected losses shall be determined by summing the expected loss for each of the three years of the experience period, which are calculated by multiplying the reported exposure in each classification during the year by the corresponding classification expected loss rate and rounding the result to the nearest cent. Classification expected loss rates by year are set forth in Table III.

Expected losses in each classification shall be multiplied by the classification "Primary-Ratio" to obtain "expected primary losses" which shall be rounded to the nearest cent. Expected excess losses shall then be calculated by subtracting expected primary losses from expected total losses rounded to the nearest cent. Primary-Ratios are also set forth in Table III.

AMENDATORY SECTION (Amending WSR 16-24-014, filed 11/29/16, effective 1/1/17)

WAC 296-17-875 Table I.

Primary Losses for Selected Claim Values Effective January 1, ((2017)) 2018

TOTAL LOSS AFTER DEDUCTION	PRIMARY LOSS
5,000	5,000
10,000	10,000
15,000	15,000
20,112	20,112
29,834	25,000
44,627	30,000
69,102	35,000
100,000	38,627
117,385	40,000
200,000	43,690
((275,499)) **	((45,318))
<u>277,022</u>	<u>45,342</u>

** Maximum claim value

AMENDATORY SECTION (Amending WSR 16-24-014, filed 11/29/16, effective 1/1/17)

WAC 296-17-880 Table II.

PRIMARY AND EXCESS CREDIBILITY VALUES Effective January 1, ((2017)) 2018

Maximum Claim Value = \$((275,499)) 277,022
 Average Death Value = \$((275,499)) 277,022

Expected Losses	Primary Credibility	Excess Credibility
((1 - 6,899	12%	7%
6,900 - 7,365	13%	7%
7,366 - 7,836	14%	7%
7,837 - 8,312	15%	7%
8,313 - 8,794	16%	7%
8,795 - 9,282	17%	7%
9,283 - 9,776	18%	7%
9,777 - 10,277	19%	7%
10,278 - 10,783	20%	7%
10,784 - 11,298	21%	7%
11,299 - 11,819	22%	7%
11,820 - 12,348	23%	7%
12,349 - 12,885	24%	7%
12,886 - 13,431	25%	7%
13,432 - 13,987	26%	7%
13,988 - 14,548	27%	7%
14,549 - 15,122	28%	7%
15,123 - 15,703	29%	7%

Expected Losses		Primary Credibility	Excess Credibility	Expected Losses		Primary Credibility	Excess Credibility
15,704	- 16,297	30%	7%	288,861	- 303,094	63%	16%
16,298	- 16,904	31%	7%	303,095	- 326,824	63%	17%
16,905	- 17,518	32%	7%	326,825	- 333,400	64%	17%
17,519	- 18,148	33%	7%	333,401	- 363,897	64%	18%
18,149	- 18,791	34%	7%	363,898	- 364,785	64%	19%
18,792	- 19,448	35%	7%	364,786	- 394,590	65%	19%
19,449	- 20,121	36%	7%	394,591	- 402,749	65%	20%
20,122	- 20,809	37%	7%	402,750	- 425,474	66%	20%
20,810	- 21,519	38%	7%	425,475	- 440,713	66%	21%
21,520	- 22,243	39%	7%	440,714	- 456,556	67%	21%
22,244	- 22,992	40%	7%	456,557	- 478,676	67%	22%
22,993	- 23,761	41%	7%	478,677	- 487,838	68%	22%
23,762	- 24,557	42%	7%	487,839	- 516,637	68%	23%
24,558	- 25,380	43%	7%	516,638	- 519,319	69%	23%
25,381	- 26,233	44%	7%	519,320	- 551,003	69%	24%
26,234	- 27,121	45%	7%	551,004	- 554,600	69%	25%
27,122	- 28,049	46%	7%	554,601	- 582,891	70%	25%
28,050	- 29,020	47%	7%	582,892	- 592,566	70%	26%
29,021	- 30,046	48%	7%	592,567	- 614,987	71%	26%
30,047	- 31,134	49%	7%	614,988	- 630,529	71%	27%
31,135	- 32,293	50%	7%	630,530	- 647,292	72%	27%
32,294	- 33,545	51%	7%	647,293	- 668,491	72%	28%
33,546	- 34,917	52%	7%	668,492	- 679,805	73%	28%
34,918	- 36,445	53%	7%	679,806	- 706,455	73%	29%
36,446	- 36,601	54%	7%	706,456	- 712,531	74%	29%
36,602	- 38,207	54%	8%	712,532	- 744,418	74%	30%
38,208	- 40,359	55%	8%	744,419	- 745,475	75%	30%
40,360	- 61,081	56%	8%	745,476	- 778,632	75%	31%
61,082	- 67,323	57%	8%	778,633	- 782,382	75%	32%
67,324	- 96,161	57%	9%	782,383	- 812,011	76%	32%
96,162	- 99,044	57%	10%	812,012	- 820,345	76%	33%
99,045	- 125,177	58%	10%	820,346	- 845,608	77%	33%
125,178	- 137,005	58%	11%	845,609	- 858,308	77%	34%
137,006	- 154,374	59%	11%	858,309	- 879,432	78%	34%
154,375	- 174,970	59%	12%	879,433	- 896,271	78%	35%
174,971	- 183,746	60%	12%	896,272	- 913,479	79%	35%
183,747	- 212,934	60%	13%	913,480	- 934,234	79%	36%
212,935	- 213,306	61%	13%	934,235	- 947,754	80%	36%
213,307	- 243,049	61%	14%	947,755	- 972,196	80%	37%
243,050	- 250,896	61%	15%	972,197	- 982,260	81%	37%
250,897	- 272,979	62%	15%	982,261	- 1,010,161	81%	38%
272,980	- 288,860	62%	16%	1,010,162	- 1,016,998	82%	38%

Expected Losses		Primary Credibility	Excess Credibility	Expected Losses		Primary Credibility	Excess Credibility
1,016,999	- 1,048,125	82%	39%	1,927,112	- 1,968,520	100%	63%
1,048,126	- 1,051,972	83%	39%	1,968,521	- 2,010,234	100%	64%
1,051,973	- 1,086,088	83%	40%	2,010,235	- 2,052,258	100%	65%
1,086,089	- 1,087,182	84%	40%	2,052,259	- 2,094,594	100%	66%
1,087,183	- 1,122,631	84%	41%	2,094,595	- 2,137,247	100%	67%
1,122,632	- 1,124,048	84%	42%	2,137,248	- 2,180,220	100%	68%
1,124,049	- 1,158,322	85%	42%	2,180,221	- 2,223,516	100%	69%
1,158,323	- 1,162,013	85%	43%	2,223,517	- 2,267,138	100%	70%
1,162,014	- 1,194,260	86%	43%	2,267,139	- 2,311,093	100%	71%
1,194,261	- 1,199,978	86%	44%	2,311,094	- 2,355,382	100%	72%
1,199,979	- 1,230,443	87%	44%	2,355,383	- 2,400,007	100%	73%
1,230,444	- 1,237,940	87%	45%	2,400,008	- 2,444,976	100%	74%
1,237,941	- 1,266,877	88%	45%	2,444,977	- 2,490,288	100%	75%
1,266,878	- 1,275,904	88%	46%	2,490,289	- 2,535,955	100%	76%
1,275,905	- 1,303,562	89%	46%	2,535,956	- 2,581,972	100%	77%
1,303,563	- 1,313,866	89%	47%	2,581,973	- 2,628,349	100%	78%
1,313,867	- 1,340,505	90%	47%	2,628,350	- 2,675,089	100%	79%
1,340,506	- 1,351,830	90%	48%	2,675,090	- 2,722,196	100%	80%
1,351,831	- 1,377,702	91%	48%	2,722,197	- 2,769,676	100%	81%
1,377,703	- 1,389,792	91%	49%	2,769,677	- 2,817,528	100%	82%
1,389,793	- 1,415,160	92%	49%	2,817,529	- 2,865,762	100%	83%
1,415,161	- 1,427,757	92%	50%	2,865,763	- 2,914,378	100%	84%
1,427,758	- 1,452,882	93%	50%	2,914,379	- 2,963,387	100%	85%
1,452,883	- 1,465,719	93%	51%	2,963,388	and higher		86%))
1,465,720	- 1,490,871	94%	51%	0	- 6.416	12%	7%
1,490,872	- 1,503,682	94%	52%	6.417	- 6.849	13%	7%
1,503,683	- 1,529,127	95%	52%	6.850	- 7.287	14%	7%
1,529,128	- 1,541,645	95%	53%	7.288	- 7.730	15%	7%
1,541,646	- 1,567,654	96%	53%	7.731	- 8.178	16%	7%
1,567,655	- 1,579,609	96%	54%	8.179	- 8.632	17%	7%
1,579,610	- 1,606,456	97%	54%	8.633	- 9.092	18%	7%
1,606,457	- 1,617,571	97%	55%	9.093	- 9.558	19%	7%
1,617,572	- 1,645,534	98%	55%	9.559	- 10.028	20%	7%
1,645,535	- 1,655,535	98%	56%	10.029	- 10.507	21%	7%
1,655,536	- 1,684,894	99%	56%	10.508	- 10.992	22%	7%
1,684,895	- 1,693,497	99%	57%	10.993	- 11.484	23%	7%
1,693,498	- 1,724,537	100%	57%	11.485	- 11.983	24%	7%
1,724,538	- 1,764,467	100%	58%	11.984	- 12.491	25%	7%
1,764,468	- 1,804,686	100%	59%	12.492	- 13.008	26%	7%
1,804,687	- 1,845,197	100%	60%	13.009	- 13.530	27%	7%
1,845,198	- 1,886,004	100%	61%	13.531	- 14.063	28%	7%
1,886,005	- 1,927,111	100%	62%	14.064	- 14.604	29%	7%

Expected Losses		Primary Credibility	Excess Credibility	Expected Losses		Primary Credibility	Excess Credibility		
<u>14,605</u>	=	<u>15,156</u>	<u>30%</u>	<u>7%</u>	<u>268,641</u>	=	<u>281,877</u>	<u>63%</u>	<u>16%</u>
<u>15,157</u>	=	<u>15,721</u>	<u>31%</u>	<u>7%</u>	<u>281,878</u>	=	<u>303,946</u>	<u>63%</u>	<u>17%</u>
<u>15,722</u>	=	<u>16,292</u>	<u>32%</u>	<u>7%</u>	<u>303,947</u>	=	<u>310,062</u>	<u>64%</u>	<u>17%</u>
<u>16,293</u>	=	<u>16,878</u>	<u>33%</u>	<u>7%</u>	<u>310,063</u>	=	<u>338,424</u>	<u>64%</u>	<u>18%</u>
<u>16,879</u>	=	<u>17,476</u>	<u>34%</u>	<u>7%</u>	<u>338,425</u>	=	<u>339,250</u>	<u>64%</u>	<u>19%</u>
<u>17,477</u>	=	<u>18,087</u>	<u>35%</u>	<u>7%</u>	<u>339,251</u>	=	<u>366,969</u>	<u>65%</u>	<u>19%</u>
<u>18,088</u>	=	<u>18,712</u>	<u>36%</u>	<u>7%</u>	<u>366,970</u>	=	<u>374,557</u>	<u>65%</u>	<u>20%</u>
<u>18,713</u>	=	<u>19,352</u>	<u>37%</u>	<u>7%</u>	<u>374,558</u>	=	<u>395,691</u>	<u>66%</u>	<u>20%</u>
<u>19,353</u>	=	<u>20,013</u>	<u>38%</u>	<u>7%</u>	<u>395,692</u>	=	<u>409,863</u>	<u>66%</u>	<u>21%</u>
<u>20,014</u>	=	<u>20,686</u>	<u>39%</u>	<u>7%</u>	<u>409,864</u>	=	<u>424,597</u>	<u>67%</u>	<u>21%</u>
<u>20,687</u>	=	<u>21,382</u>	<u>40%</u>	<u>7%</u>	<u>424,598</u>	=	<u>445,169</u>	<u>67%</u>	<u>22%</u>
<u>21,383</u>	=	<u>22,098</u>	<u>41%</u>	<u>7%</u>	<u>445,170</u>	=	<u>453,689</u>	<u>68%</u>	<u>22%</u>
<u>22,099</u>	=	<u>22,838</u>	<u>42%</u>	<u>7%</u>	<u>453,690</u>	=	<u>480,472</u>	<u>68%</u>	<u>23%</u>
<u>22,839</u>	=	<u>23,603</u>	<u>43%</u>	<u>7%</u>	<u>480,473</u>	=	<u>482,967</u>	<u>69%</u>	<u>23%</u>
<u>23,604</u>	=	<u>24,397</u>	<u>44%</u>	<u>7%</u>	<u>482,968</u>	=	<u>512,433</u>	<u>69%</u>	<u>24%</u>
<u>24,398</u>	=	<u>25,222</u>	<u>45%</u>	<u>7%</u>	<u>512,434</u>	=	<u>515,778</u>	<u>69%</u>	<u>25%</u>
<u>25,223</u>	=	<u>26,086</u>	<u>46%</u>	<u>7%</u>	<u>515,779</u>	=	<u>542,089</u>	<u>70%</u>	<u>25%</u>
<u>26,087</u>	=	<u>26,989</u>	<u>47%</u>	<u>7%</u>	<u>542,090</u>	=	<u>551,086</u>	<u>70%</u>	<u>26%</u>
<u>26,990</u>	=	<u>27,943</u>	<u>48%</u>	<u>7%</u>	<u>551,087</u>	=	<u>571,938</u>	<u>71%</u>	<u>26%</u>
<u>27,944</u>	=	<u>28,955</u>	<u>49%</u>	<u>7%</u>	<u>571,939</u>	=	<u>586,392</u>	<u>71%</u>	<u>27%</u>
<u>28,956</u>	=	<u>30,032</u>	<u>50%</u>	<u>7%</u>	<u>586,393</u>	=	<u>601,981</u>	<u>72%</u>	<u>27%</u>
<u>30,033</u>	=	<u>31,197</u>	<u>51%</u>	<u>7%</u>	<u>601,982</u>	=	<u>621,697</u>	<u>72%</u>	<u>28%</u>
<u>31,198</u>	=	<u>32,473</u>	<u>52%</u>	<u>7%</u>	<u>621,698</u>	=	<u>632,219</u>	<u>73%</u>	<u>28%</u>
<u>32,474</u>	=	<u>33,894</u>	<u>53%</u>	<u>7%</u>	<u>632,220</u>	=	<u>657,003</u>	<u>73%</u>	<u>29%</u>
<u>33,895</u>	=	<u>34,039</u>	<u>54%</u>	<u>7%</u>	<u>657,004</u>	=	<u>662,654</u>	<u>74%</u>	<u>29%</u>
<u>34,040</u>	=	<u>35,532</u>	<u>54%</u>	<u>8%</u>	<u>662,655</u>	=	<u>692,309</u>	<u>74%</u>	<u>30%</u>
<u>35,533</u>	=	<u>37,534</u>	<u>55%</u>	<u>8%</u>	<u>692,310</u>	=	<u>693,292</u>	<u>75%</u>	<u>30%</u>
<u>37,535</u>	=	<u>56,805</u>	<u>56%</u>	<u>8%</u>	<u>693,293</u>	=	<u>724,128</u>	<u>75%</u>	<u>31%</u>
<u>56,806</u>	=	<u>62,610</u>	<u>57%</u>	<u>8%</u>	<u>724,129</u>	=	<u>727,615</u>	<u>75%</u>	<u>32%</u>
<u>62,611</u>	=	<u>89,430</u>	<u>57%</u>	<u>9%</u>	<u>727,616</u>	=	<u>755,170</u>	<u>76%</u>	<u>32%</u>
<u>89,431</u>	=	<u>92,111</u>	<u>57%</u>	<u>10%</u>	<u>755,171</u>	=	<u>762,921</u>	<u>76%</u>	<u>33%</u>
<u>92,112</u>	=	<u>116,415</u>	<u>58%</u>	<u>10%</u>	<u>762,922</u>	=	<u>786,415</u>	<u>77%</u>	<u>33%</u>
<u>116,416</u>	=	<u>127,415</u>	<u>58%</u>	<u>11%</u>	<u>786,416</u>	=	<u>798,226</u>	<u>77%</u>	<u>34%</u>
<u>127,416</u>	=	<u>143,568</u>	<u>59%</u>	<u>11%</u>	<u>798,227</u>	=	<u>817,872</u>	<u>78%</u>	<u>34%</u>
<u>143,569</u>	=	<u>162,722</u>	<u>59%</u>	<u>12%</u>	<u>817,873</u>	=	<u>833,532</u>	<u>78%</u>	<u>35%</u>
<u>162,723</u>	=	<u>170,884</u>	<u>60%</u>	<u>12%</u>	<u>833,533</u>	=	<u>849,535</u>	<u>79%</u>	<u>35%</u>
<u>170,885</u>	=	<u>198,029</u>	<u>60%</u>	<u>13%</u>	<u>849,536</u>	=	<u>868,838</u>	<u>79%</u>	<u>36%</u>
<u>198,030</u>	=	<u>198,375</u>	<u>61%</u>	<u>13%</u>	<u>868,839</u>	=	<u>881,411</u>	<u>80%</u>	<u>36%</u>
<u>198,376</u>	=	<u>226,036</u>	<u>61%</u>	<u>14%</u>	<u>881,412</u>	=	<u>904,142</u>	<u>80%</u>	<u>37%</u>
<u>226,037</u>	=	<u>233,333</u>	<u>61%</u>	<u>15%</u>	<u>904,143</u>	=	<u>913,502</u>	<u>81%</u>	<u>37%</u>
<u>233,334</u>	=	<u>253,870</u>	<u>62%</u>	<u>15%</u>	<u>913,503</u>	=	<u>939,450</u>	<u>81%</u>	<u>38%</u>
<u>253,871</u>	=	<u>268,640</u>	<u>62%</u>	<u>16%</u>	<u>939,451</u>	=	<u>945,808</u>	<u>82%</u>	<u>38%</u>

Expected Losses		Primary Credibility	Excess Credibility	Expected Losses		Primary Credibility	Excess Credibility		
<u>945,809</u>	=	<u>974,756</u>	<u>82%</u>	<u>39%</u>	<u>1,792,214</u>	=	<u>1,830,724</u>	<u>100%</u>	<u>63%</u>
<u>974,757</u>	=	<u>978,334</u>	<u>83%</u>	<u>39%</u>	<u>1,830,725</u>	=	<u>1,869,518</u>	<u>100%</u>	<u>64%</u>
<u>978,335</u>	=	<u>1,010,062</u>	<u>83%</u>	<u>40%</u>	<u>1,869,519</u>	=	<u>1,908,600</u>	<u>100%</u>	<u>65%</u>
<u>1,010,063</u>	=	<u>1,011,079</u>	<u>84%</u>	<u>40%</u>	<u>1,908,601</u>	=	<u>1,947,972</u>	<u>100%</u>	<u>66%</u>
<u>1,011,080</u>	=	<u>1,044,047</u>	<u>84%</u>	<u>41%</u>	<u>1,947,973</u>	=	<u>1,987,640</u>	<u>100%</u>	<u>67%</u>
<u>1,044,048</u>	=	<u>1,045,365</u>	<u>84%</u>	<u>42%</u>	<u>1,987,641</u>	=	<u>2,027,605</u>	<u>100%</u>	<u>68%</u>
<u>1,045,366</u>	=	<u>1,077,239</u>	<u>85%</u>	<u>42%</u>	<u>2,027,606</u>	=	<u>2,067,870</u>	<u>100%</u>	<u>69%</u>
<u>1,077,240</u>	=	<u>1,080,672</u>	<u>85%</u>	<u>43%</u>	<u>2,067,871</u>	=	<u>2,108,438</u>	<u>100%</u>	<u>70%</u>
<u>1,080,673</u>	=	<u>1,110,662</u>	<u>86%</u>	<u>43%</u>	<u>2,108,439</u>	=	<u>2,149,316</u>	<u>100%</u>	<u>71%</u>
<u>1,110,663</u>	=	<u>1,115,979</u>	<u>86%</u>	<u>44%</u>	<u>2,149,317</u>	=	<u>2,190,505</u>	<u>100%</u>	<u>72%</u>
<u>1,115,980</u>	=	<u>1,144,312</u>	<u>87%</u>	<u>44%</u>	<u>2,190,506</u>	=	<u>2,232,006</u>	<u>100%</u>	<u>73%</u>
<u>1,144,313</u>	=	<u>1,151,284</u>	<u>87%</u>	<u>45%</u>	<u>2,232,007</u>	=	<u>2,273,828</u>	<u>100%</u>	<u>74%</u>
<u>1,151,285</u>	=	<u>1,178,196</u>	<u>88%</u>	<u>45%</u>	<u>2,273,829</u>	=	<u>2,315,968</u>	<u>100%</u>	<u>75%</u>
<u>1,178,197</u>	=	<u>1,186,591</u>	<u>88%</u>	<u>46%</u>	<u>2,315,969</u>	=	<u>2,358,438</u>	<u>100%</u>	<u>76%</u>
<u>1,186,592</u>	=	<u>1,212,313</u>	<u>89%</u>	<u>46%</u>	<u>2,358,439</u>	=	<u>2,401,234</u>	<u>100%</u>	<u>77%</u>
<u>1,212,314</u>	=	<u>1,221,895</u>	<u>89%</u>	<u>47%</u>	<u>2,401,235</u>	=	<u>2,444,365</u>	<u>100%</u>	<u>78%</u>
<u>1,221,896</u>	=	<u>1,246,670</u>	<u>90%</u>	<u>47%</u>	<u>2,444,366</u>	=	<u>2,487,833</u>	<u>100%</u>	<u>79%</u>
<u>1,246,671</u>	=	<u>1,257,202</u>	<u>90%</u>	<u>48%</u>	<u>2,487,834</u>	=	<u>2,531,642</u>	<u>100%</u>	<u>80%</u>
<u>1,257,203</u>	=	<u>1,281,263</u>	<u>91%</u>	<u>48%</u>	<u>2,531,643</u>	=	<u>2,575,799</u>	<u>100%</u>	<u>81%</u>
<u>1,281,264</u>	=	<u>1,292,506</u>	<u>91%</u>	<u>49%</u>	<u>2,575,800</u>	=	<u>2,620,301</u>	<u>100%</u>	<u>82%</u>
<u>1,292,507</u>	=	<u>1,316,099</u>	<u>92%</u>	<u>49%</u>	<u>2,620,302</u>	=	<u>2,665,159</u>	<u>100%</u>	<u>83%</u>
<u>1,316,100</u>	=	<u>1,327,814</u>	<u>92%</u>	<u>50%</u>	<u>2,665,160</u>	=	<u>2,710,371</u>	<u>100%</u>	<u>84%</u>
<u>1,327,815</u>	=	<u>1,351,180</u>	<u>93%</u>	<u>50%</u>	<u>2,710,372</u>	=	<u>2,755,950</u>	<u>100%</u>	<u>85%</u>
<u>1,351,181</u>	=	<u>1,363,119</u>	<u>93%</u>	<u>51%</u>	<u>2,755,951</u>	=	<u>and higher</u>	<u>100%</u>	<u>86%</u>
<u>1,363,120</u>	=	<u>1,386,510</u>	<u>94%</u>	<u>51%</u>					
<u>1,386,511</u>	=	<u>1,398,424</u>	<u>94%</u>	<u>52%</u>					
<u>1,398,425</u>	=	<u>1,422,088</u>	<u>95%</u>	<u>52%</u>					
<u>1,422,089</u>	=	<u>1,433,730</u>	<u>95%</u>	<u>53%</u>					
<u>1,433,731</u>	=	<u>1,457,918</u>	<u>96%</u>	<u>53%</u>					
<u>1,457,919</u>	=	<u>1,469,036</u>	<u>96%</u>	<u>54%</u>					
<u>1,469,037</u>	=	<u>1,494,004</u>	<u>97%</u>	<u>54%</u>					
<u>1,494,005</u>	=	<u>1,504,341</u>	<u>97%</u>	<u>55%</u>					
<u>1,504,342</u>	=	<u>1,530,347</u>	<u>98%</u>	<u>55%</u>					
<u>1,530,348</u>	=	<u>1,539,647</u>	<u>98%</u>	<u>56%</u>					
<u>1,539,648</u>	=	<u>1,566,951</u>	<u>99%</u>	<u>56%</u>					
<u>1,566,952</u>	=	<u>1,574,952</u>	<u>99%</u>	<u>57%</u>					
<u>1,574,953</u>	=	<u>1,603,819</u>	<u>100%</u>	<u>57%</u>					
<u>1,603,820</u>	=	<u>1,640,954</u>	<u>100%</u>	<u>58%</u>					
<u>1,640,955</u>	=	<u>1,678,358</u>	<u>100%</u>	<u>59%</u>					
<u>1,678,359</u>	=	<u>1,716,033</u>	<u>100%</u>	<u>60%</u>					
<u>1,716,034</u>	=	<u>1,753,984</u>	<u>100%</u>	<u>61%</u>					
<u>1,753,985</u>	=	<u>1,792,213</u>	<u>100%</u>	<u>62%</u>					

AMENDATORY SECTION (Amending WSR 16-24-014, filed 11/29/16, effective 1/1/17)

WAC 296-17-885 Table III.

**Expected Loss Rates and Primary Ratios
by Risk Classification and Fiscal Year
Expected Loss Rates in Dollars Per Worker Hour
Effective January 1, (~~2017~~) **2018****

Class	((2013)) 2014	((2014)) 2015	((2015)) 2016	Primary Ratio
((0101))	1.0963	0.9687	0.8136	0.419
0103	1.5062	1.3414	1.1348	0.426
0104	1.0132	0.8950	0.7482	0.435
0105	1.1522	1.0064	0.8127	0.525
0106	1.8362	1.6120	1.3214	0.489
0107	0.9217	0.8138	0.6816	0.434
0108	1.0132	0.8950	0.7482	0.435
0112	0.7410	0.6557	0.5482	0.444
0201	1.4002	1.2321	1.0269	0.431

Class	(2013) <u>2014</u>	(2014) <u>2015</u>	(2015) <u>2016</u>	Primary Ratio	Class	(2013) <u>2014</u>	(2014) <u>2015</u>	(2015) <u>2016</u>	Primary Ratio
0202	2.4473	2.1772	1.8464	0.400	1006	0.1675	0.1433	0.1110	0.591
0210	0.8307	0.7363	0.6213	0.412	1007	0.2805	0.2453	0.2008	0.475
0212	1.2315	1.0878	0.9106	0.430	1101	0.8483	0.7393	0.5978	0.511
0214	1.2513	1.0988	0.9100	0.451	1102	1.3973	1.2259	1.0097	0.458
0217	1.3272	1.1709	0.9748	0.448	1103	1.0300	0.9051	0.7461	0.472
0219	0.8568	0.7580	0.6380	0.418	1104	0.6514	0.5698	0.4605	0.535
0301	0.7788	0.6885	0.5688	0.498	1105	0.7696	0.6789	0.5636	0.467
0302	2.1576	1.8975	1.5866	0.415	1106	0.2856	0.2538	0.2109	0.509
0303	1.8107	1.6063	1.3586	0.410	1108	0.5020	0.4410	0.3611	0.507
0306	0.8524	0.7453	0.6125	0.465	1109	1.3433	1.1723	0.9460	0.525
0307	0.8484	0.7442	0.6122	0.472	1301	0.5236	0.4485	0.3515	0.545
0308	0.6078	0.5352	0.4368	0.529	1303	0.2707	0.2319	0.1802	0.579
0403	1.7801	1.5603	1.2786	0.485	1304	0.0239	0.0209	0.0171	0.505
0502	1.2001	1.0526	0.8683	0.458	1305	0.4579	0.3989	0.3221	0.520
0504	1.9317	1.7266	1.4689	0.418	1401	0.2463	0.2221	0.1882	0.467
0507	2.9910	2.6698	2.2539	0.443	1404	0.7448	0.6530	0.5314	0.518
0508	1.3142	1.1630	0.9805	0.401	1405	0.8124	0.7019	0.5554	0.556
0509	0.9226	0.8150	0.6869	0.409	1407	0.5589	0.4858	0.3880	0.561
0510	2.1793	1.9416	1.6373	0.441	1501	0.6504	0.5641	0.4520	0.525
0511	1.4695	1.2864	1.0568	0.475	1507	0.5893	0.5146	0.4159	0.526
0512	1.2032	1.0571	0.8716	0.476	1701	0.6789	0.5893	0.4732	0.507
0513	0.8368	0.7345	0.6040	0.471	1702	1.3986	1.2449	1.0678	0.365
0514	1.4923	1.2995	1.0501	0.511	1703	0.8377	0.7353	0.6132	0.414
0516	1.3816	1.2218	1.0210	0.445	1704	0.6789	0.5893	0.4732	0.507
0517	1.9405	1.7384	1.4860	0.406	1801	0.4138	0.3658	0.3052	0.459
0518	1.0969	0.9700	0.8148	0.427	1802	0.6856	0.5997	0.4869	0.503
0519	1.3979	1.2205	0.9947	0.490	2002	0.8307	0.7290	0.5971	0.495
0521	0.4637	0.4077	0.3344	0.503	2004	0.5971	0.5219	0.4214	0.542
0601	0.4668	0.4082	0.3329	0.494	2007	0.7038	0.6258	0.5219	0.484
0602	0.6278	0.5498	0.4566	0.425	2008	0.3493	0.3079	0.2537	0.500
0603	0.6331	0.5578	0.4653	0.434	2009	0.3330	0.2902	0.2319	0.572
0604	1.0383	0.9245	0.7774	0.460	2101	0.6085	0.5412	0.4509	0.493
0606	0.5808	0.5025	0.3979	0.563	2102	0.6516	0.5670	0.4552	0.538
0607	0.7216	0.6358	0.5265	0.468	2104	0.3196	0.2813	0.2265	0.597
0608	0.3335	0.2900	0.2341	0.509	2105	0.6577	0.5711	0.4566	0.545
0701	1.4527	1.2647	1.0476	0.409	2106	0.4210	0.3738	0.3110	0.495
0803	0.5205	0.4490	0.3546	0.558	2201	0.2612	0.2283	0.1841	0.547
0901	1.0969	0.9700	0.8148	0.427	2202	0.6671	0.5841	0.4765	0.501
1002	0.8472	0.7433	0.6101	0.487	2203	0.4820	0.4227	0.3422	0.545
1003	0.6808	0.5972	0.4888	0.492	2204	0.2612	0.2283	0.1841	0.547
1004	0.4347	0.3773	0.3035	0.499	2401	0.3638	0.3182	0.2594	0.491
1005	7.6938	6.7629	5.5848	0.443	2903	0.7099	0.6284	0.5186	0.507

Class	((2013)) <u>2014</u>	((2014)) <u>2015</u>	((2015)) <u>2016</u>	Primary Ratio	Class	((2013)) <u>2014</u>	((2014)) <u>2015</u>	((2015)) <u>2016</u>	Primary Ratio
2904	0.6589	0.5734	0.4620	0.519	3802	0.2119	0.1854	0.1498	0.554
2905	0.5266	0.4622	0.3765	0.520	3808	0.3977	0.3482	0.2845	0.494
2906	0.3861	0.3417	0.2814	0.522	3901	0.1370	0.1196	0.0951	0.608
2907	0.4667	0.4066	0.3261	0.548	3902	0.4413	0.3858	0.3104	0.560
2908	0.9905	0.8805	0.7330	0.494	3903	1.0878	0.9645	0.7977	0.514
2909	0.3925	0.3448	0.2802	0.534	3905	0.1336	0.1171	0.0940	0.588
3101	0.7258	0.6315	0.5083	0.529	3906	0.4663	0.4111	0.3362	0.530
3102	0.2770	0.2437	0.2008	0.488	3909	0.2918	0.2576	0.2106	0.544
3103	0.4374	0.3871	0.3214	0.470	4101	0.2792	0.2449	0.2002	0.506
3104	0.6334	0.5544	0.4517	0.508	4103	0.5302	0.4616	0.3701	0.552
3105	0.7116	0.6232	0.5044	0.541	4107	0.1791	0.1560	0.1252	0.547
3303	0.3826	0.3347	0.2712	0.521	4108	0.1656	0.1444	0.1162	0.551
3304	0.5557	0.4891	0.3982	0.548	4109	0.1938	0.1706	0.1394	0.523
3309	0.4093	0.3599	0.2952	0.516	4201	0.6568	0.5664	0.4517	0.514
3402	0.4558	0.3999	0.3268	0.507	4301	0.7420	0.6475	0.5189	0.565
3403	0.1727	0.1518	0.1248	0.499	4302	0.8783	0.7623	0.6066	0.567
3404	0.4644	0.4053	0.3262	0.545	4304	0.9325	0.8292	0.6880	0.511
3405	0.2835	0.2485	0.2019	0.528	4305	1.1777	1.0156	0.8074	0.524
3406	0.2691	0.2331	0.1841	0.589	4401	0.4160	0.3698	0.3074	0.498
3407	0.7103	0.6195	0.5034	0.492	4402	0.7345	0.6312	0.4929	0.588
3408	0.2225	0.1894	0.1444	0.620	4404	0.4584	0.4039	0.3310	0.510
3409	0.1565	0.1347	0.1054	0.609	4501	0.1742	0.1508	0.1189	0.594
3410	0.1789	0.1556	0.1237	0.584	4502	0.0533	0.0463	0.0370	0.549
3411	0.4678	0.4088	0.3324	0.502	4504	0.1077	0.0938	0.0745	0.592
3412	0.5730	0.5020	0.4120	0.473	4802	0.3383	0.2976	0.2417	0.548
3414	0.6942	0.6139	0.5095	0.474	4803	0.3400	0.2981	0.2394	0.597
3415	0.7329	0.6534	0.5535	0.425	4804	0.5612	0.4907	0.3945	0.577
3501	1.0009	0.8765	0.7126	0.507	4805	0.3877	0.3394	0.2737	0.556
3503	0.3193	0.2804	0.2268	0.551	4806	0.0910	0.0797	0.0639	0.602
3506	0.7805	0.6773	0.5449	0.520	4808	0.4307	0.3800	0.3122	0.509
3509	0.3987	0.3450	0.2723	0.589	4809	0.3561	0.3140	0.2559	0.552
3510	0.3329	0.2907	0.2333	0.561	4810	0.1902	0.1665	0.1335	0.592
3511	0.6754	0.5874	0.4703	0.540	4811	0.3831	0.3398	0.2787	0.551
3512	0.3788	0.3293	0.2621	0.569	4812	0.3969	0.3482	0.2824	0.552
3513	0.5613	0.4963	0.4077	0.518	4813	0.1959	0.1730	0.1409	0.569
3602	0.0869	0.0761	0.0617	0.538	4814	0.1345	0.1195	0.0981	0.577
3603	0.4989	0.4396	0.3594	0.522	4815	0.2744	0.2439	0.1997	0.591
3604	0.6519	0.5829	0.4910	0.477	4816	0.3829	0.3436	0.2875	0.530
3605	0.5115	0.4449	0.3572	0.527	4900	0.1526	0.1345	0.1125	0.438
3701	0.2770	0.2437	0.2008	0.488	4901	0.0427	0.0373	0.0302	0.505
3702	0.4232	0.3698	0.2985	0.537	4902	0.1169	0.1012	0.0804	0.561
3708	0.6600	0.5744	0.4619	0.536	4903	0.1708	0.1470	0.1149	0.595

Class	((2013)) <u>2014</u>	((2014)) <u>2015</u>	((2015)) <u>2016</u>	Primary Ratio	Class	((2013)) <u>2014</u>	((2014)) <u>2015</u>	((2015)) <u>2016</u>	Primary Ratio
4904	0.0195	0.0171	0.0138	0.555	6202	0.6809	0.5957	0.4830	0.520
4905	0.4262	0.3752	0.3039	0.580	6203	0.1226	0.1069	0.0847	0.632
4906	0.1055	0.0908	0.0713	0.576	6204	0.1325	0.1155	0.0924	0.576
4907	0.0645	0.0562	0.0450	0.584	6205	0.1967	0.1732	0.1412	0.543
4908	0.0960	0.0840	0.0667	0.586	6206	0.1955	0.1703	0.1364	0.573
4909	0.0368	0.0334	0.0280	0.504	6207	1.2606	1.1167	0.9211	0.506
4910	0.4483	0.3928	0.3196	0.516	6208	0.2497	0.2191	0.1762	0.586
4911	0.0646	0.0568	0.0464	0.506	6209	0.2892	0.2556	0.2089	0.534
5001	6.9247	6.2339	5.3989	0.360	6301	0.1194	0.1035	0.0832	0.513
5002	0.5873	0.5085	0.4042	0.547	6303	0.0619	0.0540	0.0438	0.522
5003	1.8503	1.6239	1.3466	0.433	6304	0.2754	0.2417	0.1948	0.578
5004	0.7598	0.6781	0.5710	0.466	6305	0.1032	0.0894	0.0703	0.607
5005	0.7039	0.6262	0.5273	0.430	6306	0.3272	0.2849	0.2286	0.545
5006	1.2383	1.1041	0.9430	0.381	6308	0.0600	0.0524	0.0424	0.524
5101	0.8841	0.7805	0.6501	0.446	6309	0.1852	0.1620	0.1304	0.554
5103	0.7425	0.6542	0.5333	0.538	6402	0.2694	0.2336	0.1847	0.596
5106	0.7425	0.6542	0.5333	0.538	6403	0.1702	0.1479	0.1170	0.595
5108	0.7612	0.6660	0.5398	0.530	6404	0.3001	0.2622	0.2100	0.582
5109	0.5723	0.4992	0.4064	0.484	6405	0.4857	0.4235	0.3419	0.526
5201	0.3066	0.2655	0.2111	0.548	6406	0.1162	0.1009	0.0797	0.605
5204	0.9279	0.8148	0.6719	0.465	6407	0.2563	0.2230	0.1780	0.575
5206	0.3947	0.3464	0.2846	0.487	6408	0.4972	0.4389	0.3623	0.499
5207	0.1606	0.1409	0.1138	0.565	6409	0.6210	0.5465	0.4507	0.482
5208	0.6932	0.6085	0.4966	0.510	6410	0.3163	0.2735	0.2169	0.557
5209	0.6216	0.5479	0.4535	0.477	6501	0.1194	0.1025	0.0797	0.600
5300	0.1009	0.0867	0.0675	0.601	6502	0.0291	0.0255	0.0207	0.541
5301	0.0320	0.0280	0.0226	0.545	6503	0.0707	0.0611	0.0485	0.553
5302	0.0100	0.0087	0.0069	0.545	6504	0.3393	0.2964	0.2362	0.600
5305	0.0517	0.0449	0.0357	0.583	6505	0.1497	0.1293	0.1003	0.655
5306	0.0436	0.0380	0.0303	0.575	6506	0.1214	0.1060	0.0848	0.570
5307	0.6644	0.5762	0.4623	0.520	6509	0.2975	0.2602	0.2086	0.583
5308	0.0871	0.0757	0.0604	0.576	6510	0.4143	0.3685	0.3107	0.427
6103	0.0940	0.0816	0.0644	0.612	6511	0.3490	0.3052	0.2456	0.557
6104	0.4799	0.4178	0.3353	0.543	6512	0.0979	0.0857	0.0696	0.516
6105	0.3571	0.3122	0.2538	0.518	6601	0.2068	0.1810	0.1465	0.534
6107	0.1282	0.1130	0.0912	0.598	6602	0.6018	0.5304	0.4334	0.537
6108	0.3545	0.3094	0.2475	0.581	6603	0.2762	0.2411	0.1947	0.527
6109	0.1077	0.0932	0.0741	0.547	6604	0.0895	0.0773	0.0608	0.593
6110	0.5625	0.4914	0.3969	0.531	6605	0.2625	0.2282	0.1817	0.555
6120	0.3007	0.2602	0.2073	0.549	6607	0.1289	0.1139	0.0936	0.517
6121	0.3277	0.2883	0.2379	0.485	6608	0.5518	0.4853	0.4062	0.415
6201	0.2992	0.2638	0.2184	0.482	6620	3.0947	2.6370	2.0289	0.594

Class	<u>((2013))</u> <u>2014</u>	<u>((2014))</u> <u>2015</u>	<u>((2015))</u> <u>2016</u>	Primary Ratio	Class	<u>((2013))</u> <u>2014</u>	<u>((2014))</u> <u>2015</u>	<u>((2015))</u> <u>2016</u>	Primary Ratio
6704	0.1201	0.1035	0.0811	0.595	7200	1.6771	1.4504	1.1604	0.511
6705	0.7804	0.6781	0.5359	0.616	7201	1.6543	1.4293	1.1384	0.527
6706	0.2772	0.2458	0.2031	0.528	7202	0.0287	0.0249	0.0201	0.537
6707	7.9235	6.7235	5.0532	0.693	7203	0.1163	0.1029	0.0830	0.611
6708	8.5628	7.8422	6.7940	0.462	7204	0.0000	0.0000	0.0000	0.500
6709	0.2404	0.2117	0.1725	0.545	7205	0.0000	0.0000	0.0000	0.500
6801	0.7285	0.6211	0.4821	0.555	7301	0.4832	0.4258	0.3479	0.532
6802	0.7011	0.6053	0.4768	0.580	7302	0.9068	0.8071	0.6748	0.479
6803	0.5878	0.5243	0.4529	0.346	7307	0.4386	0.3859	0.3141	0.537
6804	0.2753	0.2406	0.1933	0.564	7308	0.2946	0.2600	0.2119	0.554
6809	5.4627	4.7757	3.7898	0.606	7309	0.2847	0.2469	0.1946	0.607
6901	0.0197	0.0189	0.0160	0.747	7400	1.9286	1.6679	1.3345	0.511))
6902	0.8235	0.7272	0.6072	0.434	0101	0.9336	0.7691	0.6157	0.444
6903	6.1024	5.5069	4.8073	0.358	0103	1.4302	1.1909	0.9719	0.435
6904	0.8613	0.7434	0.5921	0.519	0104	0.8770	0.7257	0.5855	0.436
6905	0.5881	0.5031	0.3920	0.572	0105	1.0855	0.9004	0.7271	0.546
6906	0.2354	0.2163	0.1841	0.661	0106	2.0438	1.7009	1.3851	0.486
6907	1.0475	0.9131	0.7337	0.543	0107	0.8784	0.7247	0.5816	0.422
6908	0.3716	0.3245	0.2625	0.532	0108	0.8770	0.7257	0.5855	0.436
6909	0.1213	0.1058	0.0849	0.553	0112	0.6812	0.5672	0.4626	0.439
7100	0.0311	0.0277	0.0234	0.472	0201	1.3612	1.1198	0.8946	0.430
7101	0.0240	0.0213	0.0176	0.464	0202	1.9984	1.6504	1.3291	0.402
7103	0.7770	0.6684	0.5261	0.548	0210	0.7181	0.5927	0.4760	0.429
7104	0.0284	0.0248	0.0198	0.564	0212	1.0493	0.8658	0.6955	0.438
7105	0.0198	0.0173	0.0139	0.549	0214	1.2260	1.0078	0.8034	0.463
7106	0.2632	0.2277	0.1788	0.614	0217	1.1566	0.9577	0.7733	0.462
7107	0.2678	0.2366	0.1924	0.574	0219	0.8110	0.6690	0.5372	0.419
7108	0.1857	0.1621	0.1298	0.576	0301	0.7432	0.6223	0.5114	0.496
7109	0.1304	0.1135	0.0902	0.580	0302	1.9293	1.5777	1.2475	0.438
7110	0.3267	0.2910	0.2448	0.442	0303	1.7997	1.4852	1.1940	0.426
7111	0.4181	0.3644	0.2971	0.476	0306	0.7645	0.6284	0.5003	0.484
7112	0.8630	0.7460	0.5867	0.594	0307	0.7922	0.6541	0.5252	0.478
7113	0.4472	0.3888	0.3092	0.585	0308	0.5898	0.4942	0.4064	0.533
7114	0.7397	0.6430	0.5090	0.601	0403	1.7198	1.4249	1.1511	0.494
7115	0.5201	0.4530	0.3612	0.579	0502	1.0892	0.8956	0.7146	0.470
7116	0.5556	0.4884	0.3990	0.509	0504	1.8749	1.5677	1.2897	0.403
7117	1.1711	1.0187	0.8121	0.572	0507	2.6935	2.2595	1.8671	0.435
7118	1.6462	1.4453	1.1787	0.523	0508	1.1168	0.9217	0.7418	0.391
7119	1.4680	1.2626	0.9861	0.581	0509	0.8123	0.6674	0.5322	0.408
7120	5.8966	5.1836	4.2448	0.507	0510	2.0734	1.7335	1.4245	0.442
7121	5.4181	4.7601	3.8909	0.510	0511	1.3647	1.1226	0.8950	0.494
7122	0.3892	0.3391	0.2714	0.554	0512	1.1192	0.9302	0.7558	0.457

Class	((2013)) <u>2014</u>	((2014)) <u>2015</u>	((2015)) <u>2016</u>	Primary Ratio	Class	((2013)) <u>2014</u>	((2014)) <u>2015</u>	((2015)) <u>2016</u>	Primary Ratio
<u>0513</u>	<u>0.7975</u>	<u>0.6598</u>	<u>0.5319</u>	<u>0.477</u>	<u>1702</u>	<u>1.2692</u>	<u>1.0446</u>	<u>0.8369</u>	<u>0.364</u>
<u>0514</u>	<u>1.3274</u>	<u>1.0966</u>	<u>0.8804</u>	<u>0.509</u>	<u>1703</u>	<u>0.7850</u>	<u>0.6427</u>	<u>0.5095</u>	<u>0.421</u>
<u>0516</u>	<u>1.2558</u>	<u>1.0420</u>	<u>0.8442</u>	<u>0.465</u>	<u>1704</u>	<u>0.6897</u>	<u>0.5665</u>	<u>0.4511</u>	<u>0.519</u>
<u>0517</u>	<u>1.7192</u>	<u>1.4353</u>	<u>1.1776</u>	<u>0.414</u>	<u>1801</u>	<u>0.3817</u>	<u>0.3164</u>	<u>0.2558</u>	<u>0.459</u>
<u>0518</u>	<u>1.0329</u>	<u>0.8525</u>	<u>0.6840</u>	<u>0.451</u>	<u>1802</u>	<u>0.6540</u>	<u>0.5406</u>	<u>0.4340</u>	<u>0.508</u>
<u>0519</u>	<u>1.2468</u>	<u>1.0259</u>	<u>0.8186</u>	<u>0.498</u>	<u>2002</u>	<u>0.7873</u>	<u>0.6539</u>	<u>0.5304</u>	<u>0.492</u>
<u>0521</u>	<u>0.4314</u>	<u>0.3602</u>	<u>0.2945</u>	<u>0.505</u>	<u>2004</u>	<u>0.5318</u>	<u>0.4428</u>	<u>0.3594</u>	<u>0.545</u>
<u>0601</u>	<u>0.4477</u>	<u>0.3696</u>	<u>0.2964</u>	<u>0.500</u>	<u>2007</u>	<u>0.6667</u>	<u>0.5595</u>	<u>0.4620</u>	<u>0.482</u>
<u>0602</u>	<u>0.5867</u>	<u>0.4794</u>	<u>0.3787</u>	<u>0.422</u>	<u>2008</u>	<u>0.3317</u>	<u>0.2769</u>	<u>0.2261</u>	<u>0.505</u>
<u>0603</u>	<u>0.5731</u>	<u>0.4722</u>	<u>0.3780</u>	<u>0.448</u>	<u>2009</u>	<u>0.3405</u>	<u>0.2840</u>	<u>0.2311</u>	<u>0.572</u>
<u>0604</u>	<u>1.0116</u>	<u>0.8437</u>	<u>0.6895</u>	<u>0.473</u>	<u>2101</u>	<u>0.5332</u>	<u>0.4492</u>	<u>0.3727</u>	<u>0.506</u>
<u>0606</u>	<u>0.5203</u>	<u>0.4312</u>	<u>0.3476</u>	<u>0.554</u>	<u>2102</u>	<u>0.6762</u>	<u>0.5593</u>	<u>0.4498</u>	<u>0.549</u>
<u>0607</u>	<u>0.6587</u>	<u>0.5455</u>	<u>0.4407</u>	<u>0.483</u>	<u>2104</u>	<u>0.3183</u>	<u>0.2697</u>	<u>0.2246</u>	<u>0.599</u>
<u>0608</u>	<u>0.3116</u>	<u>0.2570</u>	<u>0.2056</u>	<u>0.492</u>	<u>2105</u>	<u>0.6077</u>	<u>0.5027</u>	<u>0.4040</u>	<u>0.552</u>
<u>0701</u>	<u>1.3700</u>	<u>1.1068</u>	<u>0.8551</u>	<u>0.421</u>	<u>2106</u>	<u>0.4010</u>	<u>0.3366</u>	<u>0.2775</u>	<u>0.493</u>
<u>0803</u>	<u>0.4942</u>	<u>0.4068</u>	<u>0.3243</u>	<u>0.563</u>	<u>2201</u>	<u>0.2565</u>	<u>0.2143</u>	<u>0.1755</u>	<u>0.533</u>
<u>0901</u>	<u>1.0329</u>	<u>0.8525</u>	<u>0.6840</u>	<u>0.451</u>	<u>2202</u>	<u>0.6203</u>	<u>0.5135</u>	<u>0.4141</u>	<u>0.494</u>
<u>1002</u>	<u>0.7930</u>	<u>0.6586</u>	<u>0.5346</u>	<u>0.468</u>	<u>2203</u>	<u>0.4831</u>	<u>0.4049</u>	<u>0.3327</u>	<u>0.536</u>
<u>1003</u>	<u>0.6438</u>	<u>0.5331</u>	<u>0.4300</u>	<u>0.504</u>	<u>2204</u>	<u>0.2565</u>	<u>0.2143</u>	<u>0.1755</u>	<u>0.533</u>
<u>1004</u>	<u>0.4043</u>	<u>0.3310</u>	<u>0.2614</u>	<u>0.501</u>	<u>2401</u>	<u>0.3719</u>	<u>0.3063</u>	<u>0.2449</u>	<u>0.484</u>
<u>1005</u>	<u>7.2783</u>	<u>5.9886</u>	<u>4.7908</u>	<u>0.448</u>	<u>2903</u>	<u>0.6654</u>	<u>0.5584</u>	<u>0.4602</u>	<u>0.517</u>
<u>1006</u>	<u>0.1860</u>	<u>0.1534</u>	<u>0.1226</u>	<u>0.578</u>	<u>2904</u>	<u>0.6257</u>	<u>0.5179</u>	<u>0.4174</u>	<u>0.504</u>
<u>1007</u>	<u>0.2551</u>	<u>0.2108</u>	<u>0.1696</u>	<u>0.476</u>	<u>2905</u>	<u>0.4831</u>	<u>0.4025</u>	<u>0.3276</u>	<u>0.527</u>
<u>1101</u>	<u>0.9019</u>	<u>0.7462</u>	<u>0.6015</u>	<u>0.507</u>	<u>2906</u>	<u>0.3859</u>	<u>0.3242</u>	<u>0.2669</u>	<u>0.528</u>
<u>1102</u>	<u>1.3640</u>	<u>1.1220</u>	<u>0.8969</u>	<u>0.455</u>	<u>2907</u>	<u>0.4347</u>	<u>0.3616</u>	<u>0.2934</u>	<u>0.547</u>
<u>1103</u>	<u>1.0431</u>	<u>0.8640</u>	<u>0.6979</u>	<u>0.500</u>	<u>2908</u>	<u>0.9359</u>	<u>0.7864</u>	<u>0.6483</u>	<u>0.508</u>
<u>1104</u>	<u>0.6015</u>	<u>0.5018</u>	<u>0.4094</u>	<u>0.525</u>	<u>2909</u>	<u>0.3736</u>	<u>0.3132</u>	<u>0.2574</u>	<u>0.529</u>
<u>1105</u>	<u>0.7266</u>	<u>0.6018</u>	<u>0.4858</u>	<u>0.495</u>	<u>3101</u>	<u>0.7331</u>	<u>0.6054</u>	<u>0.4852</u>	<u>0.547</u>
<u>1106</u>	<u>0.3080</u>	<u>0.2592</u>	<u>0.2143</u>	<u>0.538</u>	<u>3102</u>	<u>0.2846</u>	<u>0.2359</u>	<u>0.1905</u>	<u>0.488</u>
<u>1108</u>	<u>0.4496</u>	<u>0.3748</u>	<u>0.3053</u>	<u>0.511</u>	<u>3103</u>	<u>0.3965</u>	<u>0.3305</u>	<u>0.2699</u>	<u>0.471</u>
<u>1109</u>	<u>1.2494</u>	<u>1.0371</u>	<u>0.8405</u>	<u>0.519</u>	<u>3104</u>	<u>0.5758</u>	<u>0.4778</u>	<u>0.3865</u>	<u>0.508</u>
<u>1301</u>	<u>0.5270</u>	<u>0.4321</u>	<u>0.3425</u>	<u>0.531</u>	<u>3105</u>	<u>0.7003</u>	<u>0.5856</u>	<u>0.4784</u>	<u>0.555</u>
<u>1303</u>	<u>0.3009</u>	<u>0.2471</u>	<u>0.1960</u>	<u>0.580</u>	<u>3303</u>	<u>0.3722</u>	<u>0.3089</u>	<u>0.2499</u>	<u>0.536</u>
<u>1304</u>	<u>0.0210</u>	<u>0.0173</u>	<u>0.0140</u>	<u>0.500</u>	<u>3304</u>	<u>0.5677</u>	<u>0.4767</u>	<u>0.3928</u>	<u>0.562</u>
<u>1305</u>	<u>0.4638</u>	<u>0.3822</u>	<u>0.3055</u>	<u>0.530</u>	<u>3309</u>	<u>0.4043</u>	<u>0.3374</u>	<u>0.2754</u>	<u>0.533</u>
<u>1401</u>	<u>0.2387</u>	<u>0.2029</u>	<u>0.1714</u>	<u>0.474</u>	<u>3402</u>	<u>0.4432</u>	<u>0.3686</u>	<u>0.2990</u>	<u>0.521</u>
<u>1404</u>	<u>0.7197</u>	<u>0.5981</u>	<u>0.4858</u>	<u>0.527</u>	<u>3403</u>	<u>0.1576</u>	<u>0.1311</u>	<u>0.1063</u>	<u>0.506</u>
<u>1405</u>	<u>0.7027</u>	<u>0.5816</u>	<u>0.4681</u>	<u>0.539</u>	<u>3404</u>	<u>0.4468</u>	<u>0.3707</u>	<u>0.2994</u>	<u>0.557</u>
<u>1407</u>	<u>0.5577</u>	<u>0.4625</u>	<u>0.3734</u>	<u>0.576</u>	<u>3405</u>	<u>0.2875</u>	<u>0.2396</u>	<u>0.1948</u>	<u>0.521</u>
<u>1501</u>	<u>0.6650</u>	<u>0.5474</u>	<u>0.4370</u>	<u>0.514</u>	<u>3406</u>	<u>0.2752</u>	<u>0.2291</u>	<u>0.1860</u>	<u>0.591</u>
<u>1507</u>	<u>0.5346</u>	<u>0.4445</u>	<u>0.3606</u>	<u>0.518</u>	<u>3407</u>	<u>0.6755</u>	<u>0.5574</u>	<u>0.4471</u>	<u>0.490</u>
<u>1701</u>	<u>0.6897</u>	<u>0.5665</u>	<u>0.4511</u>	<u>0.519</u>	<u>3408</u>	<u>0.2106</u>	<u>0.1733</u>	<u>0.1379</u>	<u>0.604</u>

Class	(2013) 2014	(2014) 2015	(2015) 2016	Primary Ratio	Class	(2013) 2014	(2014) 2015	(2015) 2016	Primary Ratio
3409	0.1538	0.1281	0.1040	0.607	4501	0.1717	0.1429	0.1158	0.598
3410	0.1754	0.1463	0.1192	0.593	4502	0.0539	0.0446	0.0361	0.544
3411	0.4610	0.3808	0.3059	0.499	4504	0.1138	0.0948	0.0769	0.611
3412	0.5712	0.4703	0.3759	0.489	4802	0.3493	0.2933	0.2417	0.558
3414	0.6611	0.5506	0.4489	0.467	4803	0.3361	0.2841	0.2362	0.600
3415	0.6906	0.5751	0.4692	0.444	4804	0.5567	0.4688	0.3879	0.569
3501	0.9819	0.8151	0.6604	0.513	4805	0.3986	0.3337	0.2738	0.552
3503	0.3010	0.2521	0.2068	0.550	4806	0.0991	0.0836	0.0694	0.614
3506	0.6907	0.5708	0.4587	0.491	4808	0.4178	0.3495	0.2865	0.520
3509	0.3743	0.3117	0.2532	0.583	4809	0.3411	0.2873	0.2382	0.534
3510	0.3156	0.2638	0.2156	0.556	4810	0.2040	0.1723	0.1430	0.588
3511	0.6886	0.5705	0.4602	0.541	4811	0.4147	0.3511	0.2928	0.564
3512	0.3777	0.3134	0.2527	0.587	4812	0.4159	0.3477	0.2842	0.558
3513	0.5119	0.4299	0.3544	0.521	4813	0.2034	0.1726	0.1445	0.574
3602	0.0839	0.0697	0.0565	0.563	4814	0.1308	0.1116	0.0942	0.581
3603	0.4724	0.3967	0.3273	0.501	4815	0.2685	0.2298	0.1949	0.594
3604	0.6350	0.5339	0.4409	0.495	4816	0.3679	0.3145	0.2669	0.535
3605	0.4939	0.4080	0.3275	0.531	4900	0.1322	0.1087	0.0868	0.446
3701	0.2846	0.2359	0.1905	0.488	4901	0.0395	0.0325	0.0260	0.516
3702	0.4079	0.3400	0.2767	0.529	4902	0.1036	0.0860	0.0693	0.567
3708	0.6184	0.5131	0.4148	0.530	4903	0.1583	0.1312	0.1055	0.591
3802	0.1969	0.1644	0.1342	0.552	4904	0.0184	0.0154	0.0125	0.563
3808	0.3765	0.3113	0.2503	0.497	4905	0.4127	0.3486	0.2898	0.589
3901	0.1312	0.1103	0.0906	0.611	4906	0.1081	0.0892	0.0712	0.581
3902	0.4535	0.3795	0.3107	0.561	4907	0.0665	0.0558	0.0455	0.599
3903	1.0413	0.8768	0.7269	0.519	4908	0.0912	0.0764	0.0623	0.588
3905	0.1314	0.1104	0.0908	0.597	4909	0.0342	0.0292	0.0243	0.514
3906	0.4442	0.3728	0.3072	0.533	4910	0.4480	0.3728	0.3032	0.508
3909	0.2557	0.2155	0.1784	0.546	4911	0.0575	0.0479	0.0390	0.505
4101	0.2619	0.2172	0.1754	0.520	5001	6.2248	5.1902	4.2557	0.381
4103	0.5154	0.4289	0.3485	0.545	5002	0.5712	0.4714	0.3775	0.551
4107	0.1780	0.1476	0.1191	0.551	5003	1.7576	1.4434	1.1509	0.445
4108	0.1590	0.1325	0.1078	0.554	5004	0.7534	0.6335	0.5250	0.470
4109	0.1867	0.1564	0.1282	0.526	5005	0.7080	0.5872	0.4762	0.445
4201	0.6618	0.5412	0.4272	0.505	5006	1.1173	0.9240	0.7469	0.381
4301	0.7635	0.6396	0.5251	0.567	5101	0.8296	0.6851	0.5509	0.452
4302	0.8723	0.7262	0.5903	0.570	5103	0.7071	0.5928	0.4870	0.522
4304	0.9188	0.7769	0.6485	0.506	5106	0.7071	0.5928	0.4870	0.522
4305	1.1387	0.9323	0.7375	0.523	5108	0.7369	0.6113	0.4941	0.538
4401	0.4044	0.3402	0.2815	0.505	5109	0.5432	0.4470	0.3564	0.491
4402	0.6982	0.5771	0.4629	0.583	5201	0.2996	0.2470	0.1969	0.559
4404	0.4405	0.3672	0.2990	0.522	5204	0.8579	0.7080	0.5688	0.475

Class	((2013)) <u>2014</u>	((2014)) <u>2015</u>	((2015)) <u>2016</u>	Primary Ratio	Class	((2013)) <u>2014</u>	((2014)) <u>2015</u>	((2015)) <u>2016</u>	Primary Ratio
<u>5206</u>	<u>0.3844</u>	<u>0.3192</u>	<u>0.2588</u>	<u>0.471</u>	<u>6408</u>	<u>0.4698</u>	<u>0.3917</u>	<u>0.3193</u>	<u>0.510</u>
<u>5207</u>	<u>0.1559</u>	<u>0.1311</u>	<u>0.1081</u>	<u>0.567</u>	<u>6409</u>	<u>0.5835</u>	<u>0.4844</u>	<u>0.3923</u>	<u>0.492</u>
<u>5208</u>	<u>0.6464</u>	<u>0.5368</u>	<u>0.4344</u>	<u>0.523</u>	<u>6410</u>	<u>0.3165</u>	<u>0.2614</u>	<u>0.2096</u>	<u>0.565</u>
<u>5209</u>	<u>0.5991</u>	<u>0.4968</u>	<u>0.4013</u>	<u>0.494</u>	<u>6411</u>	<u>0.0755</u>	<u>0.0634</u>	<u>0.0521</u>	<u>0.565</u>
<u>5300</u>	<u>0.0983</u>	<u>0.0813</u>	<u>0.0653</u>	<u>0.605</u>	<u>6501</u>	<u>0.1109</u>	<u>0.0916</u>	<u>0.0734</u>	<u>0.601</u>
<u>5301</u>	<u>0.0300</u>	<u>0.0250</u>	<u>0.0203</u>	<u>0.534</u>	<u>6502</u>	<u>0.0283</u>	<u>0.0237</u>	<u>0.0192</u>	<u>0.556</u>
<u>5302</u>	<u>0.0093</u>	<u>0.0078</u>	<u>0.0062</u>	<u>0.556</u>	<u>6503</u>	<u>0.0711</u>	<u>0.0584</u>	<u>0.0463</u>	<u>0.566</u>
<u>5305</u>	<u>0.0518</u>	<u>0.0430</u>	<u>0.0348</u>	<u>0.592</u>	<u>6504</u>	<u>0.3356</u>	<u>0.2821</u>	<u>0.2320</u>	<u>0.608</u>
<u>5306</u>	<u>0.0449</u>	<u>0.0375</u>	<u>0.0305</u>	<u>0.581</u>	<u>6505</u>	<u>0.1496</u>	<u>0.1256</u>	<u>0.1030</u>	<u>0.655</u>
<u>5307</u>	<u>0.6135</u>	<u>0.5045</u>	<u>0.4023</u>	<u>0.529</u>	<u>6506</u>	<u>0.1224</u>	<u>0.1023</u>	<u>0.0834</u>	<u>0.575</u>
<u>5308</u>	<u>0.0847</u>	<u>0.0707</u>	<u>0.0575</u>	<u>0.585</u>	<u>6509</u>	<u>0.2785</u>	<u>0.2336</u>	<u>0.1915</u>	<u>0.589</u>
<u>6103</u>	<u>0.0930</u>	<u>0.0779</u>	<u>0.0637</u>	<u>0.606</u>	<u>6510</u>	<u>0.3829</u>	<u>0.3186</u>	<u>0.2600</u>	<u>0.420</u>
<u>6104</u>	<u>0.4452</u>	<u>0.3697</u>	<u>0.2990</u>	<u>0.558</u>	<u>6511</u>	<u>0.3287</u>	<u>0.2743</u>	<u>0.2238</u>	<u>0.581</u>
<u>6105</u>	<u>0.3695</u>	<u>0.3062</u>	<u>0.2469</u>	<u>0.513</u>	<u>6512</u>	<u>0.0893</u>	<u>0.0742</u>	<u>0.0602</u>	<u>0.505</u>
<u>6107</u>	<u>0.1285</u>	<u>0.1086</u>	<u>0.0897</u>	<u>0.618</u>	<u>6601</u>	<u>0.2009</u>	<u>0.1674</u>	<u>0.1363</u>	<u>0.550</u>
<u>6108</u>	<u>0.3257</u>	<u>0.2730</u>	<u>0.2235</u>	<u>0.587</u>	<u>6602</u>	<u>0.5582</u>	<u>0.4689</u>	<u>0.3872</u>	<u>0.545</u>
<u>6109</u>	<u>0.1040</u>	<u>0.0856</u>	<u>0.0684</u>	<u>0.541</u>	<u>6603</u>	<u>0.2639</u>	<u>0.2188</u>	<u>0.1767</u>	<u>0.524</u>
<u>6110</u>	<u>0.5041</u>	<u>0.4188</u>	<u>0.3393</u>	<u>0.531</u>	<u>6604</u>	<u>0.0856</u>	<u>0.0712</u>	<u>0.0576</u>	<u>0.590</u>
<u>6120</u>	<u>0.2828</u>	<u>0.2336</u>	<u>0.1871</u>	<u>0.548</u>	<u>6605</u>	<u>0.2480</u>	<u>0.2059</u>	<u>0.1664</u>	<u>0.551</u>
<u>6121</u>	<u>0.3043</u>	<u>0.2527</u>	<u>0.2049</u>	<u>0.481</u>	<u>6607</u>	<u>0.1267</u>	<u>0.1061</u>	<u>0.0868</u>	<u>0.541</u>
<u>6201</u>	<u>0.3151</u>	<u>0.2618</u>	<u>0.2122</u>	<u>0.495</u>	<u>6608</u>	<u>0.5135</u>	<u>0.4200</u>	<u>0.3321</u>	<u>0.425</u>
<u>6202</u>	<u>0.6496</u>	<u>0.5399</u>	<u>0.4374</u>	<u>0.528</u>	<u>6620</u>	<u>3.0354</u>	<u>2.4869</u>	<u>1.9611</u>	<u>0.597</u>
<u>6203</u>	<u>0.1224</u>	<u>0.1033</u>	<u>0.0854</u>	<u>0.639</u>	<u>6704</u>	<u>0.1211</u>	<u>0.1006</u>	<u>0.0813</u>	<u>0.601</u>
<u>6204</u>	<u>0.1318</u>	<u>0.1099</u>	<u>0.0895</u>	<u>0.581</u>	<u>6705</u>	<u>0.7510</u>	<u>0.6307</u>	<u>0.5189</u>	<u>0.615</u>
<u>6205</u>	<u>0.1898</u>	<u>0.1590</u>	<u>0.1306</u>	<u>0.547</u>	<u>6706</u>	<u>0.2543</u>	<u>0.2145</u>	<u>0.1779</u>	<u>0.528</u>
<u>6206</u>	<u>0.1870</u>	<u>0.1559</u>	<u>0.1267</u>	<u>0.583</u>	<u>6707</u>	<u>10.1057</u>	<u>8.4099</u>	<u>6.8050</u>	<u>0.693</u>
<u>6207</u>	<u>1.1425</u>	<u>0.9584</u>	<u>0.7911</u>	<u>0.508</u>	<u>6708</u>	<u>8.0922</u>	<u>6.9748</u>	<u>5.9940</u>	<u>0.472</u>
<u>6208</u>	<u>0.2468</u>	<u>0.2073</u>	<u>0.1708</u>	<u>0.591</u>	<u>6709</u>	<u>0.2471</u>	<u>0.2066</u>	<u>0.1689</u>	<u>0.575</u>
<u>6209</u>	<u>0.2800</u>	<u>0.2361</u>	<u>0.1957</u>	<u>0.540</u>	<u>6801</u>	<u>0.6818</u>	<u>0.5513</u>	<u>0.4261</u>	<u>0.561</u>
<u>6301</u>	<u>0.1142</u>	<u>0.0937</u>	<u>0.0745</u>	<u>0.517</u>	<u>6802</u>	<u>0.7443</u>	<u>0.6157</u>	<u>0.4949</u>	<u>0.582</u>
<u>6303</u>	<u>0.0553</u>	<u>0.0459</u>	<u>0.0371</u>	<u>0.520</u>	<u>6803</u>	<u>0.5224</u>	<u>0.4287</u>	<u>0.3416</u>	<u>0.353</u>
<u>6304</u>	<u>0.2574</u>	<u>0.2171</u>	<u>0.1796</u>	<u>0.591</u>	<u>6804</u>	<u>0.2671</u>	<u>0.2229</u>	<u>0.1811</u>	<u>0.580</u>
<u>6305</u>	<u>0.1024</u>	<u>0.0855</u>	<u>0.0695</u>	<u>0.607</u>	<u>6809</u>	<u>4.9652</u>	<u>4.1772</u>	<u>3.4295</u>	<u>0.605</u>
<u>6306</u>	<u>0.3203</u>	<u>0.2654</u>	<u>0.2140</u>	<u>0.557</u>	<u>6901</u>	<u>0.0175</u>	<u>0.0163</u>	<u>0.0150</u>	<u>0.750</u>
<u>6308</u>	<u>0.0578</u>	<u>0.0478</u>	<u>0.0384</u>	<u>0.539</u>	<u>6902</u>	<u>0.7992</u>	<u>0.6616</u>	<u>0.5351</u>	<u>0.436</u>
<u>6309</u>	<u>0.1894</u>	<u>0.1576</u>	<u>0.1278</u>	<u>0.568</u>	<u>6903</u>	<u>5.5945</u>	<u>4.6657</u>	<u>3.8247</u>	<u>0.368</u>
<u>6402</u>	<u>0.2612</u>	<u>0.2182</u>	<u>0.1779</u>	<u>0.599</u>	<u>6904</u>	<u>0.8935</u>	<u>0.7319</u>	<u>0.5797</u>	<u>0.515</u>
<u>6403</u>	<u>0.1635</u>	<u>0.1362</u>	<u>0.1104</u>	<u>0.606</u>	<u>6905</u>	<u>0.6260</u>	<u>0.5124</u>	<u>0.4039</u>	<u>0.573</u>
<u>6404</u>	<u>0.3025</u>	<u>0.2540</u>	<u>0.2092</u>	<u>0.579</u>	<u>6906</u>	<u>0.2496</u>	<u>0.2241</u>	<u>0.2034</u>	<u>0.664</u>
<u>6405</u>	<u>0.4848</u>	<u>0.4017</u>	<u>0.3239</u>	<u>0.535</u>	<u>6907</u>	<u>0.9808</u>	<u>0.8133</u>	<u>0.6567</u>	<u>0.561</u>
<u>6406</u>	<u>0.1307</u>	<u>0.1092</u>	<u>0.0890</u>	<u>0.601</u>	<u>6908</u>	<u>0.3473</u>	<u>0.2892</u>	<u>0.2350</u>	<u>0.524</u>
<u>6407</u>	<u>0.2493</u>	<u>0.2083</u>	<u>0.1700</u>	<u>0.567</u>	<u>6909</u>	<u>0.1168</u>	<u>0.0972</u>	<u>0.0786</u>	<u>0.564</u>

Class	((2013)) <u>2014</u>	((2014)) <u>2015</u>	((2015)) <u>2016</u>	Primary Ratio
<u>7100</u>	0.0292	0.0245	0.0203	0.477
<u>7101</u>	0.0228	0.0189	0.0152	0.473
<u>7103</u>	0.8091	0.6628	0.5246	0.546
<u>7104</u>	0.0255	0.0213	0.0173	0.555
<u>7105</u>	0.0187	0.0154	0.0125	0.548
<u>7106</u>	0.2647	0.2211	0.1805	0.610
<u>7107</u>	0.2667	0.2260	0.1884	0.585
<u>7108</u>	0.1896	0.1586	0.1298	0.592
<u>7109</u>	0.1248	0.1041	0.0845	0.582
<u>7110</u>	0.3161	0.2651	0.2190	0.429
<u>7111</u>	0.3742	0.3067	0.2433	0.490
<u>7112</u>	0.9155	0.7606	0.6149	0.607
<u>7113</u>	0.4317	0.3611	0.2955	0.586
<u>7114</u>	0.7695	0.6418	0.5225	0.605
<u>7115</u>	0.5311	0.4435	0.3616	0.590
<u>7116</u>	0.4707	0.3930	0.3220	0.488
<u>7117</u>	1.2241	1.0191	0.8268	0.573
<u>7118</u>	1.5843	1.3188	1.0720	0.535
<u>7119</u>	1.6113	1.3252	1.0553	0.588
<u>7120</u>	5.6440	4.7012	3.8293	0.512
<u>7121</u>	5.1607	4.2962	3.4934	0.514
<u>7122</u>	0.3622	0.3022	0.2467	0.538
<u>7200</u>	1.5696	1.2881	1.0243	0.505
<u>7201</u>	1.5175	1.2471	0.9935	0.529
<u>7202</u>	0.0258	0.0214	0.0173	0.524
<u>7203</u>	0.1107	0.0942	0.0784	0.617
<u>7204</u>	0.0000	0.0000	0.0000	0.500
<u>7205</u>	0.0000	0.0000	0.0000	0.500
<u>7301</u>	0.4816	0.4041	0.3326	0.541
<u>7302</u>	0.8362	0.7029	0.5817	0.488
<u>7307</u>	0.4617	0.3858	0.3157	0.553
<u>7308</u>	0.2704	0.2283	0.1895	0.557
<u>7309</u>	0.2816	0.2353	0.1920	0.608
<u>7400</u>	1.8051	1.4813	1.1780	0.505

Class	((2013)) <u>2014</u>	((2014)) <u>2015</u>	((2015)) <u>2016</u>	Primary Ratio
<u>0540</u>	0.0209	0.0173	0.0140	0.437
<u>0541</u>	0.0094	0.0078	0.0063	0.458
<u>0550</u>	0.0309	0.0255	0.0208	0.423
<u>0551</u>	0.0135	0.0112	0.0091	0.404

AMENDATORY SECTION (Amending WSR 16-24-014, filed 11/29/16, effective 1/1/17)

WAC 296-17-890 Table IV.

**Maximum Experience Modifications
For Firms with No Compensable Accidents:
Effective January 1, ~~((2017))~~ 2018**

Expected Loss Range	Maximum Experience Modification
(+ - 6,248	0.90
6,249 - 7,629	0.89
7,630 - 8,451	0.88
8,452 - 9,212	0.87
9,213 - 10,015	0.86
10,016 - 10,855	0.85
10,856 - 11,596	0.84
11,597 - 12,347	0.83
12,348 - 13,127	0.82
13,128 - 13,941	0.81
13,942 - 14,787	0.80
14,788 - 15,665	0.79
15,666 - 16,577	0.78
16,578 - 17,518	0.77
17,519 - 18,497	0.76
18,498 - 19,506	0.75
19,507 - 20,551	0.74
20,552 - 21,628	0.73
21,629 - 22,743	0.72
22,744 - 23,889	0.71
23,890 - 25,072	0.70
25,073 - 26,290	0.69
26,291 - 27,542	0.68
27,543 - 28,832	0.67
28,833 - 30,153	0.66
30,154 - 31,513	0.65
31,514 - 33,631	0.64
33,632 - 36,513	0.63
36,514 - 39,842	0.62
39,843 - 46,318	0.61

**Expected Loss Rates in Dollars Per Sq. Ft.
of Wallboard Installed**

Class	((2013)) <u>2014</u>	((2014)) <u>2015</u>	((2015)) <u>2016</u>	Primary Ratio
((540))	0.0229	0.0204	0.0173	0.419
<u>541</u>	0.0107	0.0096	0.0080	0.430
<u>550</u>	0.0308	0.0272	0.0229	0.422
<u>551</u>	0.0140	0.0125	0.0106	0.401))

Expected Loss Range		Maximum Experience Modification	Base Rates Effective January 1, (2017) 2018			
			Class	Accident Fund	Stay at Work	Medical Aid Fund
46,319	and higher	0.60))				
<u>1</u>	= <u>5,811</u>	<u>0.90</u>				
<u>5,812</u>	= <u>7,095</u>	<u>0.89</u>	((0101	2.0580	0.0256	0.7658
<u>7,096</u>	= <u>7,825</u>	<u>0.88</u>	0103	2.5692	0.0316	1.2290
<u>7,826</u>	= <u>8,556</u>	<u>0.87</u>	0104	1.8295	0.0227	0.7578
<u>8,557</u>	= <u>9,286</u>	<u>0.86</u>	0105	1.7703	0.0216	1.0355
<u>9,287</u>	= <u>10,017</u>	<u>0.85</u>	0106	2.9443	0.0362	1.5174
<u>10,018</u>	= <u>10,747</u>	<u>0.84</u>	0107	1.7006	0.0211	0.6772
<u>10,748</u>	= <u>11,478</u>	<u>0.83</u>	0108	1.8295	0.0227	0.7578
<u>11,479</u>	= <u>12,208</u>	<u>0.82</u>	0112	1.2815	0.0158	0.5869
<u>12,209</u>	= <u>12,961</u>	<u>0.81</u>	0201	2.6509	0.0330	0.9603
<u>12,962</u>	= <u>13,745</u>	<u>0.80</u>	0202	4.5318	0.0562	1.8083
<u>13,746</u>	= <u>14,561</u>	<u>0.79</u>	0210	1.5559	0.0193	0.6048
<u>14,562</u>	= <u>15,409</u>	<u>0.78</u>	0212	2.2337	0.0277	0.8897
<u>15,410</u>	= <u>16,289</u>	<u>0.77</u>	0214	2.2797	0.0283	0.8903
<u>16,290</u>	= <u>17,200</u>	<u>0.76</u>	0217	2.3252	0.0287	1.0175
<u>17,201</u>	= <u>18,143</u>	<u>0.75</u>	0219	1.6025	0.0199	0.6085
<u>18,144</u>	= <u>19,117</u>	<u>0.74</u>	0301	1.1526	0.0140	0.7395
<u>19,118</u>	= <u>20,123</u>	<u>0.73</u>	0302	4.2424	0.0530	1.3361
<u>20,124</u>	= <u>21,161</u>	<u>0.72</u>	0303	3.3597	0.0417	1.2889
<u>21,162</u>	= <u>22,230</u>	<u>0.71</u>	0306	1.5630	0.0194	0.6044
<u>22,231</u>	= <u>23,331</u>	<u>0.70</u>	0307	1.4771	0.0182	0.6587
<u>23,332</u>	= <u>24,464</u>	<u>0.69</u>	0308	0.8341	0.0101	0.6035
<u>24,465</u>	= <u>25,628</u>	<u>0.68</u>	0403	2.9460	0.0363	1.4074
<u>25,629</u>	= <u>26,824</u>	<u>0.67</u>	0502	2.1526	0.0267	0.8678
<u>26,825</u>	= <u>28,052</u>	<u>0.66</u>	0504	3.2428	0.0399	1.6134
<u>28,053</u>	= <u>29,311</u>	<u>0.65</u>	0507	4.6968	0.0574	2.6924
<u>29,312</u>	= <u>31,200</u>	<u>0.64</u>	0508	2.5332	0.0315	0.8716
<u>31,201</u>	= <u>34,034</u>	<u>0.63</u>	0509	1.7971	0.0224	0.6111
<u>34,035</u>	= <u>38,284</u>	<u>0.62</u>	0510	3.5215	0.0432	1.8904
<u>38,285</u>	= <u>44,659</u>	<u>0.61</u>	0511	2.6000	0.0322	1.1059
<u>44,660</u>	and higher	<u>0.60</u>	0512	2.0333	0.0251	0.9585
			0513	1.4317	0.0177	0.6531
			0514	2.4678	0.0304	1.1964
			0516	2.3940	0.0295	1.0934
			0517	3.2987	0.0406	1.6066
			0518	2.0352	0.0252	0.8089
			0519	2.3835	0.0294	1.0616
			0521	0.7144	0.0087	0.4142
			0601	0.7969	0.0098	0.3761
			0602	1.2512	0.0156	0.3781
			0603	1.1781	0.0146	0.4489

AMENDATORY SECTION (Amending WSR 16-24-014, filed 11/29/16, effective 1/1/17)

WAC 296-17-895 Industrial insurance accident fund base rates, stay at work and medical aid base rates by class of industry. Industrial insurance accident fund, stay at work and medical aid fund base rates by class of industry shall be as set forth below.

**Base Rates Effective
January 1, ((2017)) 2018**

**Base Rates Effective
January 1, ((2017)) 2018**

Class	Accident Fund	Stay at Work	Medical Aid Fund	Class	Accident Fund	Stay at Work	Medical Aid Fund
0604	1.6168	0.0197	0.9501	2008	0.5324	0.0065	0.3216
0606	0.8590	0.0105	0.5159	2009	0.4571	0.0055	0.3371
0607	1.1992	0.0148	0.5792	2101	0.8593	0.0104	0.6174
0608	0.5663	0.0070	0.2613	2102	0.9908	0.0121	0.5677
0701	3.2217	0.0405	0.7242	2104	0.3632	0.0042	0.3946
0803	0.8093	0.0099	0.4283	2105	1.0010	0.0122	0.5764
0901	2.0352	0.0252	0.8089	2106	0.6200	0.0075	0.4265
1002	1.3935	0.0171	0.6864	2201	0.3616	0.0044	0.2470
1003	1.1075	0.0136	0.5685	2202	1.0820	0.0133	0.5606
1004	0.7763	0.0096	0.3278	2203	0.6663	0.0080	0.4829
1005	13.7685	0.1707	5.5453	2204	0.3616	0.0044	0.2470
1006	0.2513	0.0031	0.1414	2401	0.6072	0.0075	0.2902
1007	0.4917	0.0061	0.2087	2903	1.0102	0.0122	0.7130
1101	1.3664	0.0168	0.6804	2904	1.0556	0.0130	0.5360
1102	2.4542	0.0304	1.0118	2905	0.7793	0.0095	0.4917
1103	1.7373	0.0214	0.8103	2906	0.5638	0.0068	0.4209
1104	0.9512	0.0116	0.6129	2907	0.6885	0.0084	0.4351
1105	1.2824	0.0158	0.6345	2908	1.4720	0.0178	1.0336
1106	0.3966	0.0048	0.3060	2909	0.5631	0.0068	0.3959
1108	0.7854	0.0096	0.4577	3101	1.1516	0.0141	0.6173
1109	2.0093	0.0246	1.1530	3102	0.4552	0.0056	0.2386
1301	0.8954	0.0111	0.3681	3103	0.6917	0.0085	0.3851
1303	0.4184	0.0051	0.2188	3104	1.0116	0.0124	0.5387
1304	0.0383	0.0005	0.0197	3105	1.0447	0.0127	0.7018
1305	0.7221	0.0089	0.3774	3303	0.5822	0.0071	0.3426
1401	0.3181	0.0038	0.2750	3304	0.7218	0.0087	0.5808
1404	1.0871	0.0132	0.6630	3309	0.6092	0.0074	0.3781
1405	1.2451	0.0152	0.6870	3402	0.7221	0.0088	0.4072
1407	0.7834	0.0095	0.5130	3403	0.2787	0.0034	0.1516
1501	1.0585	0.0130	0.5079	3404	0.6831	0.0083	0.4385
1507	0.8995	0.0110	0.5165	3405	0.4263	0.0052	0.2692
1701	1.1392	0.0141	0.5089	3406	0.3632	0.0044	0.2640
1702	2.8357	0.0354	0.8684	3407	1.2103	0.0150	0.5370
1703	1.6782	0.0210	0.4978	3408	0.3161	0.0039	0.1936
1704	1.1392	0.0141	0.5089	3409	0.2048	0.0025	0.1485
1801	0.7086	0.0087	0.3479	3410	0.2291	0.0028	0.1784
1802	1.1395	0.0140	0.6004	3411	0.7626	0.0094	0.3826
2002	1.3263	0.0163	0.6972	3412	0.9976	0.0123	0.4325
2004	0.8956	0.0109	0.5803	3414	1.1035	0.0135	0.6097
2007	1.0127	0.0123	0.6870	3415	1.2440	0.0153	0.6093

Base Rates Effective January 1, ((2017)) 2018				Base Rates Effective January 1, ((2017)) 2018			
Class	Accident Fund	Stay at Work	Medical Aid Fund	Class	Accident Fund	Stay at Work	Medical Aid Fund
3501	1.5518	0.0190	0.8589	4803	0.3872	0.0046	0.3944
3503	0.4337	0.0052	0.3374	4804	0.7098	0.0085	0.5863
3506	1.3183	0.0163	0.6128	4805	0.5201	0.0063	0.3874
3509	0.5363	0.0065	0.3797	4806	0.1065	0.0013	0.1071
3510	0.4603	0.0056	0.3368	4808	0.6289	0.0076	0.4189
3511	1.0217	0.0125	0.5933	4809	0.4551	0.0054	0.3884
3512	0.5477	0.0066	0.3773	4810	0.2237	0.0026	0.2115
3513	0.7840	0.0094	0.5803	4811	0.4645	0.0055	0.4535
3602	0.1281	0.0016	0.0859	4812	0.5497	0.0066	0.4121
3603	0.7101	0.0086	0.4967	4813	0.2326	0.0027	0.2282
3604	0.9650	0.0117	0.6867	4814	0.1413	0.0016	0.1701
3605	0.8130	0.0100	0.4289	4815	0.2622	0.0030	0.3537
3701	0.4552	0.0056	0.2386	4816	0.4222	0.0049	0.4729
3702	0.6297	0.0077	0.3979	4900	0.2820	0.0035	0.1096
3708	1.0181	0.0124	0.5763	4901	0.0730	0.0009	0.0349
3802	0.2922	0.0035	0.2111	4902	0.1737	0.0021	0.1042
3808	0.6612	0.0081	0.3245	4903	0.2437	0.0030	0.1564
3901	0.1628	0.0019	0.1555	4904	0.0275	0.0003	0.0203
3902	0.6080	0.0073	0.4462	4905	0.4841	0.0057	0.4861
3903	1.4628	0.0176	1.1234	4906	0.1586	0.0019	0.0912
3905	0.1631	0.0019	0.1528	4907	0.0836	0.0010	0.0676
3906	0.6338	0.0076	0.4740	4908	0.1308	0.0016	0.1164
3909	0.3898	0.0047	0.3160	4909	0.0526	0.0006	0.0587
4101	0.4416	0.0054	0.2469	4910	0.6853	0.0084	0.3991
4103	0.7736	0.0094	0.4890	4911	0.1017	0.0012	0.0577
4107	0.2647	0.0032	0.1656	5001	12.6777	0.1337	5.2693
4108	0.2334	0.0028	0.1544	5002	0.9160	0.0112	0.4961
4109	0.2845	0.0034	0.1901	5003	3.4823	0.0434	1.2011
4201	1.1618	0.0144	0.4463	5004	1.1206	0.0136	0.7262
4301	0.9881	0.0119	0.7326	5005	1.1748	0.0145	0.5771
4302	1.2291	0.0149	0.8075	5006	2.3393	0.0291	0.8589
4304	1.2406	0.0149	0.9977	5101	1.5608	0.0193	0.6893
4305	2.0018	0.0248	0.8313	5103	1.0373	0.0125	0.7925
4401	0.5904	0.0071	0.4312	5106	1.0373	0.0125	0.7925
4402	1.0659	0.0130	0.6362	5108	1.1307	0.0138	0.6976
4404	0.6938	0.0084	0.4417	5109	1.0142	0.0126	0.4276
4501	0.2369	0.0029	0.1735	5201	0.4970	0.0061	0.2690
4502	0.0788	0.0010	0.0501	5204	1.5917	0.0197	0.6931
4504	0.1443	0.0017	0.1178	5206	0.6559	0.0081	0.3235
4802	0.4485	0.0054	0.3560	5207	0.2067	0.0025	0.1738

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Class	Accident Fund	Stay at Work	Medical Aid Fund	Class	Accident Fund	Stay at Work	Medical Aid Fund
5208	1.0826	0.0132	0.6373	6408	0.7618	0.0093	0.4677
5209	1.0319	0.0127	0.5300	6409	1.0204	0.0125	0.5240
5300	0.1430	0.0017	0.0923	6410	0.4828	0.0059	0.2697
5301	0.0475	0.0006	0.0303	6501	0.1654	0.0020	0.1060
5302	0.0160	0.0002	0.0089	6502	0.0413	0.0005	0.0288
5305	0.0705	0.0009	0.0512	6503	0.1162	0.0014	0.0616
5306	0.0600	0.0007	0.0447	6504	0.4125	0.0049	0.3872
5307	1.0905	0.0134	0.5053	6505	0.1707	0.0020	0.1783
5308	0.1211	0.0015	0.0886	6506	0.1668	0.0020	0.1236
6103	0.1173	0.0014	0.1035	6509	0.3854	0.0046	0.3315
6104	0.7200	0.0088	0.4293	6510	0.7040	0.0087	0.3334
6105	0.5658	0.0069	0.3116	6511	0.4672	0.0056	0.3445
6107	0.1592	0.0019	0.1710	6512	0.1486	0.0018	0.0845
6108	0.4763	0.0057	0.3824	6601	0.2967	0.0036	0.1942
6109	0.1708	0.0021	0.0912	6602	0.7864	0.0094	0.6139
6110	0.8412	0.0103	0.5082	6603	0.4286	0.0052	0.2483
6120	0.4694	0.0058	0.2521	6604	0.1231	0.0015	0.0865
6121	0.5305	0.0065	0.2732	6605	0.3979	0.0048	0.2524
6201	0.4875	0.0060	0.2614	6607	0.1807	0.0022	0.1310
6202	1.0555	0.0129	0.6137	6608	1.1024	0.0138	0.3469
6203	0.1399	0.0016	0.1530	6620	4.9336	0.0606	2.5142
6204	0.1779	0.0021	0.1353	6704	0.1687	0.0020	0.1130
6205	0.2660	0.0032	0.2093	6705	0.9138	0.0108	0.8519
6206	0.2651	0.0032	0.1974	6706	0.3738	0.0045	0.2996
6207	1.7231	0.0208	1.2551	6707	8.7474	0.1037	8.1717
6208	0.2972	0.0035	0.2848	6708	10.0931	0.1175	11.5318
6209	0.3867	0.0046	0.3154	6709	0.3256	0.0039	0.2582
6301	0.2033	0.0025	0.0894	6801	1.2566	0.0156	0.4938
6303	0.0970	0.0012	0.0549	6802	1.0030	0.0122	0.6336
6304	0.3446	0.0041	0.3107	6803	1.2324	0.0154	0.3474
6305	0.1320	0.0016	0.1074	6804	0.3920	0.0047	0.2888
6306	0.4913	0.0060	0.2951	6809	7.0603	0.0834	6.8958
6308	0.0933	0.0011	0.0537	6901	0.0000	0.0000	0.0708
6309	0.2580	0.0031	0.1841	6902	1.4555	0.0180	0.6015
6402	0.3562	0.0043	0.2788	6903	11.2424	0.1392	4.6570
6403	0.2204	0.0026	0.1777	6904	1.4786	0.0183	0.6115
6404	0.3697	0.0044	0.3143	6905	0.9627	0.0119	0.4552
6405	0.7595	0.0093	0.4209	6906	0.0000	0.0000	0.4553
6406	0.1472	0.0018	0.1243	6907	1.5335	0.0187	0.9519
6407	0.3541	0.0043	0.2533	6908	0.5617	0.0069	0.3365

Base Rates Effective January 1, (2017) 2018				Base Rates Effective January 1, (2017) 2018			
Class	Accident Fund	Stay at Work	Medical Aid Fund	Class	Accident Fund	Stay at Work	Medical Aid Fund
6909	0.1795	0.0022	0.1192	0107	1.7034	0.0222	0.6458
7100	0.0467	0.0006	0.0303	0108	1.5993	0.0207	0.6897
7101	0.0409	0.0005	0.0208	0112	1.1816	0.0152	0.5855
7103	1.2471	0.0154	0.5832	0201	2.6424	0.0344	0.9618
7104	0.0397	0.0005	0.0275	0202	3.8692	0.0503	1.4869
7105	0.0293	0.0004	0.0186	0210	1.3633	0.0177	0.5465
7106	0.3201	0.0038	0.2665	0212	1.9476	0.0253	0.7757
7107	0.3217	0.0038	0.3259	0214	2.2692	0.0295	0.8650
7108	0.2385	0.0029	0.1918	0217	2.0067	0.0259	0.9334
7109	0.1766	0.0021	0.1322	0219	1.5717	0.0205	0.5883
7110	0.5264	0.0065	0.2828	0301	1.1012	0.0140	0.7206
7111	0.7514	0.0093	0.2919	0302	3.8248	0.0500	1.2195
7112	1.1744	0.0142	0.8422	0303	3.3847	0.0440	1.3111
7113	0.5787	0.0070	0.4452	0306	1.3768	0.0179	0.5653
7114	0.9044	0.0108	0.7814	0307	1.3831	0.0179	0.6341
7115	0.6771	0.0081	0.5260	0308	0.8036	0.0101	0.5852
7116	0.8150	0.0099	0.5054	0403	2.8129	0.0362	1.4061
7117	1.6565	0.0200	1.1670	0502	1.9672	0.0255	0.7929
7118	2.4174	0.0294	1.5363	0504	3.2851	0.0423	1.6380
7119	2.1109	0.0258	1.2557	0507	4.3328	0.0554	2.5428
7120	8.9451	0.1091	5.3213	0508	2.2019	0.0287	0.8081
7121	8.3095	0.1013	4.9825	0509	1.6499	0.0215	0.5471
7122	0.5505	0.0067	0.3669	0510	3.3961	0.0435	1.8743
7200	2.8620	0.0355	1.1668	0511	2.4040	0.0311	1.0254
7201	2.7034	0.0334	1.2130	0512	1.9214	0.0247	0.9508
7202	0.0447	0.0005	0.0252	0513	1.3525	0.0174	0.6470
7203	0.1397	0.0016	0.1727	0514	2.1919	0.0282	1.0957
7204	0.0000	0.0000	0.0000	0516	2.1373	0.0275	1.0534
7205	0.0000	0.0000	0.0000	0517	2.9880	0.0385	1.4845
7301	0.6831	0.0082	0.5020	0518	1.9059	0.0247	0.8032
7302	1.3284	0.0161	0.8846	0519	2.1438	0.0277	0.9399
7307	0.5904	0.0071	0.4428	0521	0.6488	0.0083	0.4076
7308	0.3816	0.0045	0.3352	0601	0.7636	0.0099	0.3653
7309	0.3554	0.0042	0.3003	0602	1.2050	0.0158	0.3650
7400	3.2913	0.0408	1.3419))	0603	1.0640	0.0138	0.4237
0101	1.7467	0.0227	0.6802	0604	1.6288	0.0209	0.9082
0103	2.4617	0.0317	1.2069	0606	0.7684	0.0098	0.4666
0104	1.5993	0.0207	0.6897	0607	1.0885	0.0140	0.5342
0105	1.6093	0.0205	0.9804	0608	0.5448	0.0070	0.2460
0106	3.2153	0.0412	1.7904	0701	3.0927	0.0407	0.6989

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Class	Accident Fund	Stay at Work	Medical Aid Fund	Class	Accident Fund	Stay at Work	Medical Aid Fund
<u>0803</u>	<u>0.7571</u>	<u>0.0097</u>	<u>0.4000</u>	<u>2105</u>	<u>0.9152</u>	<u>0.0117</u>	<u>0.5238</u>
<u>0901</u>	<u>1.9059</u>	<u>0.0247</u>	<u>0.8032</u>	<u>2106</u>	<u>0.6012</u>	<u>0.0076</u>	<u>0.4109</u>
<u>1002</u>	<u>1.3264</u>	<u>0.0171</u>	<u>0.6648</u>	<u>2201</u>	<u>0.3587</u>	<u>0.0045</u>	<u>0.2452</u>
<u>1003</u>	<u>1.0339</u>	<u>0.0133</u>	<u>0.5380</u>	<u>2202</u>	<u>1.0278</u>	<u>0.0132</u>	<u>0.5154</u>
<u>1004</u>	<u>0.7243</u>	<u>0.0094</u>	<u>0.3002</u>	<u>2203</u>	<u>0.6675</u>	<u>0.0084</u>	<u>0.4896</u>
<u>1005</u>	<u>13.1578</u>	<u>0.1707</u>	<u>5.3591</u>	<u>2204</u>	<u>0.3587</u>	<u>0.0045</u>	<u>0.2452</u>
<u>1006</u>	<u>0.2711</u>	<u>0.0035</u>	<u>0.1589</u>	<u>2401</u>	<u>0.6482</u>	<u>0.0084</u>	<u>0.2846</u>
<u>1007</u>	<u>0.4381</u>	<u>0.0057</u>	<u>0.2017</u>	<u>2903</u>	<u>0.9312</u>	<u>0.0118</u>	<u>0.6833</u>
<u>1101</u>	<u>1.4405</u>	<u>0.0185</u>	<u>0.7366</u>	<u>2904</u>	<u>1.0157</u>	<u>0.0131</u>	<u>0.5229</u>
<u>1102</u>	<u>2.4760</u>	<u>0.0322</u>	<u>0.9709</u>	<u>2905</u>	<u>0.7145</u>	<u>0.0091</u>	<u>0.4558</u>
<u>1103</u>	<u>1.6792</u>	<u>0.0216</u>	<u>0.8438</u>	<u>2906</u>	<u>0.5583</u>	<u>0.0070</u>	<u>0.4241</u>
<u>1104</u>	<u>0.8798</u>	<u>0.0112</u>	<u>0.5722</u>	<u>2907</u>	<u>0.6341</u>	<u>0.0081</u>	<u>0.4089</u>
<u>1105</u>	<u>1.1951</u>	<u>0.0154</u>	<u>0.6058</u>	<u>2908</u>	<u>1.3812</u>	<u>0.0174</u>	<u>1.0089</u>
<u>1106</u>	<u>0.4124</u>	<u>0.0052</u>	<u>0.3314</u>	<u>2909</u>	<u>0.5245</u>	<u>0.0066</u>	<u>0.3924</u>
<u>1108</u>	<u>0.6990</u>	<u>0.0089</u>	<u>0.4267</u>	<u>3101</u>	<u>1.1344</u>	<u>0.0146</u>	<u>0.6053</u>
<u>1109</u>	<u>1.8817</u>	<u>0.0241</u>	<u>1.0683</u>	<u>3102</u>	<u>0.4792</u>	<u>0.0062</u>	<u>0.2425</u>
<u>1301</u>	<u>0.8788</u>	<u>0.0114</u>	<u>0.3875</u>	<u>3103</u>	<u>0.6343</u>	<u>0.0081</u>	<u>0.3576</u>
<u>1303</u>	<u>0.4529</u>	<u>0.0058</u>	<u>0.2375</u>	<u>3104</u>	<u>0.9179</u>	<u>0.0118</u>	<u>0.5016</u>
<u>1304</u>	<u>0.0340</u>	<u>0.0004</u>	<u>0.0176</u>	<u>3105</u>	<u>0.9830</u>	<u>0.0124</u>	<u>0.7170</u>
<u>1305</u>	<u>0.7369</u>	<u>0.0095</u>	<u>0.3629</u>	<u>3303</u>	<u>0.5525</u>	<u>0.0071</u>	<u>0.3314</u>
<u>1401</u>	<u>0.3037</u>	<u>0.0038</u>	<u>0.2727</u>	<u>3304</u>	<u>0.7194</u>	<u>0.0090</u>	<u>0.5866</u>
<u>1404</u>	<u>1.0431</u>	<u>0.0133</u>	<u>0.6238</u>	<u>3309</u>	<u>0.5865</u>	<u>0.0075</u>	<u>0.3743</u>
<u>1405</u>	<u>1.0761</u>	<u>0.0138</u>	<u>0.6064</u>	<u>3402</u>	<u>0.6846</u>	<u>0.0087</u>	<u>0.4067</u>
<u>1407</u>	<u>0.7690</u>	<u>0.0098</u>	<u>0.4882</u>	<u>3403</u>	<u>0.2540</u>	<u>0.0033</u>	<u>0.1415</u>
<u>1501</u>	<u>1.1050</u>	<u>0.0143</u>	<u>0.5026</u>	<u>3404</u>	<u>0.6540</u>	<u>0.0083</u>	<u>0.4087</u>
<u>1507</u>	<u>0.8174</u>	<u>0.0104</u>	<u>0.4781</u>	<u>3405</u>	<u>0.4406</u>	<u>0.0056</u>	<u>0.2714</u>
<u>1701</u>	<u>1.1280</u>	<u>0.0146</u>	<u>0.5118</u>	<u>3406</u>	<u>0.3591</u>	<u>0.0045</u>	<u>0.2627</u>
<u>1702</u>	<u>2.6890</u>	<u>0.0352</u>	<u>0.8290</u>	<u>3407</u>	<u>1.1481</u>	<u>0.0148</u>	<u>0.5269</u>
<u>1703</u>	<u>1.5790</u>	<u>0.0206</u>	<u>0.5025</u>	<u>3408</u>	<u>0.2957</u>	<u>0.0038</u>	<u>0.1771</u>
<u>1704</u>	<u>1.1280</u>	<u>0.0146</u>	<u>0.5118</u>	<u>3409</u>	<u>0.1949</u>	<u>0.0025</u>	<u>0.1437</u>
<u>1801</u>	<u>0.6730</u>	<u>0.0087</u>	<u>0.3174</u>	<u>3410</u>	<u>0.2202</u>	<u>0.0028</u>	<u>0.1678</u>
<u>1802</u>	<u>1.0868</u>	<u>0.0140</u>	<u>0.5774</u>	<u>3411</u>	<u>0.7665</u>	<u>0.0099</u>	<u>0.3697</u>
<u>2002</u>	<u>1.2678</u>	<u>0.0163</u>	<u>0.6726</u>	<u>3412</u>	<u>0.9868</u>	<u>0.0128</u>	<u>0.4320</u>
<u>2004</u>	<u>0.7929</u>	<u>0.0101</u>	<u>0.5160</u>	<u>3414</u>	<u>1.0829</u>	<u>0.0139</u>	<u>0.5827</u>
<u>2007</u>	<u>0.9856</u>	<u>0.0125</u>	<u>0.6594</u>	<u>3415</u>	<u>1.1747</u>	<u>0.0151</u>	<u>0.5920</u>
<u>2008</u>	<u>0.5059</u>	<u>0.0065</u>	<u>0.3094</u>	<u>3501</u>	<u>1.5016</u>	<u>0.0192</u>	<u>0.8512</u>
<u>2009</u>	<u>0.4676</u>	<u>0.0059</u>	<u>0.3379</u>	<u>3503</u>	<u>0.4087</u>	<u>0.0051</u>	<u>0.3157</u>
<u>2101</u>	<u>0.7428</u>	<u>0.0094</u>	<u>0.5678</u>	<u>3506</u>	<u>1.1876</u>	<u>0.0153</u>	<u>0.5628</u>
<u>2102</u>	<u>1.0122</u>	<u>0.0130</u>	<u>0.5711</u>	<u>3509</u>	<u>0.4945</u>	<u>0.0063</u>	<u>0.3527</u>
<u>2104</u>	<u>0.3551</u>	<u>0.0043</u>	<u>0.3933</u>	<u>3510</u>	<u>0.4341</u>	<u>0.0055</u>	<u>0.3192</u>

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Class	Accident Fund	Stay at Work	Medical Aid Fund	Class	Accident Fund	Stay at Work	Medical Aid Fund
<u>3511</u>	<u>1.0290</u>	<u>0.0132</u>	<u>0.5995</u>	<u>4809</u>	<u>0.4461</u>	<u>0.0056</u>	<u>0.3677</u>
<u>3512</u>	<u>0.5310</u>	<u>0.0067</u>	<u>0.3721</u>	<u>4810</u>	<u>0.2329</u>	<u>0.0029</u>	<u>0.2267</u>
<u>3513</u>	<u>0.7165</u>	<u>0.0090</u>	<u>0.5451</u>	<u>4811</u>	<u>0.4886</u>	<u>0.0060</u>	<u>0.4916</u>
<u>3602</u>	<u>0.1206</u>	<u>0.0015</u>	<u>0.0810</u>	<u>4812</u>	<u>0.5739</u>	<u>0.0072</u>	<u>0.4173</u>
<u>3603</u>	<u>0.6814</u>	<u>0.0086</u>	<u>0.4861</u>	<u>4813</u>	<u>0.2295</u>	<u>0.0028</u>	<u>0.2460</u>
<u>3604</u>	<u>0.9456</u>	<u>0.0120</u>	<u>0.6642</u>	<u>4814</u>	<u>0.1353</u>	<u>0.0016</u>	<u>0.1642</u>
<u>3605</u>	<u>0.7763</u>	<u>0.0100</u>	<u>0.4140</u>	<u>4815</u>	<u>0.2512</u>	<u>0.0030</u>	<u>0.3418</u>
<u>3701</u>	<u>0.4792</u>	<u>0.0062</u>	<u>0.2425</u>	<u>4816</u>	<u>0.4043</u>	<u>0.0049</u>	<u>0.4570</u>
<u>3702</u>	<u>0.6049</u>	<u>0.0077</u>	<u>0.3852</u>	<u>4900</u>	<u>0.2521</u>	<u>0.0033</u>	<u>0.0960</u>
<u>3708</u>	<u>0.9478</u>	<u>0.0121</u>	<u>0.5421</u>	<u>4901</u>	<u>0.0672</u>	<u>0.0009</u>	<u>0.0322</u>
<u>3802</u>	<u>0.2737</u>	<u>0.0035</u>	<u>0.1907</u>	<u>4902</u>	<u>0.1487</u>	<u>0.0019</u>	<u>0.0924</u>
<u>3808</u>	<u>0.6291</u>	<u>0.0081</u>	<u>0.3114</u>	<u>4903</u>	<u>0.2227</u>	<u>0.0028</u>	<u>0.1446</u>
<u>3901</u>	<u>0.1547</u>	<u>0.0019</u>	<u>0.1453</u>	<u>4904</u>	<u>0.0260</u>	<u>0.0003</u>	<u>0.0188</u>
<u>3902</u>	<u>0.6113</u>	<u>0.0077</u>	<u>0.4606</u>	<u>4905</u>	<u>0.4612</u>	<u>0.0057</u>	<u>0.4595</u>
<u>3903</u>	<u>1.3960</u>	<u>0.0176</u>	<u>1.0822</u>	<u>4906</u>	<u>0.1588</u>	<u>0.0020</u>	<u>0.0905</u>
<u>3905</u>	<u>0.1591</u>	<u>0.0020</u>	<u>0.1452</u>	<u>4907</u>	<u>0.0840</u>	<u>0.0011</u>	<u>0.0694</u>
<u>3906</u>	<u>0.5980</u>	<u>0.0075</u>	<u>0.4531</u>	<u>4908</u>	<u>0.1223</u>	<u>0.0015</u>	<u>0.1104</u>
<u>3909</u>	<u>0.3362</u>	<u>0.0042</u>	<u>0.2825</u>	<u>4909</u>	<u>0.0503</u>	<u>0.0006</u>	<u>0.0563</u>
<u>4101</u>	<u>0.4119</u>	<u>0.0053</u>	<u>0.2288</u>	<u>4910</u>	<u>0.6862</u>	<u>0.0088</u>	<u>0.4021</u>
<u>4103</u>	<u>0.7422</u>	<u>0.0094</u>	<u>0.4748</u>	<u>4911</u>	<u>0.0906</u>	<u>0.0012</u>	<u>0.0532</u>
<u>4107</u>	<u>0.2642</u>	<u>0.0034</u>	<u>0.1579</u>	<u>5001</u>	<u>11.3189</u>	<u>0.1242</u>	<u>5.1745</u>
<u>4108</u>	<u>0.2207</u>	<u>0.0028</u>	<u>0.1468</u>	<u>5002</u>	<u>0.8755</u>	<u>0.0112</u>	<u>0.4793</u>
<u>4109</u>	<u>0.2706</u>	<u>0.0034</u>	<u>0.1928</u>	<u>5003</u>	<u>3.2727</u>	<u>0.0426</u>	<u>1.2129</u>
<u>4201</u>	<u>1.1775</u>	<u>0.0153</u>	<u>0.4473</u>	<u>5004</u>	<u>1.1271</u>	<u>0.0143</u>	<u>0.7275</u>
<u>4301</u>	<u>0.9748</u>	<u>0.0122</u>	<u>0.7666</u>	<u>5005</u>	<u>1.2131</u>	<u>0.0157</u>	<u>0.5685</u>
<u>4302</u>	<u>1.1757</u>	<u>0.0149</u>	<u>0.8023</u>	<u>5006</u>	<u>2.1904</u>	<u>0.0285</u>	<u>0.8105</u>
<u>4304</u>	<u>1.2137</u>	<u>0.0152</u>	<u>1.0182</u>	<u>5101</u>	<u>1.4926</u>	<u>0.0193</u>	<u>0.6461</u>
<u>4305</u>	<u>1.9322</u>	<u>0.0251</u>	<u>0.7966</u>	<u>5103</u>	<u>1.0221</u>	<u>0.0129</u>	<u>0.7455</u>
<u>4401</u>	<u>0.5708</u>	<u>0.0072</u>	<u>0.4249</u>	<u>5106</u>	<u>1.0221</u>	<u>0.0129</u>	<u>0.7455</u>
<u>4402</u>	<u>0.9893</u>	<u>0.0126</u>	<u>0.5929</u>	<u>5108</u>	<u>1.0999</u>	<u>0.0141</u>	<u>0.6487</u>
<u>4404</u>	<u>0.6626</u>	<u>0.0084</u>	<u>0.4242</u>	<u>5109</u>	<u>0.9601</u>	<u>0.0124</u>	<u>0.4186</u>
<u>4501</u>	<u>0.2266</u>	<u>0.0029</u>	<u>0.1672</u>	<u>5201</u>	<u>0.4741</u>	<u>0.0061</u>	<u>0.2619</u>
<u>4502</u>	<u>0.0805</u>	<u>0.0010</u>	<u>0.0503</u>	<u>5204</u>	<u>1.4709</u>	<u>0.0190</u>	<u>0.6460</u>
<u>4504</u>	<u>0.1479</u>	<u>0.0019</u>	<u>0.1171</u>	<u>5206</u>	<u>0.6557</u>	<u>0.0084</u>	<u>0.3269</u>
<u>4802</u>	<u>0.4462</u>	<u>0.0056</u>	<u>0.3662</u>	<u>5207</u>	<u>0.1969</u>	<u>0.0025</u>	<u>0.1666</u>
<u>4803</u>	<u>0.3711</u>	<u>0.0046</u>	<u>0.3890</u>	<u>5208</u>	<u>0.9988</u>	<u>0.0128</u>	<u>0.5911</u>
<u>4804</u>	<u>0.6814</u>	<u>0.0085</u>	<u>0.5911</u>	<u>5209</u>	<u>0.9962</u>	<u>0.0128</u>	<u>0.5103</u>
<u>4805</u>	<u>0.5327</u>	<u>0.0067</u>	<u>0.3997</u>	<u>5300</u>	<u>0.1339</u>	<u>0.0017</u>	<u>0.0879</u>
<u>4806</u>	<u>0.1096</u>	<u>0.0013</u>	<u>0.1145</u>	<u>5301</u>	<u>0.0454</u>	<u>0.0006</u>	<u>0.0282</u>
<u>4808</u>	<u>0.5994</u>	<u>0.0076</u>	<u>0.4097</u>	<u>5302</u>	<u>0.0146</u>	<u>0.0002</u>	<u>0.0083</u>

Base Rates Effective January 1, ((2017)) 2018				Base Rates Effective January 1, ((2017)) 2018			
Class	Accident Fund	Stay at Work	Medical Aid Fund	Class	Accident Fund	Stay at Work	Medical Aid Fund
<u>5305</u>	<u>0.0700</u>	<u>0.0009</u>	<u>0.0486</u>	<u>6502</u>	<u>0.0393</u>	<u>0.0005</u>	<u>0.0277</u>
<u>5306</u>	<u>0.0600</u>	<u>0.0008</u>	<u>0.0448</u>	<u>6503</u>	<u>0.1159</u>	<u>0.0015</u>	<u>0.0605</u>
<u>5307</u>	<u>0.9915</u>	<u>0.0128</u>	<u>0.4604</u>	<u>6504</u>	<u>0.3971</u>	<u>0.0049</u>	<u>0.3729</u>
<u>5308</u>	<u>0.1145</u>	<u>0.0014</u>	<u>0.0868</u>	<u>6505</u>	<u>0.1623</u>	<u>0.0020</u>	<u>0.1703</u>
<u>6103</u>	<u>0.1145</u>	<u>0.0014</u>	<u>0.1000</u>	<u>6506</u>	<u>0.1638</u>	<u>0.0021</u>	<u>0.1241</u>
<u>6104</u>	<u>0.6408</u>	<u>0.0082</u>	<u>0.4026</u>	<u>6509</u>	<u>0.3592</u>	<u>0.0045</u>	<u>0.3075</u>
<u>6105</u>	<u>0.5983</u>	<u>0.0077</u>	<u>0.3184</u>	<u>6510</u>	<u>0.6686</u>	<u>0.0086</u>	<u>0.3188</u>
<u>6107</u>	<u>0.1544</u>	<u>0.0019</u>	<u>0.1704</u>	<u>6511</u>	<u>0.4214</u>	<u>0.0053</u>	<u>0.3183</u>
<u>6108</u>	<u>0.4278</u>	<u>0.0054</u>	<u>0.3546</u>	<u>6512</u>	<u>0.1385</u>	<u>0.0018</u>	<u>0.0766</u>
<u>6109</u>	<u>0.1661</u>	<u>0.0021</u>	<u>0.0863</u>	<u>6601</u>	<u>0.2779</u>	<u>0.0035</u>	<u>0.1886</u>
<u>6110</u>	<u>0.7593</u>	<u>0.0097</u>	<u>0.4520</u>	<u>6602</u>	<u>0.7157</u>	<u>0.0090</u>	<u>0.5668</u>
<u>6120</u>	<u>0.4394</u>	<u>0.0056</u>	<u>0.2354</u>	<u>6603</u>	<u>0.4108</u>	<u>0.0053</u>	<u>0.2382</u>
<u>6121</u>	<u>0.5039</u>	<u>0.0065</u>	<u>0.2541</u>	<u>6604</u>	<u>0.1149</u>	<u>0.0015</u>	<u>0.0822</u>
<u>6201</u>	<u>0.5123</u>	<u>0.0066</u>	<u>0.2785</u>	<u>6605</u>	<u>0.3719</u>	<u>0.0047</u>	<u>0.2384</u>
<u>6202</u>	<u>0.9911</u>	<u>0.0126</u>	<u>0.5992</u>	<u>6607</u>	<u>0.1735</u>	<u>0.0022</u>	<u>0.1271</u>
<u>6203</u>	<u>0.1344</u>	<u>0.0016</u>	<u>0.1500</u>	<u>6608</u>	<u>1.0503</u>	<u>0.0137</u>	<u>0.3290</u>
<u>6204</u>	<u>0.1744</u>	<u>0.0022</u>	<u>0.1307</u>	<u>6620</u>	<u>4.6749</u>	<u>0.0601</u>	<u>2.4618</u>
<u>6205</u>	<u>0.2578</u>	<u>0.0032</u>	<u>0.1985</u>	<u>6704</u>	<u>0.1608</u>	<u>0.0020</u>	<u>0.1137</u>
<u>6206</u>	<u>0.2508</u>	<u>0.0032</u>	<u>0.1849</u>	<u>6705</u>	<u>0.8586</u>	<u>0.0107</u>	<u>0.7963</u>
<u>6207</u>	<u>1.5705</u>	<u>0.0199</u>	<u>1.1285</u>	<u>6706</u>	<u>0.3448</u>	<u>0.0043</u>	<u>0.2768</u>
<u>6208</u>	<u>0.2937</u>	<u>0.0037</u>	<u>0.2667</u>	<u>6707</u>	<u>10.3724</u>	<u>0.1287</u>	<u>9.6607</u>
<u>6209</u>	<u>0.3623</u>	<u>0.0045</u>	<u>0.3197</u>	<u>6708</u>	<u>9.7527</u>	<u>0.1187</u>	<u>11.2448</u>
<u>6301</u>	<u>0.1951</u>	<u>0.0025</u>	<u>0.0841</u>	<u>6709</u>	<u>0.3245</u>	<u>0.0041</u>	<u>0.2533</u>
<u>6303</u>	<u>0.0876</u>	<u>0.0011</u>	<u>0.0494</u>	<u>6801</u>	<u>1.1877</u>	<u>0.0155</u>	<u>0.4156</u>
<u>6304</u>	<u>0.3059</u>	<u>0.0038</u>	<u>0.2940</u>	<u>6802</u>	<u>1.0446</u>	<u>0.0133</u>	<u>0.6430</u>
<u>6305</u>	<u>0.1290</u>	<u>0.0016</u>	<u>0.1032</u>	<u>6803</u>	<u>1.1518</u>	<u>0.0151</u>	<u>0.3142</u>
<u>6306</u>	<u>0.4724</u>	<u>0.0060</u>	<u>0.2810</u>	<u>6804</u>	<u>0.3688</u>	<u>0.0046</u>	<u>0.2790</u>
<u>6308</u>	<u>0.0890</u>	<u>0.0011</u>	<u>0.0506</u>	<u>6809</u>	<u>6.3082</u>	<u>0.0778</u>	<u>6.2741</u>
<u>6309</u>	<u>0.2639</u>	<u>0.0033</u>	<u>0.1806</u>	<u>6901</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0631</u>
<u>6402</u>	<u>0.3327</u>	<u>0.0042</u>	<u>0.2698</u>	<u>6902</u>	<u>1.4030</u>	<u>0.0182</u>	<u>0.6212</u>
<u>6403</u>	<u>0.2081</u>	<u>0.0026</u>	<u>0.1630</u>	<u>6903</u>	<u>10.6938</u>	<u>0.1386</u>	<u>4.4650</u>
<u>6404</u>	<u>0.3650</u>	<u>0.0046</u>	<u>0.3106</u>	<u>6904</u>	<u>1.5152</u>	<u>0.0196</u>	<u>0.6356</u>
<u>6405</u>	<u>0.7441</u>	<u>0.0095</u>	<u>0.4223</u>	<u>6905</u>	<u>1.0063</u>	<u>0.0130</u>	<u>0.4681</u>
<u>6406</u>	<u>0.1651</u>	<u>0.0021</u>	<u>0.1316</u>	<u>6906</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.4681</u>
<u>6407</u>	<u>0.3392</u>	<u>0.0043</u>	<u>0.2464</u>	<u>6907</u>	<u>1.4021</u>	<u>0.0179</u>	<u>0.8712</u>
<u>6408</u>	<u>0.7245</u>	<u>0.0092</u>	<u>0.4422</u>	<u>6908</u>	<u>0.5299</u>	<u>0.0068</u>	<u>0.3202</u>
<u>6409</u>	<u>0.9524</u>	<u>0.0122</u>	<u>0.5063</u>	<u>6909</u>	<u>0.1689</u>	<u>0.0021</u>	<u>0.1148</u>
<u>6410</u>	<u>0.4693</u>	<u>0.0060</u>	<u>0.2658</u>	<u>7100</u>	<u>0.0444</u>	<u>0.0006</u>	<u>0.0291</u>
<u>6411</u>	<u>0.0977</u>	<u>0.0012</u>	<u>0.0791</u>	<u>7101</u>	<u>0.0393</u>	<u>0.0005</u>	<u>0.0201</u>
<u>6501</u>	<u>0.1511</u>	<u>0.0019</u>	<u>0.0943</u>	<u>7103</u>	<u>1.3026</u>	<u>0.0169</u>	<u>0.5793</u>

**Base Rates Effective
January 1, ((2017)) 2018**

Class	Accident Fund	Stay at Work	Medical Aid Fund
<u>7104</u>	<u>0.0359</u>	<u>0.0005</u>	<u>0.0245</u>
<u>7105</u>	<u>0.0272</u>	<u>0.0003</u>	<u>0.0173</u>
<u>7106</u>	<u>0.3164</u>	<u>0.0040</u>	<u>0.2565</u>
<u>7107</u>	<u>0.3084</u>	<u>0.0038</u>	<u>0.3257</u>
<u>7108</u>	<u>0.2347</u>	<u>0.0029</u>	<u>0.1898</u>
<u>7109</u>	<u>0.1672</u>	<u>0.0021</u>	<u>0.1224</u>
<u>7110</u>	<u>0.5104</u>	<u>0.0065</u>	<u>0.2967</u>
<u>7111</u>	<u>0.6668</u>	<u>0.0087</u>	<u>0.2621</u>
<u>7112</u>	<u>1.1913</u>	<u>0.0150</u>	<u>0.8718</u>
<u>7113</u>	<u>0.5408</u>	<u>0.0068</u>	<u>0.4255</u>
<u>7114</u>	<u>0.9453</u>	<u>0.0119</u>	<u>0.7571</u>
<u>7115</u>	<u>0.6748</u>	<u>0.0085</u>	<u>0.5277</u>
<u>7116</u>	<u>0.7090</u>	<u>0.0090</u>	<u>0.4338</u>
<u>7117</u>	<u>1.6927</u>	<u>0.0214</u>	<u>1.1904</u>
<u>7118</u>	<u>2.3210</u>	<u>0.0296</u>	<u>1.4619</u>
<u>7119</u>	<u>2.2885</u>	<u>0.0293</u>	<u>1.2757</u>
<u>7120</u>	<u>8.5336</u>	<u>0.1089</u>	<u>5.1263</u>
<u>7121</u>	<u>7.9002</u>	<u>0.1008</u>	<u>4.7706</u>
<u>7122</u>	<u>0.5081</u>	<u>0.0064</u>	<u>0.3469</u>
<u>7200</u>	<u>2.6630</u>	<u>0.0345</u>	<u>1.1002</u>
<u>7201</u>	<u>2.4379</u>	<u>0.0315</u>	<u>1.1072</u>
<u>7202</u>	<u>0.0398</u>	<u>0.0005</u>	<u>0.0231</u>
<u>7203</u>	<u>0.1320</u>	<u>0.0016</u>	<u>0.1640</u>
<u>7204</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>

**Base Rates Effective
January 1, ((2017)) 2018**

Class	Accident Fund	Stay at Work	Medical Aid Fund
<u>7205</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
<u>7301</u>	<u>0.6586</u>	<u>0.0083</u>	<u>0.5160</u>
<u>7302</u>	<u>1.2161</u>	<u>0.0154</u>	<u>0.8259</u>
<u>7307</u>	<u>0.6155</u>	<u>0.0078</u>	<u>0.4460</u>
<u>7308</u>	<u>0.3416</u>	<u>0.0042</u>	<u>0.3160</u>
<u>7309</u>	<u>0.3432</u>	<u>0.0043</u>	<u>0.2875</u>
<u>7400</u>	<u>3.0624</u>	<u>0.0397</u>	<u>1.2652</u>

AMENDATORY SECTION (Amending WSR 16-24-014, filed 11/29/16, effective 1/1/17)

WAC 296-17-89502 Industrial insurance accident fund, stay at work, medical aid and supplemental pension rates by class of industry for nonhourly rated classifications. The base rates as set forth below are for classifications whose premium rates are based on units other than hours worked.

**Base Rates Effective
January 1, ((2017)) 2018**

Class	Accident Fund	Stay at Work	Medical Aid Fund	Supplemental Pension Fund
((0540	0.0408	0.0005	0.0178	0.0008
0541	0.0185	0.0002	0.0087	0.0008
0550	0.0547	0.0007	0.0225	0.0008
0551	0.0254	0.0003	0.0102	0.0008))
0540	0.0378	0.0005	0.0165	0.0008
0541	0.0156	0.0002	0.0081	0.0008
0550	0.0559	0.0007	0.0237	0.0008
0551	0.0249	0.0003	0.0106	0.0008

AMENDATORY SECTION (Amending WSR 16-24-014, filed 11/29/16, effective 1/1/17)

WAC 296-17-89507 Horse racing rates. Horse racing industry industrial insurance accident fund, stay at work fund, medical aid fund, supplemental pension fund and composite rate by class.

Base Rates Effective January 1, ((2017)) 2018

Class	Accident Fund	Stay at Work Fund	Medical Aid Fund	Supplemental Pension Fund	Composite Rate
((6618	80.00*	2.00*	67.00*	1.00*	150.00*
6625	76.10**	1.05**	70.83**	9.60**	157.58**
6626	0.6998***	0.0091***	0.7351***	0.0960***	1.5400***
6627	9.7975****	0.1347****	8.7478****	0.7200****	19.4000****))
<u>6618</u>	<u>80.00*</u>	<u>2.00*</u>	<u>67.00*</u>	<u>1.00*</u>	<u>150.00*</u>
<u>6625</u>	<u>70.60**</u>	<u>1.02**</u>	<u>72.43**</u>	<u>10.30**</u>	<u>154.35*</u>
<u>6626</u>	<u>0.5994***</u>	<u>0.0091***</u>	<u>0.6885***</u>	<u>0.1030***</u>	<u>1.40*</u>
<u>6627</u>	<u>9.4016****</u>	<u>0.1359****</u>	<u>8.4400****</u>	<u>0.7725****</u>	<u>18.75*</u>

*This rate is calculated on a percentage of ownership in a horse or horses.

**This rate is calculated per month.

***This rate is calculated per horse per day.

****This rate is calculated per day.

Note: These rates are not subject to experience rating or retrospective rating.

AMENDATORY SECTION (Amending WSR 17-12-020, filed 5/30/17, effective 6/30/17)

WAC 296-17-901 Risk classification hazard group table. Effective June 30, 2017.

Risk Classification	Hazard Group
101	9
103	9
104	8
105	4
106	7
107	9
108	9
112	7
201	9
202	9
210	9
212	9
214	8
217	8
219	8
301	5
302	9
303	9
306	8
307	7
308	3
403	7
502	8
504	9
507	8
508	9
509	9
510	7
511	7
512	9
513	7
514	6
516	8
517	9
518	9

Risk Classification	Hazard Group
519	8
521	8
540	9
541	9
550	9
551	9
601	7
602	8
603	9
604	7
606	4
607	6
608	7
701	8
803	4
901	9
1002	7
1003	6
1004	5
1005	8
1006	4
1007	7
1101	5
1102	8
1103	8
1104	3
1105	7
1106	6
1108	6
1109	7
1301	3
1303	3
1304	5
1305	6
1401	8
1404	3
1405	3
1407	4
1501	5
1507	6
1701	6
1702	9
1703	9

Risk Classification	Hazard Group	Risk Classification	Hazard Group
1704	6	3412	8
1801	7	3414	7
1802	6	3415	9
2002	6	3501	6
2004	4	3503	3
2007	7	3506	5
2008	6	3509	1
2009	3	3510	3
2101	6	3511	6
2102	5	3512	3
2104	2	3513	5
2105	3	3602	3
2106	5	3603	4
2201	4	3604	7
2202	5	3605	5
2203	3	3701	6
2204	4	3702	4
2401	4	3708	5
2903	4	3802	4
2904	4	3808	7
2905	5	3901	1
2906	5	3902	3
2907	2	3903	6
2908	7	3905	1
2909	4	3906	4
3101	5	3909	5
3102	6	4101	5
3103	7	4103	5
3104	6	4107	6
3105	5	4108	3
3303	3	4109	4
3304	3	4201	6
3309	6	4301	4
3402	6	4302	4
3403	6	4304	5
3404	4	4305	5
3405	3	4401	6
3406	1	4402	1
3407	7	4404	6
3408	1	4501	1
3409	1	4502	5
3410	2	4504	1
3411	6	4601	6

Risk Classification	Hazard Group	Risk Classification	Hazard Group
4802	6	5300	1
4803	2	5301	3
4804	2	5302	3
4805	2	5305	2
4806	3	5306	1
4808	6	5307	4
4809	3	5308	1
4810	2	6103	1
4811	3	6104	3
4812	3	6105	5
4813	3	6107	1
4814	2	6108	1
4815	1	6109	4
4816	5	6110	4
4900	9	6120	3
4901	5	6121	7
4902	3	6201	7
4903	2	6202	6
4904	2	6203	1
4905	1	6204	2
4906	2	6205	3
4907	3	6206	2
4908	1	6207	6
4909	5	6208	1
4910	6	6209	4
4911	6	6301	7
5001	9	6303	5
5002	4	6304	1
5003	9	6305	1
5004	7	6306	4
5005	9	6308	5
5006	9	6309	3
5101	8	6402	1
5103	4	6403	2
5106	3	6404	3
5108	5	6405	5
5109	6	6406	((2)) 3
5201	4	6407	2
5204	8	6408	7
5206	7	6409	6
5207	3	6410	3
5208	5	<u>6411</u>	<u>1</u>
5209	6	6501	1

Risk Classification	Hazard Group	Risk Classification	Hazard Group
6502	3	7106	3
6503	4	7107	2
6504	1	7108	5
6505	1	7109	4
6506	2	7110	5
6509	2	7111	3
6510	8	7112	3
6511	3	7113	3
6512	7	7114	5
6601	4	7115	3
6602	4	7116	8
6603	4	7117	5
6604	1	7118	8
6605	2	7119	6
6607	4	7120	9
6608	9	7121	9
6620	1	7122	5
6704	1	7200	6
6705	1	7201	6
6706	4	7202	5
6707	1	7203	1
6708	7	7301	6
6709	3	7302	7
6801	5	7307	4
6802	3	7308	3
6803	9	7309	1
6804	4	7400	5
6809	1		
6901	1		
6902	9	6618	
6903	9	6625	
6904	4	6626	
6905	3	6627	
6906	1	7204	
6907	5	7205	
6908	4		
6909	3		
7100	7		
7101	7		
7102	3		
7103	5		
7104	3		
7105	3		

The following classes have no hazard group assigned to them

AMENDATORY SECTION (Amending WSR 16-24-014, filed 11/29/16, effective 1/1/17)

WAC 296-17-920 Assessment for supplemental pension fund. The amount of ~~((48.0 mils (\$0.0480)))~~ 51.5 mils (\$0.0515) shall be retained by each employer from the earnings of each worker for each hour or fraction thereof the worker is employed. The amount of money so retained from the employee shall be matched in an equal amount by each employer, except as otherwise provided in these rules, all such moneys shall be remitted to the department on or before

the last day of January, April, July, and October of each year for the preceding calendar quarter, provided self-insured employers shall remit to the department as provided under WAC 296-15-229. All such moneys shall be deposited in the supplemental pension fund.

AMENDATORY SECTION (Amending WSR 16-24-014, filed 11/29/16, effective 1/1/17)

WAC 296-17B-540 Determining loss incurred for each claim. (1) Calculating the initial loss incurred:

For each of your claims, we will multiply the case incurred loss by the appropriate discounted loss development factors to determine the initial loss incurred.

If you have a fatality, we will use three hundred (~~six-teen~~) thirty-five thousand (~~seven-hundred~~) dollars as the claim's initial incurred loss for the claim, with two hundred (~~eighty-three~~) ninety-eight thousand (~~three~~) eight hundred dollars for accident fund incurred loss and (~~thirty-three~~) thirty-six thousand (~~four~~) two hundred dollars for the medical aid incurred loss, regardless of the case incurred loss, and before recovery factors if applicable.

(2) Applying the single loss occurrence limit:

The initial loss incurred for a claim will be the amount we use as the loss incurred unless the single loss occurrence limit applies.

The single loss occurrence limit applies when the sum of all initial losses incurred for your claims arising out of a single event is greater than your selected single loss occurrence limit. In that case, each claim's initial loss incurred will be its proportionate share of your single loss occurrence limit.

(3) Applying the expected loss ratio factors:

The preliminary loss incurred for a claim will be the amount of the initial loss incurred, after application of the single loss limit, multiplied by the appropriate expected loss ratio factor. The accident fund and medical aid fund portions of each claim will have separate expected loss ratio factors applied.

AMENDATORY SECTION (Amending WSR 16-24-014, filed 11/29/16, effective 1/1/17)

WAC 296-17B-900 Retrospective rating plans standard premium size ranges.

RETROSPECTIVE RATING STANDARD PREMIUM SIZE RANGES

Effective January 1, (~~2017~~) 2018

Size Group Number	Standard Premium Range	
	From:	To:
(1)	6,120 -	7,149
2	7,150 -	8,089
3	8,090 -	9,099
4	9,100 -	10,199
5	10,200 -	11,369
6	11,370 -	12,619
7	12,620 -	13,949

Size Group Number	Standard Premium Range	
	From:	To:
8	13,950 -	15,369
9	15,370 -	16,869
10	16,870 -	18,459
11	18,460 -	20,139
12	20,140 -	21,939
13	21,940 -	23,849
14	23,850 -	25,869
15	25,870 -	27,989
16	27,990 -	30,259
17	30,260 -	32,649
18	32,650 -	35,189
19	35,190 -	37,859
20	37,860 -	40,699
21	40,700 -	43,729
22	43,730 -	46,929
23	46,930 -	50,329
24	50,330 -	53,949
25	53,950 -	57,789
26	57,790 -	61,879
27	61,880 -	66,229
28	66,230 -	70,859
29	70,860 -	75,789
30	75,790 -	81,059
31	81,060 -	86,699
32	86,700 -	92,739
33	92,740 -	99,219
34	99,220 -	106,099
35	106,100 -	113,599
36	113,600 -	121,699
37	121,700 -	130,399
38	130,400 -	139,699
39	139,700 -	149,899
40	149,900 -	160,799
41	160,800 -	172,499
42	172,500 -	185,099
43	185,100 -	198,599
44	198,600 -	213,499
45	213,500 -	229,399
46	229,400 -	246,799
47	246,800 -	265,499
48	265,500 -	286,299
49	286,300 -	308,899

Size Group Number	Standard Premium Range		Size Group Number	Standard Premium Range	
	From:	To:		From:	To:
50	308,900	333,599	18	31,310	33,749
51	333,600	360,999	19	33,750	36,309
52	361,000	391,499	20	36,310	39,029
53	391,500	425,499	21	39,030	41,939
54	425,500	463,399	22	41,940	45,009
55	463,400	505,999	23	45,010	48,269
56	506,000	554,499	24	48,270	51,739
57	554,500	609,299	25	51,740	55,419
58	609,300	672,499	26	55,420	59,339
59	672,500	745,299	27	59,340	63,509
60	745,300	830,399	28	63,510	67,949
61	830,400	930,399	29	67,950	72,679
62	930,400	1,048,999	30	72,680	77,739
63	1,049,000	1,193,999	31	77,740	83,149
64	1,194,000	1,370,999	32	83,150	88,939
65	1,371,000	1,592,999	33	88,940	95,149
66	1,593,000	1,879,999	34	95,150	101,699
67	1,880,000	2,257,999	35	101,700	108,899
68	2,258,000	2,785,999	36	108,900	116,699
69	2,786,000	3,563,999	37	116,700	125,099
70	3,564,000	4,847,999	38	125,100	133,999
71	4,848,000	7,265,999	39	134,000	143,799
72	7,266,000	13,299,999	40	143,800	154,199
73	13,300,000	34,019,999	41	154,200	165,399
74	34,020,000	and over))	42	165,400	177,499
1	5,870	6,859	43	177,500	190,499
2	6,860	7,759	44	190,500	204,699
3	7,760	8,729	45	204,700	219,999
4	8,730	9,779	46	220,000	236,699
5	9,780	10,899	47	236,700	254,599
6	10,900	12,099	48	254,600	274,599
7	12,100	13,379	49	274,600	296,199
8	13,380	14,739	50	296,200	319,899
9	14,740	16,179	51	319,900	346,199
10	16,180	17,699	52	346,200	375,399
11	17,700	19,309	53	375,400	408,099
12	19,310	21,039	54	408,100	444,399
13	21,040	22,869	55	444,400	485,299
14	22,870	24,809	56	485,300	531,799
15	24,810	26,839	57	531,800	584,299
16	26,840	29,019	58	584,300	644,899
17	29,020	31,309	59	644,900	714,699

Size Group Number	Standard Premium Range	
	From:	To:
<u>60</u>	<u>714,700</u>	= <u>796,399</u>
<u>61</u>	<u>796,400</u>	= <u>892,299</u>
<u>62</u>	<u>892,300</u>	= <u>1,005,999</u>
<u>63</u>	<u>1,006,000</u>	= <u>1,144,999</u>
<u>64</u>	<u>1,145,000</u>	= <u>1,314,999</u>
<u>65</u>	<u>1,315,000</u>	= <u>1,527,999</u>
<u>66</u>	<u>1,528,000</u>	= <u>1,802,999</u>
<u>67</u>	<u>1,803,000</u>	= <u>2,164,999</u>
<u>68</u>	<u>2,165,000</u>	= <u>2,671,999</u>
<u>69</u>	<u>2,672,000</u>	= <u>3,417,999</u>
<u>70</u>	<u>3,418,000</u>	= <u>4,648,999</u>
<u>71</u>	<u>4,649,000</u>	= <u>6,967,999</u>
<u>72</u>	<u>6,968,000</u>	= <u>12,749,999</u>
<u>73</u>	<u>12,750,000</u>	= <u>32,629,999</u>
<u>74</u>	<u>32,630,000</u>	= <u>and over</u>

gender neutral language; and repealing outdated WAC sections.

Citation of Rules Affected by this Order: New WAC 208-512-010; repealing WAC 208-512-020, 208-512-030, 208-512-050, 208-512-060, 208-512-120, 208-512-140, 208-512-150, 208-512-160, 208-512-170, 208-512-310 and 208-512-330; amending WAC 208-512-070, 208-512-080, 208-512-090, 208-512-100, 208-512-110, 208-512-115, 208-512-116, 208-512-117, 208-512-130, 208-512-180, 208-512-190, 208-512-200, 208-512-320, 208-512-340, 208-512-350, 208-512-360, 208-512-370, 208-512-400, 208-512-410, 208-512-420, 208-512-430, 208-512-440, 208-512-450, 208-512-460, 208-512A-001, 208-512A-003, 208-512A-005, 208-512A-007, 208-512A-009, 208-512A-014, 208-512A-080, 208-512A-200, 208-512A-300, 208-512A-320, 208-512A-400, 208-512A-500, and 208-512A-600.

Statutory Authority for Adoption: Chapter 208-512 WAC is RCW 43.320.040, 43.320.050, 30A.04.030, 30A.12.060, 30A.04.140, 30A.04.210, 30A.04.212, 30A.60.010 - [30A.60.]901, 30A.08.140, 30A.08.150, and 30A.04.125. Chapter 208-512A WAC is RCW 43.320.040, 43.320.050, 30A.04.030, 30A.04.111, 30A.04.215, 30A.08.140, and 32.08.157.

Other Authority: Section 939A of the Dodd-Frank Act.

Adopted under notice filed as WSR 17-19-119 on September 30 [20], 2017.

Changes Other than Editing from Proposed to Adopted Version: Additional changes were made to WAC 208-512-100 (3) and (4) based on comments received after the CR-102. Changes were made to subsection (3) to clarify that when a bank leases out a portion of the building, tenants may have access to nonsecure (versus secure) areas of a bank during nonbank hours. Subsection (4) was repealed, which previously included broad prohibitions for directors, officers, and employees to serve on boards where the legal entity is a lessee of the bank.

Number of Sections Adopted in Order to Comply with Federal Statute: New 1, Amended 12, Repealed 8; Federal Rules or Standards: New 1, Amended 12, Repealed 8; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 1, Amended 37, Repealed 11.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 1, Amended 37, Repealed 11.

Number of Sections Adopted using Negotiated Rule Making: New 1, Amended 37, Repealed 11; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: December 1, 2017.

Roberta Hollinshead
Division of Banks
Director

WSR 17-24-053

PERMANENT RULES

DEPARTMENT OF

FINANCIAL INSTITUTIONS

[Filed December 1, 2017, 12:10 p.m., effective January 1, 2018]

Effective Date of Rule: Thirty-one days after filing.

Purpose: The purpose of this rule making is to be in conformance with federal laws and regulations, as well as make technical changes and repeal outdated and inapplicable sections of WAC pertaining to state-chartered banks and trust companies.

The first proposal amends chapter 208-512 WAC to modernize securities investment standards for state-chartered banks as required under federal law, Section 939A of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). These changes do not substantively change bank requirements, as banks already comply with federal law.

The second proposal amends chapter 208-512A WAC, specifically the derivative lending limit rules for federal parity with the Office of Comptroller of the Currency, as cited in 12 C.F.R. Parts 32, 159 and 160. A specific option available to national banks, called the current exposure method, will now be available to state-chartered banks with respect to derivative activity.

The third proposal adopts a technical cleanup, modernization, or repeal of certain outdated or inapplicable sections of chapters 208-512 and 208-512A WAC. Specific clean-up efforts include: Changing "Title 30" to "Title 30A"; removing references to trust companies stemming from recodification of the Commercial Bank Act, sections 1-70, chapter 37, Laws of 2014, and codifying the Washington Trust Institutions Act, sections 301-701, chapter 37, Laws of 2014; moving toward

Chapter 208-512 WAC

BANKS ((AND TRUST COMPANIES))

NEW SECTION

WAC 208-512-010 Definitions. (1) "**Bank**" means a commercial bank chartered and regulated under Title 30A RCW, a mutual or stock savings bank chartered and regulated under Title 32 RCW, or a savings association chartered under the provisions of Title 33 RCW.

(2) "**Community Reinvestment Act**" as defined in this chapter shall be identical to the corresponding definitions set forth in the Community Reinvestment Act of 1977, 12 U.S.C. 2901, et seq. and regulations promulgated under the Federal Reserve Board's Regulation BB, 12 C.F.R. Part 228; provided, these definitions are not inconsistent with the context used, or otherwise defined, in this regulation or in chapter 30A.60 RCW.

(3) "**Director**" means the director of the division of banks of the department of financial institutions.

(4) "**Division**" means the division of banks of the department of financial institutions.

(5) "**Financial subsidiary**," in relation to a bank, has the same meaning that it does in relation to a national bank pursuant to the Gramm-Leach-Bliley Act of 1999, 12 U.S.C. 93a, et seq. and regulations promulgated under the Office of the Comptroller of the Currency, 12 C.F.R., Section 5.39 (d)(6).

(6) "**Investment grade**" means the issuer of a security has an adequate capacity to meet financial commitments under the security for the projected life of the asset or exposure. An issuer has an adequate capacity to meet financial commitments if the risk of default by the obligor is low and the full and timely repayment of principal and interest is expected.

(7) "**Investment security**" or "**investment securities**" means a marketable debt obligation that is investment grade and not predominantly speculative in nature. Such obligations may be represented by an indebtedness of any person, copartnership, association, or corporation; an indebtedness of the government of the United States or any agency thereof; an indebtedness of any state, or political subdivision thereof; or an indebtedness of any publicly owned entity that is an instrumentality of a state or municipal corporation in the form of bonds, notes, and/or debentures.

(8) "**Marketable**" means that the security:

(a) Is registered under the Securities Act of 1933, 15 U.S.C. 77a et seq.;

(b) Is a municipal revenue bond exempt from registration under the Securities Act of 1933, 15 U.S.C. 77c (a)(2);

(c) Is offered and sold pursuant to Securities and Exchange Commission Rule 144A, 17 C.F.R., Sec. 230.144A, and investment grade; or

(d) Can be sold with reasonable promptness at a price that corresponds reasonably to its fair value.

(9) "**Qualifying community investment**" means any direct or indirect investment or extension of credit made by a bank in projects or programs designed to develop or redevelop areas in which persons with low-incomes or moderate-incomes reside, designed to meet the credit needs of such

low-income or moderate-income areas, or that primarily benefits low-income and moderate-income residents of such areas.

(a) This term includes, but is not limited to, any of the following investments within the state of Washington:

(i) Investments in governmentally insured, guaranteed, subsidized, or otherwise sponsored programs for housing, small farms, or businesses that address the needs of the low-income and moderate-income areas.

(ii) Investments in residential mortgage loans, home improvement loans, housing rehabilitation loans, and small business or small farm loans originated in low-income and moderate-income areas, or the purchase of such loans originated in low-income and moderate-income areas.

(iii) Investments for the preservation or revitalization of urban or rural communities in low-income and moderate-income areas.

(b) The term does not include personal installment loans, or loans made for the purchase of, or secured by, an automobile.

(10) "**Type I security**" means:

(a) Obligations of the United States;

(b) Obligations issued, insured, or guaranteed by a department or agency of the United States, including obligations of such departments or agencies representing an interest in a loan or pool of loans;

(c) General obligations of a state or political subdivision including, but not limited to, obligations of a county, city, town, municipal corporation, or any publicly owned entity that is an instrumentality of a state or municipal corporation;

(d) Obligations of any state or political subdivision of a state if a state or political subdivision of a state having general powers of taxation has unconditionally promised to make sufficient funds available for full repayment of the obligation; and

(e) Revenue bonds issued by public improvement agencies.

(11) "**Type II security**" means:

(a) Obligations issued by any state or political subdivision, or any agency of a state or political subdivision for housing, university or dormitory purposes.

(b) Obligations issued by any state or a political subdivision for the purpose of financing the construction or improvement of facilities at or used by a university or a degree-granting college-level institution, or financing loans for studies at such institutions; and

(c) Obligations which finance the construction or improvement of facilities used by a hospital, provided that the hospital is a department or a division of a university, or otherwise provides a sufficient nexus with university purposes.

(12) "**Type III security**" means an investment security that does not qualify as a Type I, II, IV, or V security. Examples of Type III securities include corporate bonds and municipal bonds that do not satisfy the definition of a Type I security or a Type II security.

(13) "**Type IV security**" means:

(a) A small business-related security as defined in section 3 (a)(53)(A) of the Securities Exchange Act of 1934, 15

U.S.C. 78c (a)(53)(A), that is fully secured by interests in a pool of loans to numerous obligors.

(b) A commercial mortgage-related security that is offered or sold pursuant to Section 4(5) of the Securities Act of 1933, 15 U.S.C. 77d(5), that is investment grade, or a commercial mortgage-related security as described in Section 3 (a)(41) of the Securities Exchange Act of 1934, 15 U.S.C. 78c (a)(41), that represents ownership of a promissory note or certificate of interest or participation that is directly secured by a first lien on one or more parcels of real estate upon which one or more commercial structures are located and that is fully secured by interests in a pool of loans to numerous obligors.

(c) A residential mortgage-related security that is offered and sold pursuant to Section 4(5) of the Securities Act of 1933, 15 U.S.C. 77d(5), that is investment grade, or a residential mortgage-related security as described in Section 3 (a)(41) of the Securities Exchange Act of 1934, 15 U.S.C. 78c (a)(41) that does not otherwise qualify as a Type I security.

(14) "Type V security" means a security that is:

- (a) Investment grade;
- (b) Marketable;
- (c) Not a Type IV security; and
- (d) Fully secured by interests in a pool of loans to numerous obligors and in which a bank could invest directly.

AMENDATORY SECTION (Amending WSR 00-17-141, filed 8/22/00, effective 9/22/00)

WAC 208-512-070 Nonbankable assets. (1) In determining whether an asset of a bank (~~(mutual savings bank or trust company)~~) is bankable, all of the circumstances of the asset shall be weighed (~~(and)~~) including, but not limited to, the following:

- ~~((1))~~ (a) Character of the borrower;
- ~~((2))~~ (b) Capacity of the borrower;
- ~~((3))~~ (c) Capital of the borrower;
- ~~((4))~~ (d) Sufficiency of the collateral (~~(sufficiency of)~~);
- ~~((5))~~ (e) Economic conditions pertaining to the type of business in which the borrower is engaged; and
- ~~((6))~~ (f) Conformance to general banking standards as then currently practiced in the banking industry.

(2) If (~~(in the examination of a bank, mutual savings bank or trust company)~~) an examiner (~~(finds)~~) determines that an asset (~~(which in his opinion, after weighing all the circumstances of the asset)~~) is nonbankable (~~(the director may require that such asset be charged off the books of the bank, mutual savings bank or trust company)~~).

Within fifteen days following the next meeting of the board of directors following receipt of written notice from the director to charge off such asset, but in no event more than forty five days following receipt of such written notice, the bank, mutual savings bank or trust company, shall write the same off as an asset or file) based on the circumstances weighed in subsection (1)(a) through (f) of this section, the bank must charge-off the asset within thirty days of receipt of the written report of examination, or by the next call report submission date, whichever is longer.

(3) Such charge-off is deemed conclusive, unless it is contested before the expiration of the time period stated in subsection (2) of this section.

(4) A contested charge-off must be in the form of a written statement filed with the director explaining why (~~(in its opinion)~~) the asset should not be (~~(so treated)~~) charged off.

(5) After (~~(considering)~~) consideration of such written statement and within (~~(ten)~~) forty-five days (~~(after receipt thereof)~~), the director will notify the bank in writing of his or her decision as to the treatment of the asset. The director's written notification shall be deemed conclusive as to the disposition of the asset.

AMENDATORY SECTION (Amending WSR 00-17-141, filed 8/22/00, effective 9/22/00)

WAC 208-512-080 Purchase or sale of (~~(United States government)~~) investment securities—Resale or repurchase agreement. The purchase or sale of investment securities (~~(of, or fully guaranteed as to principal and interest by, the United States government and agencies thereof, or a fractional undivided interest therein by a bank)~~) under an agreement (~~(or agreements)~~) to resell or repurchase the interest transferred, or a portion thereof, at the end of a stated period, (~~(shall)~~) does not constitute an obligation subject to the lending (~~(limit of RCW 30.04.110, an indebtedness or liability of the bank within the meaning of RCW 30.04.150, a borrowing for the purposes of reloaning within the meaning of RCW 30.04.160, nor)~~) limits under RCW 30A.04.111 and chapter 208-512A WAC and is not considered a pledge or hypothecation of investment securities or assets of the bank to a depositor (~~(or creditor)~~) within the meaning of RCW (~~(30.04.140)~~) 30A.04.140.

AMENDATORY SECTION (Amending WSR 00-17-141, filed 8/22/00, effective 9/22/00)

WAC 208-512-090 Purchase or sale of (~~(United States government)~~) investment securities (~~(solely for customers' account not within purview of RCW 30.04.200)~~)—For customer or institution accounts allowable. (~~(The provisions of RCW 30.04.200 shall not prohibit banks or the officers or employees thereof in the course of their employment from purchasing and selling securities and stocks without recourse, solely)~~) Subject to the Federal Reserve Board's Regulation R, 12 C.F.R. Part 218, a bank may purchase and sell investment securities upon the order and for the account of its customers (~~(of the bank, or from dealing)~~) and may deal in (~~(the)~~) the underwriting and purchasing of investment securities for the (~~(account of the bank obligations of, or obligations guaranteed as to principal and interest by, the United States or agencies thereof or of any state or political subdivision thereof)~~) bank's investment account subject to WAC 208-512-110 through 208-512-117, inclusive.

AMENDATORY SECTION (Amending WSR 00-17-141, filed 8/22/00, effective 9/22/00)

WAC 208-512-100 Leasing bank premises—Limitations. (1) A bank (~~(or trust company)~~) may lease part of the premises in which it conducts its day-to-day business (~~(pur-~~

suant to RCW 30.04.210)) to persons engaged in nonbanking ((or nontrust)) business activities subject to the following limitations:

((1)) (a) No director, officer, or employee of such bank ((or trust company)) may have any direct or indirect financial interest ((in)) exceeding ten percent of the lessee's business activities conducted on the premises leased, unless the transaction is made on substantially the same terms as those prevailing at the same time for comparable transactions by the bank with other persons who are not affiliated with the institution, and the transaction has been approved in advance by a majority of the board of the directors of the institution;

((2)) (b) No bank ((or trust company)) may receive commissions or other revenues from the lessee other than periodic rental payments received under terms that are usual and customary in leasing space used for similar commercial purposes, as determined by the ((supervisor)) director;

((3)) (c) No lessee may have access to ((security)) secure areas of the ((bank or trust company's)) bank's premises((, nor may)) and a lessee may not conduct business activities on ((a bank or trust company's)) the secure areas of the bank's premises other than during regular banking hours;

((4) No director, officer, or employee of a bank or trust company may be employed by, or serve in any fiduciary capacity for a corporation or other person leasing the premises of such bank or trust company for such business activities;

((5)) (d) No bank ((or trust company)) may exercise managerial control over the lessee's business activities or assume, guarantee, or otherwise become obligated for the lessee's debts or legal obligations;

((6)) (e) No bank ((or trust company)) may advertise a lessee's business activities conducted on such ((bank or trust company's)) bank's premises as a service provided by the bank ((or trust company)), or otherwise represent that the lessee's business activities are not independently owned and operated;

((7)) (f) No bank ((or trust company)) may use tying arrangements involving the sale of a lessee's goods or services offered on such ((bank or trust company's)) bank's premises or in any other way require purchase of a lessee's goods or services as a condition for granting credit or performing services.

((8)) (2) For purposes of this section, the term "bank ((or trust company))" means any person or corporation operating under the provisions of Title ((30)) 30A, 32, or 33 RCW directly or indirectly affiliated with the lessor.

AMENDATORY SECTION (Amending WSR 01-06-024, filed 2/27/01, effective 3/30/01)

WAC 208-512-110 Investment securities—Permissible investments. ((A bank or trust company may purchase or hold obligations of a single obligor which are "investment securities," as defined below, and meet the following guidelines for proper "investment security" management. The term "investment security" shall mean a marketable obligation evidencing indebtedness of any person, copartnership, association, or corporation; of the government of the United States or any agency thereof; of any state, or political subdivision

thereof; or of any publicly owned entity that is an instrumentality of a state or municipal corporation in the form of bonds, notes, and/or debentures. They exclude investments which are predominately speculative but shall include:))

(1) Permissible investments include the following investment security types, subject to specific capital limitations:

(a) Type I ((securities)) security, which a bank may deal in, purchase, and sell for its own account without any capital and surplus limitation. ((These securities include:

(a) Obligations of the United States;

(b) ~~Obligations issued, insured, or guaranteed by a department or agency of the United States, including obligations of such departments or agencies representing an interest in a loan or pool of loans;~~

(c) ~~General obligations of a state or political subdivision including but not limited to obligations of a county, city, town, municipal corporation, or any publicly owned entity that is an instrumentality of a state or municipal corporation;~~

(d) ~~Obligations of any state or political subdivision of a state if a state or political subdivision of a state having general powers of taxation has unconditionally promised to make sufficient funds available for full repayment of the obligation; and~~

(e) ~~Revenue bonds issued by public improvement agencies.~~

((2)) (b) Type II ((securities)) security, which a bank may deal in, purchase and sell for its own account subject to a twenty percent of capital and surplus limitation ((and)), in addition to any limitation set forth in WAC ((50-12-115 (2)(e)). These include obligations issued by any state or political subdivision, or any agency of a state or political subdivision for housing, university or dormitory purposes. Such obligations include:

(a) ~~Obligations issued by any state or a political subdivision for the purpose of financing the construction or improvement of facilities at or used by a university or a degree-granting college-level institution, or financing loans for studies at such institutions; and~~

(b) ~~Obligations which finance the construction or improvement of facilities used by a hospital, provided that the hospital is a department or a division of a university, or otherwise provides a sufficient nexus with university purposes.~~

((3)) 208-512-115(1).

(c) Type III ((securities)) security which a bank may purchase and sell for its own account with a twenty percent of capital and surplus limitation ((and)), in addition to any limitation set forth in WAC 208-512-115 ((2)(e)), but may not deal in. These include investment securities issued by corporations, provided that such securities have received in the most recent edition one of the four highest rating grades by Standard and Poor's, Moody's, or equivalent rating service. Unrated securities must be investment grade and be of equivalent quality to the four highest rating grades and where the investment characteristics are distinctly or predominately not speculative)) (1).

(d) Type IV security, which a bank may purchase and sell for its own account without any capital and surplus limitation.

(e) Type V security, which a bank may purchase and sell for its own account with a twenty-five percent of capital and surplus limitation.

(2) Any investment security held by a bank, regardless of investment security type, must be considered investment grade.

AMENDATORY SECTION (Amending WSR 01-06-024, filed 2/27/01, effective 3/30/01)

WAC 208-512-115 Investment securities—Proper management. (1) ~~((A bank may purchase a Type I security for its own account, provided it is permissible under the provisions of Title 30 RCW and this regulation, if through prudent banking judgment it determines there is adequate evidence that the obligor will be able to perform all necessary undertakings in connection with the security, including all debt service requirements.~~

~~(2)(a) A bank may purchase a Type II or III security for its own account when through prudent banking judgment (which may be based in part upon estimates which it believes to be reliable), it determines that there is adequate evidence that the obligor will be able to perform all that it undertakes to perform in connection with the security, including all debt service requirements, and that the security is marketable so that it can be sold with relative promptness at a fair market value.~~

~~(b) A bank may, subject to the limitations set forth in (c) of this subsection, purchase a security of Type II or III for its own account although its judgment with respect to the obligor's ability to perform is based predominantly upon estimates it believes to be reliable. This subsection permits a bank to exercise a somewhat broader range of judgment with respect to a more restricted portion of its investment portfolio.~~

~~((e)) If a bank holds at any time Type II or III securities ((which would not be eligible for purchase pursuant to (a) of this subsection in a total amount in excess of)) that are not considered investment grade and represent an aggregate par value exceeding five percent of the bank's capital and surplus, ((they are to)) the investment securities must be charged down to market value, or a specific reserve ~~((is to))~~ must be established within ninety days.~~

~~((3)) (2) Each bank shall maintain in its files credit information adequate to demonstrate that it has exercised prudence in ((making the determinations and)) carrying out the securities-related transactions involving the underwriting, the dealing in, and the purchase and sale of investment securities. This information shall be retained:~~

~~(a) When investment securities are purchased for the bank's own portfolio, as long as the investment security remains in the portfolio;~~

~~(b) When investment securities are underwritten by the bank, for the maturity or the life of the investment security; and~~

~~(c) With regard to dealer activities, for periods set forth in the relevant rules of the municipal securities rule-making board.~~

~~((4)) (3) When a bank purchases an investment security convertible into stock, or with stock purchase warrants~~

attached, entries must be made by the bank at the time of purchase to write down the cost of such investment security to an amount ~~((which))~~ that represents the investment value of the investment security ~~((considered independently))~~ independent of the conversion feature or attached stock purchase warrants. Purchase of investment securities convertible into stock at the option of the issuer is prohibited.

~~((5)) (4) When an investment security is purchased at a price exceeding par or face value, the bank shall:~~

~~(a) Charge off the entire premium at the time of purchase; or~~

~~(b) Provide for a program to amortize the premium paid or that portion of premium remaining after the write-down subject to subsection ((2)) (1) of this section so that such premium or portion thereof shall be entirely extinguished at or before the maturity of the investment security.~~

~~((6)) (5) Each bank shall take measures to ((insure)) ensure the cumulative investment holdings do not exceed the limitations for a specific investment set forth in Title ((30)) 30A, 32, and 33 RCW, as applicable.~~

~~((7)) (6) The board of directors, a committee thereof, or a duly appointed committee of senior level management shall review at least quarterly the bank's investment portfolio to ((insure)) ensure compliance with the provisions contained in WAC 208-512-110 through ((208-512-116)) 208-512-117, inclusive.~~

~~((8)) (7) The restrictions and limitations set forth in this section do not apply to securities acquired through foreclosure on collateral, or acquired in good faith by way of compromise of a doubtful claim, or to avoid a loss in connection with a debt previously contracted.~~

AMENDATORY SECTION (Amending WSR 01-06-024, filed 2/27/01, effective 3/30/01)

WAC 208-512-116 Investment securities—Investment in investment companies. A bank ~~((or trust company))~~ may invest in shares of an investment company provided that all of the following conditions are met:

(1) The investment company must be registered with Securities and Exchange Commission under the Investment Company Act of 1940 and the Securities Act of 1933 or be a privately offered fund sponsored by an affiliated commercial bank.

(2) The shareholder has a fair and equal proportionate undivided interest in the underlying assets of the investment company calculated pursuant to the Investment Company Act of 1940.

(3) When an investment company's assets consist solely of and are expressly limited to obligations that are eligible for unlimited investment (Type I) as described in WAC 208-512-100, there is no limit on the bank's investment. However, where the investment ~~((companies))~~ company's portfolio contains, or is permitted to contain, investment securities subject to the bank's investment or lending limitations, investment by the bank shall be subject to a twenty percent of capital and surplus limitation.

(4) The shareholders are protected against personal liability for acts or obligations of the investment company.

(5) The bank's investment policy, as formally approved by its board of directors, specifically provides for such investments; prior approval of the board of directors is obtained for initial investments in specific investment companies and recorded in the official board minutes; and procedures, standards, and controls for managing such investments are implemented prior to (~~acquisition of~~) acquiring these investments.

(6) If the investment company makes use of futures, forwards, options, repurchase agreements and securities lending arrangements, their use must be consistent with standards adopted for use of such instruments in the bank's portfolio.

(7) Regulatory reporting of holdings in investment companies is consistent with established standards for (~~marketable~~) investment securities. (~~equity~~)

AMENDATORY SECTION (Amending WSR 01-06-024, filed 2/27/01, effective 3/30/01)

WAC 208-512-117 Investment(~~s~~) securities—
Investments in corporations. Nothing in WAC 208-512-110, 208-512-115, or 208-512-116 shall limit the authority of a bank (~~or trust company~~) to invest in corporations or entities (~~;~~) pursuant to chapters 32.20 and 33.24 RCW, or with the prior authorization of the director (~~;~~) pursuant to RCW (~~(30.04.127, (section 1, chapter 498, Laws of 1987))~~) 30A.04.127.

AMENDATORY SECTION (Amending WSR 00-17-141, filed 8/22/00, effective 9/22/00)

WAC 208-512-130 Community Reinvestment Act—
Purpose. (~~This regulation is~~) WAC 208-512-180 and 208-512-190, inclusive, are intended to further refine the requirements under chapter 30A.60 RCW and RCW 30A.04.212 to encourage banks (~~chartered under Title 30 RCW~~) to help meet the credit needs of their local (~~community or~~) communities (~~;~~ to provide guidance to banks as to how the division will assess the records of these banks)) in satisfying their continuing and affirmative obligations to help meet the credit needs of the local communities, including low-income and moderate-income neighborhoods, consistent with safe and sound operation of those banks; and, to provide for (~~proper~~) further consideration of those records in connection with certain applications.

AMENDATORY SECTION (Amending WSR 00-17-141, filed 8/22/00, effective 9/22/00)

WAC 208-512-180 Community Reinvestment Act—
Limitation on single investment for commercial banks. The total investment by a commercial bank in a single parcel of real property, and improvements thereon, shall not exceed twenty-five percent of the aggregate amount of such bank's real estate investments allowed by RCW (~~(30.04.212)~~) 30A.04.212.

AMENDATORY SECTION (Amending WSR 00-17-141, filed 8/22/00, effective 9/22/00)

WAC 208-512-190 Community Reinvestment Act—
Investment in qualifying community investments for commercial banks. (1) An amount equal to ten percent of the aggregate amount invested in real estate by a commercial bank pursuant to RCW (~~(30.04.212)~~) 30A.04.212 shall be placed in qualifying community investments (~~(as defined in subsection (3) of this section)~~).

(2) A qualifying community investment made by an entity that wholly owns a bank, is wholly owned by a bank, or is wholly owned by an entity that wholly owns the bank, shall be deemed to have been made by a bank to satisfy the requirements of subsection (1) of this section.

(~~3~~) The term "qualifying community investment" means any direct or indirect investment or extension of credit made by a bank in projects or programs designed to develop or redevelop areas in which persons with low incomes or moderate incomes reside, designed to meet the credit needs of such low income or moderate income areas, or that primarily benefits low income and moderate income residents of such areas. The term includes, but is not limited to, any of the following investments within the state of Washington:

(a) Investments in governmentally insured, guaranteed, subsidized, or otherwise sponsored programs for housing, small farms, or business that address the needs of the low-income and moderate-income areas.

(b) Investments in residential mortgage loans, home improvement loans, housing rehabilitation loans, and small business or small farm loans originated in low-income and moderate-income areas, or the purchase of such loans originated in low-income and moderate-income areas.

(c) Investments for the preservation or revitalization of urban or rural communities in low-income and moderate-income areas.

The term does not include personal installment loans, or loans made for the purchase of, or secured by, an automobile.)

AMENDATORY SECTION (Amending WSR 00-17-141, filed 8/22/00, effective 9/22/00)

WAC 208-512-200 Community Reinvestment Act—
Consideration of performance (~~record in meeting community credit needs~~) in approving and disapproving applications. Subject to RCW 30A.60.020, the division shall consider, among other factors, the record of performance of the applicant in helping to meet the credit needs of the applicant's entire community, including low-income and moderate-income neighborhoods in determining the approval or disapproval for the following applications:

- (1) (~~For a~~) New branch or satellite facility;
- (2) (~~For a~~) Purchase or sale of assets;
- (3) (~~For a~~) Merger;
- (4) (~~For an~~) Acquisition;
- (5) (~~For~~) Authority to engage in a business activity;
- (6) (~~For a~~) Conversion from a national bank to a state-chartered bank; and
- (7) Such other application as the director may consider appropriate.

The performance record need not be considered for subsections (2), (3), and (4) of this section where solvency and safety soundness of the bank is threatened. Assessment of an institution's ((CRA)) Community Reinvestment Act performance may be a basis for denying an application.

AMENDATORY SECTION (Amending WSR 00-17-141, filed 8/22/00, effective 9/22/00)

WAC 208-512-320 ((Insurance agency)) Insurance-related activities—Purpose. ((These rules and regulations are intended to administer and interpret the provisions governing the authority of state-chartered commercial banks and trust companies to act as insurance agents pursuant to the provisions in RCW 30.04.215(1), 30.08.140(10), and 30.08.150(3).)) WAC 208-512-320 through 208-512-370, inclusive, govern the authority of a bank to engage in insurance-related activities.

AMENDATORY SECTION (Amending WSR 00-17-141, filed 8/22/00, effective 9/22/00)

WAC 208-512-340 ((Insurance agency)) Insurance-related activities—General rule. Except as provided in these rules, or as otherwise provided by law, a bank may not act as ((insurance agent)) a principal in any insurance-related activity that is not permissible for a national bank, unless consistent with 12 U.S.C. Sec. 1831a.

(1) The Federal Deposit Insurance Corporation has determined that the activity would pose no significant risk to the Deposit Insurance Fund; and

(2) The bank is, and continues to be, in compliance with the capital standards required pursuant to 12 U.S.C. Sec. 1831o and as specified in 12 C.F.R. Part 325, or any applicable successor federal rule; and

(3) If the bank is a federal reserve member bank, any additional requirement or restriction involving insurance-related activities that the Board of Governors of the Federal Reserve system may prescribe.

AMENDATORY SECTION (Amending WSR 00-17-141, filed 8/22/00, effective 9/22/00)

WAC 208-512-350 ((Insurance agency)) Insurance-related activities—Exceptions. (((1) A bank located in a city of not more than five thousand inhabitants may act as insurance agent from an office in that city. A bank exercising this power may continue to act as insurance agent notwithstanding a change of the population of the city in which it is located.

(2) A trust company may act as an insurance agent pursuant to its powers under RCW 30.08.150(3) "to act as attorney in fact or agent of any corporation, foreign or domestic, for any purpose, statutory or otherwise."

(3) A bank may engage in insurance activities that have been determined by the board of governors of the federal reserve system or by the United States Congress to be closely related to the business of banking, as of June 11, 1986. These activities include, but are not limited to:

(a) General insurance agency activities conducted by a bank with total assets of fifty million dollars or less, pro-

vided, however, that such bank may not engage in the sale of life insurance or annuities. For purposes of this exception "total assets" is determined by the latest consolidated report of condition filed with the director of the department of financial institutions. This exception ceases when the value of the assets of the bank exceed fifty million dollars. The insurance agency license must be surrendered and the assets sold or otherwise disposed of within three years unless otherwise extended by the director of the department of financial institutions.

(b) A bank may act as agent for life, disability, and involuntary unemployment insurance if the insurance is limited to assuring the repayment of the outstanding balance due on a specific extension of credit by the bank.

(c) A bank may act as agent for property insurance on loan collateral, provided such insurance is limited to assuring repayment of the outstanding balance of the extension of credit and such extension of credit is not more than ten thousand dollars (twenty-five thousand dollars to finance the purchase of a residential manufactured home and which is secured by such home) increased by the percentage increase in the *Consumer Price Index for Urban Wage Earners and Clerical Workers* published monthly by the Bureau of Labor Statistics for the period beginning on January 1, 1982, and ending on December 31 of the year preceding the year of the extension of credit.

(4) A bank or trust company may engage in any insurance agency activity lawfully engaged in by national banks located in the state of Washington.)) Notwithstanding WAC 208-512-340, a bank may not engage in insurance underwriting except to the extent that activity is permissible for a national bank.

AMENDATORY SECTION (Amending WSR 00-17-141, filed 8/22/00, effective 9/22/00)

WAC 208-512-360 ((Insurance agency)) Insurance-related activities—Subsidiary. ((A bank or trust company may conduct insurance agency activities that are authorized to be engaged in by the bank or trust company through a subsidiary of the bank or trust company as authorized by RCW 30.04.125(8).)) (1) A bank may conduct insurance-related activities through a subsidiary of the bank as authorized by RCW 30A.04.125(8) subject to subsection 2 of this section.

(2) A subsidiary of a bank may not engage as a principal in any insurance-related activity that is not permissible for a subsidiary of a national bank unless, consistent with 12 U.S.C. Sec. 1831a.

(a) The Federal Deposit Insurance Corporation has determined that the activity would pose no significant risk to the Deposit Insurance Fund;

(b) The bank is, and continues to be, in compliance with the capital standards required pursuant to 12 U.S.C. Sec. 1831o and as specified in 12 C.F.R. Part 325, or any applicable successor federal rule; and

(c) If the parent bank is a Federal Reserve member bank, any additional requirement or restriction applicable to the subsidiary involving insurance-related activities that the Board of Governors of the Federal Reserve System may prescribe.

AMENDATORY SECTION (Amending WSR 00-17-141, filed 8/22/00, effective 9/22/00)

WAC 208-512-370 (~~Insurance agency~~) **Insurance-related activities—Enforcement.** It shall be considered an unsafe and unsound practice in conducting the affairs of the bank (~~or trust company~~) if in the opinion of the director, the (~~insurance agency~~) insurance-related activities of (~~the~~) a bank or bank subsidiary are:

(1) A violation of (~~any applicable state or federal consumer protection law~~) WAC 208-512-340, 208-512-350, or 208-512-360; or

(2) A violation of any (~~applicable state or federal statute prohibiting anticompetitive activities~~) requirements under Title 48 RCW and the rules of the office of insurance commissioner involving insurance-related activities;

(3) In violation of any applicable state or federal consumer protection law; or

(4) In violation of any applicable state or federal statute prohibiting anti-competitive activities.

AMENDATORY SECTION (Amending WSR 08-22-070, filed 11/4/08, effective 12/5/08)

WAC 208-512-400 **Subprime mortgage lending—Purpose of these rules.** These rules are designed to help Washington state-chartered banks (Title 30A RCW), savings banks (Title 32 RCW) and savings associations (Title 33 RCW) establish, reiterate, integrate and maintain their own policies and procedures regarding subprime and nontraditional mortgage lending guidance. These policies and procedures are required by a new state law, chapter 108, Laws of 2008 (chapter 19.144 RCW).

AMENDATORY SECTION (Amending WSR 08-22-070, filed 11/4/08, effective 12/5/08)

WAC 208-512-410 **Subprime mortgage lending—What is the "guidance"?** Because of concerns about problems with subprime mortgage lending, the federal government issued the *Interagency Guidance on Nontraditional Mortgage Product Risks* and a *Statement on Subprime Mortgage Lending* (collectively, "the guidance"). In 2007, the governor convened the Washington state task force for homeowner security. The task force recommended including the federal guidance in state legislation. The 2008 Washington state legislature enacted SHB 2770, requiring the department of financial institutions to apply the two guidance documents to financial institutions in Washington. Starting in 2008, credit unions, banks, savings banks, savings associations, mortgage brokers and other Washington state consumer loan companies (collectively, "financial institutions") must have policies and procedures that use the guidance.

AMENDATORY SECTION (Amending WSR 08-22-070, filed 11/4/08, effective 12/5/08)

WAC 208-512-420 **Subprime mortgage lending—What does the guidance require of banks, savings banks and savings associations?** The stated intent of the guidance is to help borrowers to better understand adjustable rate mort-

gage (ARM) risks. The guidance requires financial institutions to have policies and procedures that focus on the various risks of subprime/nontraditional mortgage lending. The guidance requires financial institutions to be aware of portfolio and risk management practices, to use appropriate underwriting standards and to abide by consumer protection principles. Financial institutions also need to maintain strong internal control systems. Many of the recommendations in the guidance are good business practices and may already be followed by financial institutions.

Not all of the elements of the guidance may be applicable to all banks, savings banks and savings associations, or to all other financial institutions. Banks, savings banks and savings associations must determine which elements are relevant to their operations, and incorporate only those subjects into their policies and procedures.

AMENDATORY SECTION (Amending WSR 08-22-070, filed 11/4/08, effective 12/5/08)

WAC 208-512-430 **Subprime mortgage lending—Is there a list of subjects that banks, savings banks and savings associations must include in their policies and procedures?** Yes, the guidance requires all financial institutions, including banks, savings banks and savings associations, to focus on the following subjects and apply the relevant ones to their existing policies and procedures:

(*) (1) Help borrowers understand ARM risks, including:

- (-) (a) Low initial payment;
- (-) (b) High or unlimited reset rate caps;
- (-) (c) Low or no documentation loans;
- (-) (d) Problems of frequent refinancing;
- (-) (e) Risk layering;
- (-) (f) Simultaneous second lien loans;
- (-) (g) Prepayment penalties;

(-) (h) FDIC or FRB prohibited practices (banks, savings banks and savings associations)(~~(~~OT~~ prohibited practices (savings associations))~~).

(*) (2) Understand portfolio and risk management practices, including:

(-) (a) Relationship between subprime lending and predatory lending;

(-) (b) Risks of loans based on foreclosed or liquidation value;

- (-) (c) Problem of loan "flipping";
- (-) (d) Fraud detection;
- (-) (e) Use of qualifying standards;
- (-) (f) Maintenance of appropriate capital levels;
- (-) (g) Use of appropriate allowance for loan and lease loss levels;

(-) (h) Risks of stated income loans(~~(~~;~~)~~).

(*) (3) Underwriting standards.

(*) (4) Workout arrangements.

(*) (5) Consumer protection principles, including:

(-) (a) Use of a summary disclosure form;

(-) (b) Avoidance of steering borrowers to inappropriate products;

(-) (c) Explanation of payment shock risk;

(-) (d) Explanation of prepayment penalty;

- ((-)) (e) Explanation of balloon payment;
- ((-)) (f) Explanation of costs of low documentation or stated income loans;
- ((-)) (g) Compliance with the Truth in Lending Act and other federal requirements;
- ((-)) (h) Importance of good consumer communications in promotional materials and product descriptions;
- ((-)) (i) Explanation of borrower responsibility for taxes and insurance.
- ((*) (6) Development and maintenance of strong internal controls, including:
 - ((-)) (a) Management of deals with third-party originators;
 - ((-)) (b) Management of secondary market risk;
 - ((-)) (c) Effective management information and reporting;
 - ((-)) (d) Use of stress testing and performance measures;
 - ((-)) (e) Actual practices consistent with policies.

AMENDATORY SECTION (Amending WSR 08-22-070, filed 11/4/08, effective 12/5/08)

WAC 208-512-440 Subprime mortgage lending—
Where can I read the guidance documents? You can find the two federal guidance documents on the internet: <http://www.fdic.gov/news/news/press/2006/pr06086b.pdf>; and <http://www.fdic.gov/news/news/press/2007/pr07055a.html>.

You can also click on the links on the DFI web site at www.dfi.wa.gov.

If you do not have internet access, you may contact the department of financial institutions, division of banks (division of banks) for a copy of the documents.

Read these documents to ensure proper application of the law to your institution and to comply with the required integration of the guidance into your policies and procedures. If your institution needs help incorporating the guidance or reconciling it to your policies and procedures, contact your legal counsel.

AMENDATORY SECTION (Amending WSR 08-22-070, filed 11/4/08, effective 12/5/08)

WAC 208-512-450 Subprime mortgage lending—
Why do I need to read the federal guidance documents? The federal guidance consists of two lengthy documents that are very detailed. Because they are required by state statutory law, they apply in their entirety. Division of banks cannot merely summarize them or give you a checklist. You must read the documents in order to apply them to your particular institution by means of integrating the guidance into your own policies and procedures.

AMENDATORY SECTION (Amending WSR 08-22-070, filed 11/4/08, effective 12/5/08)

WAC 208-512-460 Subprime mortgage lending—
What will the division of banks do about compliance with guidance policies and procedures? Every state-chartered bank, savings banks and savings association is different. There is no "one-size-fits-all" guidance available. Division of

banks will not issue model guidance, because the process of self-analysis that your institution needs to do, in order to develop its own guidance policies and procedures, is beneficial. The division of banks does not provide technical legal advice. Also, the guidance is complex and will result in variations in wording or applicability of guidance policies and procedures among institutions, depending upon the size and complexity of a particular institution, the overall characteristics of its mortgage lending market base, and the specific types of mortgage lending it does, if any.

For supervision purposes, the division of banks will:

(1) Verify that an institution has integrated the guidance into its policies and procedures, as part of its risk-focused examination. Division of banks will not mandate the length or exact wording used in the guidance policies and procedures.

(2) Review the guidance policies and procedures with the institution, if a consumer complaint indicates a problem or issue regarding subprime and nontraditional mortgage lending practices.

(3) Verify that an institution is following its policies and procedures.

The division of banks expects prompt compliance by banks, savings banks and savings associations with the requirements of this rule.

The law provides the division of banks with examination, enforcement and investigation authority to take appropriate action against banks, savings banks and savings associations that are in noncompliance with the guidance policies and procedures requirement.

REPEALER

The following sections of the Washington Administrative Code are repealed:

- WAC 208-512-020 Characterization of "federal fund transactions."
- WAC 208-512-030 Definitions and characterization of time deposits.
- WAC 208-512-050 Limiting loans to officers.
- WAC 208-512-060 Accounts in excess of one hundred thousand dollars.
- WAC 208-512-120 Promulgation.
- WAC 208-512-140 Definitions.
- WAC 208-512-150 Assessing the record of performance.
- WAC 208-512-160 Rating assignment.
- WAC 208-512-170 Rating for period January 1, 1986 through December 31, 1986.
- WAC 208-512-310 Insurance agency activities—Promulgation.
- WAC 208-512-330 Insurance agency activities—Definitions.

AMENDATORY SECTION (Amending WSR 13-03-037, filed 1/8/13, effective 2/8/13)

WAC 208-512A-001 Promulgation of rules. The division of banks of the department of financial institutions (hereinafter, the "division"), after due and proper notice, and pursuant to the provisions of RCW ((~~30.04.030, 30.04.111, 30.04.215, 30.08.140~~) 30A.04.030, 30A.04.111, 30A.04.215, 30A.08.140, 32.08.157, 43.320.040, and 43.320.050, hereby adopts and promulgates this chapter, effective January 21, 2013.

AMENDATORY SECTION (Amending WSR 13-03-037, filed 1/8/13, effective 2/8/13)

WAC 208-512A-003 Findings and purpose. (1) The director of the division (hereinafter, the "director of banks"), by and through the director of bank's delegated authority from the director of the department of financial institutions under RCW 43.320.040 and 43.320.050, finds and determines, that pursuant to RCW ((~~30.04.030~~) 30A.04.030, the division has the broad administrative authority to adopt and promulgate rules and regulations that establish and maintain appropriate standards of safety and soundness with respect to the loans and extensions of credit made by Washington state-chartered banks under Titles 30A and 32 RCW including, without limitation, nonloan investments in derivative and similar transactions.

(2) As of January 21, 2013, the effective date of section 611 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (hereinafter, "Dodd-Frank Act"), codified as section 18(y) of the Federal Deposit Insurance Act, 12 U.S.C. Sec. 1828(y), a state insured bank may engage in a derivative transaction, as defined in section 5200 (b)(3) of the Revised Statutes of the United States (12 U.S.C. Sec. 84 (b)(3)), only if the law with respect to lending limits of the state in which the state-insured bank is chartered takes into consideration credit exposure to derivative transactions. In addition to making loans, Washington state-chartered banks under Titles 30A and 32 RCW invest in derivative transactions as a regular and often-essential component of their overall investment strategy, including, without limitation, as a tool to manage their liquidity. It is necessary that Washington state law (including statute or regulation, or interpretation of the same by the division), be in compliance with the afore-stated federal statute and preserve the authority of banks under Titles 30A and 32 RCW to continue to engage in derivative transactions on or after January 21, 2013. Therefore, it is prudent and expeditious for the division to assert the full measure of its statutory authority to adopt this chapter so as to clearly set forth the manner in which a bank under Title 30A or 32 RCW may, in addition to its investment in other types of loans and extensions of credit, safely and soundly engage in derivative transactions.

(3) Section 610(a) of the Dodd-Frank Act, amending the National Bank Act, at 12 U.S.C. Sec. 84(b), revises the definition of "loans and extensions of credit" to include credit exposure of a national bank arising from its investment in a derivative transaction, repurchase agreement, reverse repurchase agreement, securities lending transaction, or securities borrowing transaction. The aforementioned section 611 of

the Dodd-Frank Act redefines "loans and extensions of credit" to include derivative transactions by, in effect, making derivative transactions applicable to state "lending limits" laws. Section 611 of the Dodd-Frank Act does not specifically address repurchase agreements, reverse repurchase agreements, securities lending transactions, or securities borrowing transactions. However, the director of banks finds and determines that it serves the convenience and advantage of depositors, borrowers, and the general public that Washington state-chartered banks and savings banks be able to continue to prudently invest in repurchase agreements, reverse repurchase agreements, securities lending transactions, and securities borrowing transactions despite any future contingency that may be made applicable to them by federal banking regulations. Therefore, director of banks further finds and determines that the division may, in its safety and soundness standards for state member banks and state insured banks, respectively, apply the same definition of "loans and extensions of credit" as applicable to national banks under section 610 of the Dodd-Frank Act (12 U.S.C. Sec. 84(b)), but only to the extent required by the board of governors of the Federal Reserve System (hereinafter, the "Federal Reserve Board") or the Federal Deposit Insurance Corporation (hereinafter, the "FDIC").

(4) The director of banks finds and determines that, pursuant to RCW ((~~30.04.111(5) and 30.04.215~~) 30A.04.111(5) and 30A.04.215 (3) and (5), it serves the convenience and advantage of depositors, borrowers, and the general public, and further maintains the fairness of competition between state-chartered banks and national banks, that, on or after January 21, 2013, banks under Title 30A RCW be permitted to continue to invest in derivative transactions, repurchase agreements, reverse repurchase agreements, securities lending transactions, and securities borrowing transactions as national banks are generally permitted to under the National Bank Act (12 U.S.C. Sec. 84(b)) and applicable rules of the Office of the Comptroller of the Currency (hereinafter, "OCC"), subject to (a) the restrictions, limitations, and requirements applicable to such powers and authorities of national banks, and (b) the authority of the division to adopt and promulgate rules for banks, which, consistent with Title 30A RCW, vary from the precise powers and authorities of national banks.

(5) The director of banks finds and determines that, pursuant to RCW 32.08.157, a mutual or stock savings bank under Title 32 RCW may be permitted to engage in derivative transactions on or after January 21, 2013, the same as for a bank under Title 30A RCW, provided it subjects itself to all of the restrictions, limitations, and requirements for exercise of any powers and authorities under RCW ((~~30.04.111~~) 30A.04.111 as set forth in this chapter respecting loans and extensions of credit applicable to banks under Title 30A RCW.

(6) There are certain standards of safety and soundness embodied in definitions of terms and other provisions used in RCW ((~~30.04.111~~) 30A.04.111, including, without limitation, the term "capital and surplus," which have heretofore been inconsistent with the standards for computation of lending limits for national banks under the National Bank Act and the OCC rules. Pursuant to RCW ((~~30.04.215~~) 30A.04.215

(3) and (5), the director of banks finds and determines that it both serves the convenience and advantage of depositors, borrowers, and the general public, and further maintains the fairness of competition and parity between Washington state-chartered banks and national banks, if the division adopts, for purposes of RCW ((30.04.111)) 30A.04.111, the same definition of "capital and surplus" as permitted for national banks, while maintaining the higher general lending limit of twenty percent of "capital and surplus" for banks under Title 30A RCW than exists for national banks under the OCC rules. In addition, the director of banks finds and determines that changes in other definitions of terms and technical provisions, as set forth in this chapter, serve the convenience and advantage of depositors, borrowers, and the general public, and further maintain the fairness of competition and parity between Washington state-chartered banks and national banks.

(7) Since RCW ((30.04.111)) 30A.04.111 does not define "loans and extensions of credit" and the words "extensions of credit" are not specified, the director of banks herein exercises the director of bank's broad administrative authority under RCW ((30.04.030)) 30A.04.030 and looks to applicable federal banking law and regulation for clarification of the term "extensions of credit," in keeping with well-settled principles of statutory construction. Accordingly, in promulgating and adopting the definition of "loans and extensions of credit" set forth in this chapter, the director of banks is herein guided by the restrictions on insider lending set forth in Federal Reserve Board Regulation O, at 12 C.F.R. Sec. 215.3, to the extent that (a) "extension of credit" has been therein broadly defined by the Federal Reserve Board to include "an extension of credit in any manner whatsoever" and (b) on account of Regulation O having been adopted by the Federal Reserve Board based on comparable principles of safety and soundness in regard to banks.

(8) The director of banks finds and determines that certain powers and authorities of an out-of-state state-chartered bank with a branch or branches in Washington state, which affect the operations of banking and delivery of financial services in Washington state, and which provide certain exceptions to the general lending limit in emergency circumstances, ought to and will be deemed to be exceptions to the general lending limit under RCW ((30.04.111)) 30A.04.111, subject to the conditions set forth in this chapter.

(9) These rules and regulations are intended to:

(a) Prevent one person, or a relatively small group of persons who directly benefit from each other or who are engaged in a common enterprise, from borrowing or otherwise obtaining an unduly large amount of a bank's funds or other extension of credit;

(b) Safeguard a bank's depositors by establishing and maintaining standards that promote spreading of a bank's loans and extensions of credit among a relatively large number of persons engaged in different lines of business; and

(c) Prescribe standards of safety and soundness with respect to the credit exposure of a bank to its investment in derivative transactions, and to the extent required by the board of governors of the Federal Reserve System and the Federal Deposit Insurance Corporation for state member banks and state insured banks, respectively, to the credit

exposure of a bank to its investment in repurchase agreements, reverse repurchase agreements, securities lending transactions, or securities borrowing transactions.

(10) These rules include, without limitation, provisions for:

(a) Defining or further defining or clarifying terms used in RCW ((30.04.111)) 30A.04.111;

(b) Establishing limits or requirements other than those specified in RCW ((30.04.111)) 30A.04.111 for particular classes or categories of loans and extensions of credit;

(c) Determining when a loan or extension of credit putatively made to a person shall, for purposes of this section, be attributed to another person;

(d) Setting standards for computation of time in relation to determining limits on loans and extensions of credit; and

(e) Implementing and incorporating other changes in limits on loans and extensions of credit necessary to conform to federal statute and rule required or otherwise authorized by RCW ((30.04.111)) 30A.04.111.

AMENDATORY SECTION (Amending WSR 13-03-037, filed 1/8/13, effective 2/8/13)

WAC 208-512A-005 "Loans and extensions of credit" and "contractual commitment to advance funds"—Defined. (1) "Loan or extension of credit" generally includes:

(a) Any direct or indirect advance of funds to a person made on a basis of any obligation of that person to repay the funds, or repayable from specific property pledged by or on behalf of a person;

(b) Any credit exposure of a bank arising from a derivative transaction or a securities financing transaction, but only to the extent that a securities financing transaction is required, by the Federal Reserve Board or the FDIC, with respect to state member banks and state insured banks, respectively, to be treated as a loan or extension of credit for purposes of RCW ((30.04.111)) 30A.04.111 and this chapter; and

(c) Any contractual commitment to advance funds, and includes a renewal, modification, or extension of the maturity date of a loan or extension of credit.

(2) Notwithstanding any other provision of this section, a "loan or extension of credit" excludes the following:

(a) Special exceptions, conditions and limitations to the general lending limit to the extent set forth in WAC 208-512A-020 through 208-512A-090, inclusive;

(b) A renewal, extension or restructuring of an existing loan, with interest paid current and no further advance of funds, by a bank under the direction and control of a conservator appointed by the director;

(c) A renewal or restructuring of a loan as a new loan or extension of credit, following the exercise by a bank of reasonable efforts, consistent with safe and sound banking practices, to bring the loan into conformance with the lending limit, unless new funds are advanced by the bank to the borrower (except as permitted by WAC 208-512A-015), or a new borrower replaces the original borrower, or unless the division determines that a renewal or restructuring was undertaken as a means to evade the bank's lending limit;

(d) Additional funds advanced for the benefit of a borrower by a bank for payment of taxes, insurance, utilities, security, and maintenance and operating expenses necessary to preserve the value of real property securing the loan, consistent with safe and sound banking practices, but only if the advance is for the protection of the bank's interest in the collateral, and provided that such amounts must be treated as an extension of credit if a new loan or extension of credit is made to the borrower;

(e) Accrued and discounted interest on an existing loan or extension of credit, including interest that has been capitalized from prior notes and interest that has been advanced under terms and conditions of a loan agreement;

(f) Financed sales of a bank's own assets, including other real estate owned, if the financing does not put the bank in a worse position than when the bank held title to the assets;

(g) Amounts paid against uncollected funds in the normal process of collection;

(h) Credit exposures arising from securities financing transactions in which the securities financed are Type I securities, or securities listed in section 5 (c)(1)(C), (D), (E), and (F) of the Home Owners Loan Act and general obligations of a state or subdivision as listed in section 5 (c)(1)(H) of the Home Owners Loan Act, at 12 U.S.C. Sec. 1464 (c)(1)(C), (D), (E), (F), and (H);

(i) Intraday credit exposures arising from a derivative transaction or securities financing transaction; and

(j) That portion of a loan or extension of credit sold as a participation by a bank on a nonrecourse basis, provided that the participation results in a pro rata sharing of credit risk proportionate to the respective interests of the originating and participating lenders. Where a participation agreement provides that repayment must be applied first to the portions sold, a pro rata sharing will be deemed to exist only if the agreement also provides that, in the event of a default or comparable event defined in the agreement, participants must share in all subsequent repayments and collections in proportion to their percentage participation at the time of the occurrence of the event. When an originating bank funds the entire loan, it must receive funding from the participants before the close of business of its next business day. If the participating portions are not received within that period, then the portions funded will be treated as a loan by the originating bank to the borrower. If the portions so attributed to the borrower exceed the originating bank's lending limit, the loan may be treated as nonconforming subject to WAC 208-512A-012, rather than a violation, if:

(i) The originating bank had a valid and unconditional participation agreement with a participant or participants that was sufficient to reduce the loan to within the originating bank's lending limit;

(ii) The participant reconfirmed its participation and the originating bank had no knowledge of any information that would permit the participant to withhold its participation; and

(iii) The participation was to be funded by close of business of the originating bank's next business day.

As used in this chapter and to the extent used in RCW ((30-04.111)) 30A.04.111, the term "loans and extensions of credit," unless otherwise indicated, shall have the meaning set forth in this section. As used in RCW ((30-04.111))

30A.04.111 and this chapter, the terms "loan," "loans," "extension of credit," "extensions of credit," and "loan or extension of credit" refer, as applicable, to the singular or plural of "loans and extensions of credit."

(3) "**Contractual commitment to advance funds**" generally means a bank's obligation to advance funds under a legally binding contractual commitment to make a loan or extension of credit.

(a) For purposes of this chapter and calculation of the general lending limit, "contractual commitment to advance funds" includes:

(i) A bank's obligation to make payment (directly or indirectly) to a third person contingent upon default by a customer of the bank in performing an obligation and to make such payment in keeping with the agreed upon terms of the customer's contract with the third person, or to make payments upon some other stated condition;

(ii) A bank's obligation to guarantee or act as surety for the benefit of a person; and

(iii) A bank's obligation to advance funds under a standby letter of credit, a put, or other similar arrangement.

(b) For purposes of this chapter and calculation of the general lending limit, "contractual commitment to advance funds" does not include:

(i) The undisbursed portion of any loan or extension of credit;

(ii) The entire amount of any such commitment that has not yet been drawn upon; and

(iii) Letters of credit and similar instrument:

(A) Which do not guarantee payment;

(B) Which do not provide for payment in the event of a default of a third party; and

(C) In which the issuing bank expects the beneficiary to draw on the issuer.

AMENDATORY SECTION (Amending WSR 13-03-037, filed 1/8/13, effective 2/8/13)

WAC 208-512A-007 Other general chapter definitions. As used in this chapter and to the extent used in RCW ((30-04.111)) 30A.04.111, the following additional terms, unless otherwise indicated, mean:

(1) "**ALLL**" means a bank's allowance for loan and lease losses.

(2) "**Bank**" includes a commercial bank chartered and regulated under Title 30A RCW and, to the extent applicable to this chapter pursuant to WAC 208-512A-009, a mutual or stock savings bank chartered and regulated under Title 32 RCW.

(3) "**Borrower**" means:

(a) A person who is named as a borrower or debtor in a loan or extension of credit;

(b) A person to whom a bank has credit exposure arising from a derivative transaction or a securities financing transaction, entered by the bank; or

(c) Any other person, including a drawer, endorser, or guarantor, who is deemed to be a borrower under the "direct benefit" or the "common enterprise" tests set forth in WAC 208-512A-100.

(4) **"Call report"** means a bank's Consolidated Report of Condition and Income.

(5) **"Capital and surplus"** means:

(a) A bank's Tier 1 and Tier 2 capital as reported in a bank's call report; plus

(b) The balance of a bank's ALLL not included in the bank's Tier 2 capital as reported in the bank's call report.

(6) **"Close of business"** means the time at which a bank closes its accounting records for the business day.

(7) **"Control"** is presumed to exist when a person directly or indirectly, or acting through or together with one or more persons:

(a) Owns, controls, or has the power to vote twenty-five percent or more of any class of voting securities of another person;

(b) Controls, in any manner, the election of a majority of the directors, trustees, or other persons exercising similar functions of another person; or

(c) Has the power to exercise a controlling influence over the management or policies of another person.

(8) **"Credit derivative"** has the same meaning as this term has in 12 C.F.R. Part 3, Appendix C, section 2.

(9) **"Current market value"** means the bid or closing price listed for an item in a regularly published listing or an electronic reporting service.

(10) **"Derivative transaction"** includes any transaction that is a contract, agreement, swap, warrant, note, or option that is based, in whole or in part, on the value of, any interest in, or any quantitative measure or the occurrence of any event relating to, one or more commodities, securities, currencies, interest or other rates, indices, or other assets.

(11) **"Director of banks"** means the director of the division of banks of the department of financial institutions.

(12) **"Division"** means the division of banks of the department of financial institutions.

(13) **"Effective margining arrangement"** means a master legal agreement governing derivative transactions between a bank and a counterparty that requires the counterparty to post, on a daily basis, variation margin to fully collateralize that amount of the bank's net credit exposure to the counterparty created by the derivative transactions covered by the agreement, subject to any monetary threshold requirements as prudently determined by the bank and its counterparty as contained in the master legal agreement.

(14) **"Eligible credit derivative"** means a single-name credit derivative or a standard, nontranching index credit derivative provided that:

(a) The derivative contract meets the requirements of an eligible guarantee, as defined in 12 C.F.R. Part 3, Appendix C, and has been confirmed by the protection purchaser and the protection provider;

(b) Any assignment of the derivative contract has been confirmed by all relevant parties;

(c) If the credit derivative is a credit default swap, the derivative contract includes the following credit events:

(i) Failure to pay any amount due under the terms of the reference exposure, subject to any applicable minimal payment threshold that is consistent with standard market practice and with a grace period that is closely in line with the grace period of the reference exposure; and

(ii) Bankruptcy, insolvency, or inability of the obligor on the reference exposure to pay its debts, or its failure or admission in writing of its inability generally to pay its debts as they become due and similar events;

(d) The terms and conditions dictating the manner in which the derivative contract is to be settled are incorporated into the contract;

(e) If the derivative contract allows for cash settlement, the contract incorporates a robust valuation process to estimate loss with respect to the derivative reliably and specifies a reasonable period for obtaining post-credit event valuations of the reference exposure;

(f) If the derivative contract requires the protection purchaser to transfer an exposure to the protection provider at settlement, the terms of at least one of the exposures that is permitted to be transferred under the contract provides that any required consent to transfer may not be unreasonably withheld; and

(g) If the credit derivative is a credit default swap, the derivative contract clearly identifies the parties responsible for determining whether a credit event has occurred, specifies that this determination is not the sole responsibility of the protection provider, and gives the protection purchaser the right to notify the protection provider of the occurrence of a credit event.

(15) **"Eligible guarantee"** means a guarantee that:

(a) Is written and unconditional;

(b) Covers all or a pro rata portion of all contractual payments of the obligor on the reference exposure;

(c) Gives the beneficiary a direct claim against the protection provider;

(d) Is not unilaterally cancelable by the protection provider for reasons other than the breach of the contract by the beneficiary;

(e) Is legally enforceable against the protection provider in a jurisdiction where the protection provider has sufficient assets against which a judgment may be attached and enforced;

(f) Requires the protection provider to make payment to the beneficiary on the occurrence of a default (as defined in the guarantee) of the obligor on the reference exposure in a timely manner without the beneficiary first having to take legal actions to pursue the obligor for payment;

(g) Does not increase the beneficiary's cost of credit protection on the guarantee in response to deterioration in the credit quality of the reference exposure; and

(h) Is not provided by an affiliate of the bank, unless the affiliate is an insured depository institution, bank, securities broker or dealer, or insurance company that:

(i) Does not control the bank; and

(ii) Is subject to consolidated supervision and regulation comparable to that imposed on U.S. depository institutions, securities broker-dealers, or insurance companies (as the case may be).

(16) **"Eligible protection provider"** means:

(a) A sovereign entity (a central government, including the U.S. government, an agency, department, ministry, or central bank);

(b) The Bank for International Settlements, the International Monetary Fund, the European Central Bank, the European Commission, or a multilateral development bank;

(c) A federal home loan bank;

(d) The Federal Agricultural Mortgage Corporation;

(e) A depository institution, as defined in section 3 of the Federal Deposit Insurance Act, 12 U.S.C. 1813(c);

(f) A bank holding company, as defined in section 2 of the Bank Holding Company Act, as amended, 12 U.S.C. 1841;

(g) A savings and loan holding company, as defined in section 10 of the Home Owners' Loan Act, at 12 U.S.C. 1467a;

(h) A securities broker or dealer registered with the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, 15 U.S.C. 78o et seq.;

(i) An insurance company that is subject to the supervision of the Washington state office of insurance commissioner;

(j) A foreign banking organization;

(k) A non-U.S.-based securities firm or a non-U.S.-based insurance company that is subject to consolidated supervision and regulation comparable to that imposed on U.S. depository institutions, securities broker-dealers, or insurance companies; and

(l) A qualifying central counterparty.

(17) "**FDIC**" means the Federal Deposit Insurance Corporation.

(18) "**Federal Reserve Board**" means the board of governors of the Federal Reserve System.

(19) "**Financial instrument**" means stocks, notes, bonds, and debentures traded on a national securities exchange, over-the-counter (OTC) margin stocks as defined in Regulation U, 12 C.F.R. Part 221, commercial paper, negotiable certificates of deposit, bankers' acceptances, and shares in money market and mutual funds of the type that issue shares in which banks may perfect a security interest. Financial instruments may be denominated in foreign currencies that are freely convertible to U.S. dollars. The term "financial instrument" does not include mortgages.

(20) "**OCC**" means the Office of the Comptroller of the Currency.

(21) "**Person**" means: An individual; sole proprietorship; partnership; joint venture; association; trust; estate; business trust; corporation; limited liability company; limited liability partnership; not-for-profit corporation; sovereign government or agency, instrumentality, or political subdivision thereof; or any similar entity or organization.

(22) "**Qualifying central counterparty**" has the same meaning as this term has in 12 C.F.R. Part 3, Appendix C, section 2.

(23) "**Qualifying master netting agreement**" has the same meaning as this term has in 12 C.F.R. Part 3, Appendix C, section 2.

(24) "**Readily marketable collateral**" means financial instruments and bullion which are saleable under ordinary circumstances with reasonable promptness at a fair market value determined by daily quotations based on actual transactions on an auction or a similarly available daily bid and ask price market.

(25) "**Readily marketable staple**" means an article of commerce, agriculture, or industry, such as wheat and other grains, cotton, wool, and basic metals such as tin, copper and lead, in the form of standardized interchangeable units, that is easy to sell in a market with sufficiently frequent price quotations. An article comes within this definition if the exact price is easy to determine and the staple itself is easy to sell at any time at a price that would not be considerably less than the amount at which it is valued as collateral. Whether an article qualifies as a readily marketable staple is determined on the basis of the conditions existing at the time the loan or extension of credit that is secured by the staples is made.

(26) "**Securities financing transaction**" means a repurchase agreement, reverse repurchase agreement, securities lending transaction, or securities borrowing transaction.

(27) "**State insured bank**" denotes a bank, as defined in this chapter, which is an "insured depository institution" as defined in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. Sec. 1813(c)).

(28) "**State member bank**" denotes a bank, as defined in this chapter, which is a member of a federal reserve bank as authorized under section 9 of the Federal Reserve Act (12 U.S.C. Sec. 321) and, for purposes of this chapter, has the same meaning as that term is defined in section 3(d) of the Federal Deposit Insurance Act (12 U.S.C. Sec. 1813(d)).

(29) "**Subsidiary**" means:

(a) Any company twenty-five percent or more of whose voting shares (excluding shares owned by the United States or by any company wholly owned by the United States) is directly or indirectly owned or controlled by such person, or is held by it with power to vote;

(b) Any company the election of a majority of whose directors is controlled in any manner by such person; or

(c) Any company with respect to the management or policies of which such person has power, directly or indirectly, to exercise a controlling influence, as determined by the division, after notice and opportunity for hearing.

(30) "**Type I securities**" has the same meaning as set forth in 12 C.F.R. Sec. 1.2(j) and includes:

(a) Obligations of the United States;

(b) Obligations issued, insured, or guaranteed by a department or an agency of the United States government, if the obligation, insurance, or guarantee commits the full faith and credit of the United States for the repayment of the obligation;

(c) Obligations issued by a department or agency of the United States, or an agency or political subdivision of a state of the United States, that represent an interest in a loan or a pool of loans made to third parties, if the full faith and credit of the United States has been validly pledged for the full and timely payment of interest on, and principal of, the loans in the event of nonpayment by the third-party obligor(s);

(d) General obligations of a state of the United States or any political subdivision thereof; and

(e) Municipal bonds if the bank is well capitalized as defined as that term is used in the Federal Deposit Insurance Act, 12 U.S.C. Sec. 1831o (b)(1).

AMENDATORY SECTION (Amending WSR 13-03-037, filed 1/8/13, effective 2/8/13)

WAC 208-512A-009 Applicability of chapter. This chapter is applicable, notwithstanding any other provision thereof, only to:

- (1) A commercial bank under Title 30A RCW;
- (2) A mutual or stock savings bank under Title 32 RCW, which, on January 21, 2013, or thereafter, invests in derivative transactions;
- (3) A mutual or stock savings bank under Title 32 RCW, which, on January 21, 2013, or thereafter, invests in securities financing transactions, if:
 - (a) The mutual or stock savings bank is a state member bank and the Federal Reserve Board has determined that loans and extensions of credit apply to securities financing transactions; or
 - (b) The FDIC has determined that loans and extensions of credit apply to securities financing transactions in relation to state-chartered banks and savings banks; and
- (4) A mutual or stock savings bank under Title 32 RCW that has notified the division, as of January 21, 2013, or thereafter, that it has elected to be regulated by and comply with this chapter, even if it does not invest in derivative transactions or securities financing transactions.

AMENDATORY SECTION (Amending WSR 13-03-037, filed 1/8/13, effective 2/8/13)

WAC 208-512A-014 Exception to general limitation—Extenuating facts and circumstances—Standards for division determination—Director of banks' discretion. (1) Notwithstanding any provision of this chapter to the contrary, the director of banks, in his or her discretion, may grant an exception to the limit on loans and extensions of credit based on extenuating facts and circumstances.

(2) In deciding whether to grant an exception under this section, the director of banks shall consider:

- (a) The proposed transaction for which the exception is sought;
- (b) How the requested exception would affect the capital adequacy and safety and soundness of the requesting bank if the exception is not granted or, if the exception is granted, if the proposed borrower should ultimately default;
- (c) How the requested exception would affect the loan portfolio diversification of the requesting bank;
- (d) The competency of the bank's management to handle the proposed transaction and any resulting safety and soundness issues;
- (e) The marketability and value of the proposed collateral (if any); and
- (f) The extenuating facts and circumstances that warrant an exception in light of the purpose of the limit on loans and extensions of credit set forth in RCW ((30.04.111)) 30A.04.111 and this chapter.

AMENDATORY SECTION (Amending WSR 13-03-037, filed 1/8/13, effective 2/8/13)

WAC 208-512A-080 Special rule—Sale of bank's assets—Unpaid portion of purchase price. The unpaid por-

tion of the purchase price of a sale of a bank's asset or assets, if secured by such asset or assets, shall be excluded from the calculation of the general lending limit set forth in WAC 208-512A-010, subject to the following terms and conditions:

(1) Any sale of a bank's asset or assets, resulting in an unpaid purchase price exceeding the bank's lending limit must be approved in advance of the sale by the board of directors, including the terms of payment of such unpaid purchase price, and if the purchase is by a director, officer or employee of the bank, shall conform to RCW ((30.12.050)) 30A.12.060 and the Federal Reserve Board's Regulation O, at 12 C.F.R. Sec. 215.3.

(2) The bank must ensure that a security interest has been perfected in the collateral, including execution and recording or filing of documents and any other action required by state law.

AMENDATORY SECTION (Amending WSR 13-03-037, filed 1/8/13, effective 2/8/13)

WAC 208-512A-200 Computation of time—Calculation date of lending limits. (1) For purposes of determining compliance with RCW ((30.04.111)) 30A.04.111 and this chapter, a bank shall determine its lending limit as of the most recent of the following dates:

- (a) The last day of the preceding calendar quarter; or
 - (b) The date on which there is a change in the bank's capital category for purposes of the Federal Deposit Insurance Act, at 12 U.S.C. 1831o (b)(1).
- (2) A bank's lending limit calculated in accordance with subsection (1)(a) of this section will be effective as of the earlier of the following dates:
- (a) The date on which the bank's call report is submitted; or
 - (b) The date on which the bank's call report is required to be submitted.
- (3) A bank's lending limit calculated in accordance with subsection (1)(b) of this section will be effective on the date that the limit is to be calculated.
- (4) If the division determines for safety and soundness reasons that a bank should calculate its lending limit more frequently than required by subsection (1) of this section, the division may provide written notice to the bank directing it to calculate its lending limit at a more frequent interval, and the bank shall thereafter calculate its lending limit at that interval until further notice.

AMENDATORY SECTION (Amending WSR 13-03-037, filed 1/8/13, effective 2/8/13)

WAC 208-512A-300 Credit exposure arising from derivative transactions. (1) This section sets forth the rules for calculating the credit exposure arising from a derivative transaction entered into by a bank for purposes of determining the bank's lending limit pursuant to RCW ((30.04.111)) 30A.04.111 and this chapter.

(2) Subject to the direction of the division, a bank shall calculate the credit exposure to a counterparty arising from a derivative transaction by means of:

- (a) The internal model method;
- (b) The conversion factor matrix method; ((~~or~~))

- (c) The remaining maturity method; or
- (d) The current exposure method.

(3) Except as otherwise required by the division, a bank shall use the same method for calculating counterparty credit exposure arising from all of its derivative transactions.

(4) The division may require a bank to use the internal model method, the conversion factor matrix method, or the remaining maturity method to calculate the credit exposure of derivative transactions if it finds that such method is necessary to promote the safety and soundness of the bank.

(5) The requirements for using the internal model method are as follows:

(a) The credit exposure of a derivative transaction under the internal model method shall equal the sum of the current credit exposure of the derivative transaction and the potential future credit exposure of the derivative transaction.

(b) A bank shall determine its current credit exposure by the mark-to-market value of the derivative contract. If the mark-to-market value is positive, then the current credit exposure equals that mark-to-market value. If the mark-to-market value is zero or negative, then the current credit exposure is zero.

(c) A bank may not use the internal model method in its calculation of potential credit exposure to a derivative transaction unless the bank obtains prior approval of the division or unless it is already using the internal model method, as of January 21, 2013, and the division thereafter determines that the bank's internal model method is safe and sound and that bank's management is competent to administer its derivative investment program using such internal model method.

(d) A bank that calculates its credit exposure by using the internal model method may net credit exposures of derivative transactions arising under the same qualifying master netting agreement.

(6) The credit exposure arising from a derivative transaction under the conversion factor matrix method shall equal and remain fixed at the potential future credit exposure of the derivative transaction as determined at the execution of the transaction by reference to Table 1 below.

Table 1 - Conversion Factor Matrix for Calculating Potential Future Credit Exposure¹

Original Maturity ²	Interest Rate	Foreign Exchange Rate and Gold	Equity	Other ³ (includes commodities and precious metals except gold)
1 year or less	0.015	0.015	0.20	0.06
Over 1 to 3 years	0.030	0.030	0.20	0.18
Over 3 to 5 years	0.060	0.060	0.20	0.30
Over 5 to 10 years	0.120	0.120	0.20	0.60
Over ten years	0.300	0.300	0.20	1.00

¹ For an OTC derivative contract with multiple exchanges of principal, the conversion factor is multiplied by the number of remaining payments in the derivative contract.

² For an OTC derivative contract that is structured such that on specified dates any outstanding exposure is settled and the terms are reset so that the market value of the contract is zero, the remaining maturity equals the time until the next reset date. For an interest rate derivative contract with a remaining maturity of greater than one year that meets these criteria, the minimum conversion factor is 0.005.

³ Transactions not explicitly covered by any other column in Table 1 are to be treated as "Other."

(7) The credit exposure arising from a derivative transaction under the remaining maturity method shall equal the greater of zero or the sum of the current mark-to-market value of the derivative transaction added to the product of the notional amount of the transaction, the remaining maturity in years of the transaction, and a fixed multiplicative factor determined by reference to Table 2 below.

Table 2 - Remaining Maturity Factor for Calculating Credit Exposure

	Interest Rate	Foreign Exchange Rate and Gold	Equity	Other ¹ (includes commodities and precious metals except gold)
Multiplicative Factor	1.5%	1.5%	6%	6%

¹ Transactions not explicitly covered by any other column in Table 2 are to be treated as "Other."

(8) The credit exposure arising from a derivative transaction under the current exposure method shall be calculated pursuant to the Office of the Comptroller of the Currency regulations, 12 C.F.R. Part 32, at Sec. 9 (b)(iii).

(9) Notwithstanding any other provision of this section, a bank that uses the conversion factor matrix method or remaining maturity method, or that uses the internal model method without entering an effective margining arrangement, shall calculate the counterparty credit exposure arising from credit derivatives entered by the bank by adding the net notional value of all protection purchased from the counterparty on each reference entity.

~~((9))~~ (10) A bank shall calculate the credit exposure to a reference entity arising from credit derivatives entered by the bank by adding the notional value of all protection sold on the reference entity. However, the bank may reduce its exposure to a reference entity by the amount of any eligible credit derivative purchased on that reference entity from an eligible protection provider.

AMENDATORY SECTION (Amending WSR 13-03-037, filed 1/8/13, effective 2/8/13)

WAC 208-512A-320 Policies and procedures related to derivative transactions, etc. To fulfill the requirements of section 611 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, codified as section 18(y) of the Federal Deposit Insurance Act, 12 U.S.C. Sec. 1828(y), and the requirements (if any) of the FDIC and the Federal Reserve Board in relation to securities financing transactions by state insured banks and state member banks, respectively, the division may publish and implement policies and procedures, consistent with RCW ((30-04-111)) 30A.04.111 and this

chapter, related to examination for and supervision and enforcement of WAC 208-512A-300 and 208-512A-310.

AMENDATORY SECTION (Amending WSR 13-03-037, filed 1/8/13, effective 2/8/13)

WAC 208-512A-400 Effect of OCC rules, interpretations and opinions as guidance. Where RCW ((~~30.04.111~~) 30A.04.111) and this chapter do not specifically address certain transactions involving loans and extensions of credit, the division may, as necessary, in its interpretations and supervision and enforcement of banks, be guided by applicable rules, interpretations, and opinions of the Office of the Comptroller of the Currency in the interest of a bank's safety and soundness, but only to the extent that such rules, interpretations, and opinions are compatible with the provisions of RCW ((~~30.04.111~~) 30A.04.111) and this chapter.

AMENDATORY SECTION (Amending WSR 13-03-037, filed 1/8/13, effective 2/8/13)

WAC 208-512A-500 Loans and extensions of credit to insiders and their immediate family. No provision of Titles 30A and 32 RCW, chapter 208-512 WAC, or this chapter, shall limit the duty of a bank or a bank's affiliate, independent of any requirements of this chapter, to also comply with the provisions of Federal Reserve Board Regulation O, 12 C.F.R. Part 215, which relates to loans and extensions of credit to insiders of a bank or bank affiliate and their immediate family.

AMENDATORY SECTION (Amending WSR 13-03-037, filed 1/8/13, effective 2/8/13)

WAC 208-512A-600 Transitional rules. (1) Loans or extensions of credit that were in violation of RCW ((~~30.04.111~~) 30A.04.111) and the former lending limits rules prior to January 21, 2013, will be considered to remain in violation of law until they are paid in full, regardless of whether the loans or extensions of credit conform to the rules established in this chapter. Renewals or extensions of such loans or extensions of credit will also be considered violations of law.

(2) A bank that has outstanding loans or extensions of credit to a person in violation of RCW ((~~30.04.111~~) 30A.04.111) and the former lending limits rules as of January 21, 2013, may make additional advances to such person after those dates if the additional advances are permitted under this chapter. The additional advances, however, may not be used directly or indirectly to repay any outstanding illegal loans or extensions of credit.

(3) Loans or extensions of credit which were in conformance with RCW ((~~30.04.111~~) 30A.04.111) and the former lending limits rules prior to January 21, 2013, but are not in conformance with this chapter will not be considered to be violations of law during the existing contract terms of such loans or extensions of credit. Renewals or extensions of such loans or extensions of credit which are not in conformance with this chapter may be made on or after January 21, 2013, if the nonconformity is caused by WAC 208-512A-005 (1)(b) and 208-512A-300; however, all loans or extensions of credit

made under such renewals or extensions must conform with this chapter no later than June 1, 2013. Loans or extensions of credit which are not in conformance with this chapter for any other reason (i.e., a reduction in the bank's capital) must conform to this section upon renewal or extension.

(4) If a bank, prior to January 21, 2013, entered into a legally binding commitment to advance funds on or after such date, and such commitment was in conformance with RCW ((~~30.04.111~~) 30A.04.111) and the former lending limits rules, advances under such commitment may be made notwithstanding the fact that such advances are not in conformance with this chapter. The bank must, however, demonstrate that the commitment represents a legal obligation to fund, either by a written agreement or through file documentation.

(5) As used in this section, "former lending limits rules" means WAC 208-512-210 through 208-512-300, inclusive.

(6) Notwithstanding any other provision of this chapter, a savings bank under Title 32 RCW will not be considered to be in violation of law during the existing contract terms of any loan or extension of credit, which:

(a) In the case of a savings bank under WAC 208-512A-009 (2) or (3), was made and funded prior to June 1, 2013; or

(b) In the case of a savings bank under WAC 208-512A-009(4) but not subject to WAC 208-512A-009 (2) or (3), was made and funded prior to a date, earlier than June 1, 2013, upon which the savings bank gave notice to the division of its election to conform to the provisions of this chapter pursuant to WAC 208-512A-009(4).

(7) Notwithstanding any other provision of this chapter, a renewal or extension of such a loan or extension of credit by a savings bank under subsection (6)(a) and (b) of this section, which is not in conformance with this chapter, may be made if the nonconformity is caused by WAC 208-512A-005 (1)(b) and 208-512A-300; however, any loan or extension of credit made under such renewals or extensions must conform with this chapter no later than December 31, 2013. However, a loan or extension of credit by such a savings bank which is not in conformance with this chapter for any other reason (i.e., a reduction in the bank's capital) must conform to this section upon renewal or extension.

(8) A bank will not be deemed to be in violation of law, including this chapter, if:

(a) It is engaged in derivative transactions prior to January 21, 2013;

(b) Uses an internal model method in connection with any part of its derivative transaction program;

(c) It is later determined by the division that the bank's specific internal model method is unsafe and unsound or that the bank's management is not competent to administer its derivative transaction program using such specific internal model method; and

(d) The director of banks does not find that the bank has shown a lack of good faith in its use of a specific internal model method.

(9) In the event of a determination pursuant to subsection (8) of this section, the division will treat the bank's derivative transactions program as "nonconforming" rather than a violation of law. In that event, the director of banks may issue a directive to the bank to exercise reasonable efforts to either

bring its derivative transactions program into compliance or, if the director of banks so finds in exceptional cases, unwind its derivative transactions program.

WSR 17-24-060
PERMANENT RULES
DEPARTMENT OF COMMERCE

[Filed December 4, 2017, 8:39 a.m., effective January 4, 2018]

Effective Date of Rule: Thirty-one days after filing.

Other Findings Required by Other Provisions of Law as Precondition to Adoption or Effectiveness of Rule: EHB 1595 (chapter 304, Laws of 2017) establishes new requirements for state agencies wishing to charge fees to recover the cost of providing public records. Section 3 (2)(b) specifies that an agency need not calculate actual costs for providing records if it has rules or regulations declaring the reasons that doing so would be unduly burdensome. Commerce finds that its records are diverse in nature and are preserved in a wide variety of formats. Thus, it would require significant time and resources to compile actual costs of providing records. The needed resources to do a cost study are not currently available and, therefore, commerce finds that it would be unduly burdensome to calculate the actual costs of copying public records. Commerce intends to adopt the default cost schedule established by EHB 1595.

Purpose: This rule making is needed to update commerce's WAC implementing the Public Records Act to reflect changes to the act in the 2017 legislative session, including to make permanent an emergency rule filed by commerce on July 20, 2017, at WSR 17-16-009.

Citation of Rules Affected by this Order: Amending WAC 365-10-050, 365-10-060, 365-10-090, 365-10-100, and 365-10-120.

Statutory Authority for Adoption: Chapters 42.56 and 43.330 RCW.

Adopted under notice filed as WSR 17-19-037 on September 11, 2017.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 5, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: November 30, 2017.

Brian Bonlender
Director

AMENDATORY SECTION (Amending WSR 17-13-124, filed 6/21/17, effective 7/22/17)

WAC 365-10-050 Request for public records. (1) Any person wishing to inspect or copy public records of the department may submit the request in writing to the department, attn. Public Disclosure Officer or via email at publicdisclosure@commerce.wa.gov. The department's current mailing address can be found in WAC 365-04-030. The request should include the following information:

- (a) Name of requestor;
- (b) Address of requestor;
- (c) Other contact information, including telephone number and email address;
- (d) Identification of the public records sought adequate for the public ((records)) disclosure officer to locate the records; and
- (e) The date and time of day of the request.

(2) The public ((records)) disclosure officer may accept public records requests by telephone or in person during the department's normal business hours. However, the requesting party may be asked to submit the request in writing or the public ((records)) disclosure officer may confirm receipt of the request and restate the substance of the request in writing.

(3) Nothing in this chapter shall be construed to require the department to compile statistics or other information from material contained in public records, where doing so would unduly interfere with other essential functions of the department and is not required for litigation by rules of pretrial discovery.

(4) Requests must be for identifiable records. A request for all, or substantially all, of the department's public records is not a valid request.

AMENDATORY SECTION (Amending WSR 17-13-124, filed 6/21/17, effective 7/22/17)

WAC 365-10-060 Fees—Inspection and copying. (1) The department's records are diverse in nature and are preserved in a wide variety of formats. Thus, it would require significant time and resources to compile actual costs of providing records. The needed resources to do a cost study are not currently available and, therefore, the department finds that it would be unduly burdensome to calculate the actual costs of copying public records.

(2) The department may charge the default fees for copies of paper and electronic public records as established in RCW 42.56.120.

(3) No fee shall be charged for the inspection of public records.

((2) The charge for providing public records may be the actual cost incident to providing the records.

(a) The charge may include the actual cost of the postage or delivery, including the cost of the shipping container, cost of duplicating tape recordings, videotapes, photographs, slides, disks or similar media.

(b) There will be no charge for e-mailing electronic records to a requestor, unless another cost applies.

(3) If determining the actual cost is too burdensome or if the cost cannot be determined, the department may charge fifteen cents for each page, however produced, and the actual

postage or delivery charge and the cost of any container or envelope used to mail the public records to the requestor.)

(4) The public disclosure officer may waive fees for copies of public records when collecting the fees would not be cost effective to the department.

(5) Before beginning to copy public records, the public records officer may require:

(a) A deposit of up to ten percent of the estimated costs of copying all the records selected by the requestor;

(b) The payment of the remainder of the copying costs before providing all the records; or

(c) The payment of the costs of copying an installment before providing that installment.

(6) The department will not charge sales tax when it makes copies of public records.

~~((5))~~ (7) Payment must be made by cash in the exact amount charged, check, or money order to the department.

AMENDATORY SECTION (Amending WSR 17-13-124, filed 6/21/17, effective 7/22/17)

WAC 365-10-090 Disclosure procedure. (1) Within five business days of receipt of the public records request, the public ~~((records))~~ disclosure officer will do one or more of the following:

(a) Make the records available for inspection or copying;

(b) If copies are requested and payment of a deposit for the copies, if any, is made or terms of payment are agreed upon, send the copies to the requestor;

(c) Provide a reasonable estimate of when records will be available; or

(d) If the request is unclear or does not sufficiently identify the requested records, ~~((obtain))~~ request clarification from the requestor(-) and, to the greatest extent possible, provide a reasonable estimate of time to respond to the request. After receiving clarification from the requestor, the public ~~((records))~~ disclosure officer may then revise the estimate of when records will be available; or

(e) Deny the request.

(2) In the event that the requested records contain information that may affect rights of others and may be exempt from disclosure, the public ~~((records))~~ disclosure officer may, prior to providing the records, give notice to such others whose rights may be affected by the disclosure. Such notice should be given so as to make it possible for those other persons to contact the requestor and ask him or her to revise the request, or, if necessary, seek an order from a court to prevent or limit the disclosure pursuant to RCW 42.56.540. The notice to the affected persons will include a copy of the request.

(3) Some records are exempt from disclosure, in whole or in part. If the department believes that an entire record is exempt from disclosure and should be withheld, the public ~~((records))~~ disclosure officer will identify the record, state the specific exemption and provide a brief explanation of why the record or a portion of the record is being withheld. If only a portion of a record is exempt from disclosure, the public ~~((records))~~ disclosure officer will redact the exempt portions, provide the nonexempt portions, state the specific exemption

and provide a brief explanation of why the portions of the record are exempt from disclosure.

(4) When the requestor either withdraws the request or fails to fulfill his or her obligations to inspect the records or pay the deposit or final payment for the requested copies, the public ~~((records))~~ disclosure officer will close the request and indicate to the requestor that the department has closed the request.

(5) When a response to a public records request is complex or involves a large number of records, the public ~~((records))~~ disclosure officer may provide access for inspection and copying in installments pursuant to RCW 42.56.080.

(a) The requestor will be notified when an installment is ready for inspection. If, within thirty calendar days, the requestor fails to inspect the entire set of records or one or more of the installments, the public ~~((records))~~ disclosure officer may close the request.

(b) When the request is for copies of public records, the public ~~((records))~~ disclosure officer may require payment for each installment either prior to providing the installment or prior to providing subsequent installments. In addition, the requestor may be required to provide a deposit up to ten percent of the estimated cost of copying all records selected by the requestor. If the requestor fails to pay the required cost within thirty calendar days, the public ~~((records))~~ disclosure officer may close the request.

(6) The process for electronic public records is the same as paper public records.

(a) When a requestor requests records in an electronic format, the public disclosure officer will provide available nonexempt electronic public records or portions of such records that are reasonably locatable in an electronic format that is used by the agency and is generally commercially available, or in a format that is reasonably translatable from the format in which the agency keeps the record, or as otherwise agreed to between the requestor and the public disclosure officer.

(b) Whenever possible, the department will provide records in electronic format. If the department has only a paper copy of the record, the department, when feasible, may scan the paper record and provide the resulting electronic copy to the requestor. If the department maintains the record in electronic format, the record will be provided in the maintained electronic format unless the requestor specifically asks to receive the record in paper copies or it is otherwise not feasible to provide the record in electronic format.

(c) If a record exists on a web page, the department will respond to a request for the record by providing the link to the record on the web page.

(7) The department is not required to create a record that does not otherwise exist.

(8) If, within thirty calendar days, the requestor fails to respond to a request for clarification, and the entire request is unclear, the request will be closed. Otherwise, the public records officer will respond to those portions of the request that are clear pursuant to this section.

AMENDATORY SECTION (Amending WSR 17-13-124, filed 6/21/17, effective 7/22/17)

WAC 365-10-100 Exemptions to public records disclosure. (1) The department reserves the right to determine that a public record requested is exempt, in whole or in part, under the provisions of chapter 42.56 RCW or other applicable provision of law.

(2) In addition, there are exemptions outside the Public Records Act that restrict the availability of some documents held by the department for inspection and copying;

(3) The department is prohibited by statute from disclosing lists of individuals for commercial purposes pursuant to RCW 42.56.070(9). If a list of individuals is requested, the requestor will be required to state the purpose of the request.

AMENDATORY SECTION (Amending WSR 17-13-124, filed 6/21/17, effective 7/22/17)

WAC 365-10-120 Review of denials of public records request. (1)(a) Any person who has been denied an opportunity to inspect or copy a public record by the department, or who believes that the department has not made a reasonable estimate of the time required to respond to a public record request, or who believes the department has not made a reasonable estimate of charges to produce copies of public records, may petition the department for prompt review of its decision.

(b) The petition shall be in writing and shall include a copy of, or reasonably identify, the written statement by the public disclosure officer denying the request or providing the estimate.

(c) The petition shall be sent to the public disclosure officer who shall promptly provide the petition and any other relevant information to the department official designated by the department to conduct the review.

(2) The designated official will immediately consider the petition and either affirm or reverse the denial or the estimate. ~~((This review will be complete within two business days following the department's receipt of the petition, or within such times as mutually agreed by the department and the requestor.))~~

(3) Administrative remedies shall not be considered exhausted until the department has returned the petition with a decision or until the close of the second business day following denial of inspection, whichever occurs first.

(4) Any person may obtain court review of denials of public records requests pursuant to RCW 42.56.550 at the conclusion of two business days after the initial denial regardless of any internal administrative appeal.

to adopt fees identical to and not less than fees adopted by USDA/AMS as published in the Federal Register at Vol. 82, No. 88 under the "Fruit and Vegetable Fees" table (effective October 1, 2017), and, for the holiday and overtime fees, as published in "Patch #026 Fees for TMI" of the USDA/AMS SCI Division Inspection Series (dated September 25, 2017) intended for publication in the to-be-updated USDA General Market Manual. These changes are necessary to comply with the department's cooperative agreement with USDA/AMS for service the department provides as a "Federal-State Inspection Agency."

Citation of Rules Affected by this Order: Amending WAC 16-390-240.

Statutory Authority for Adoption: RCW 15.17.030, 15.17.140(2), 15.17.150, and 15.17.270.

Other Authority: Chapter 34.05 RCW.

Adopted under notice filed as WSR 17-20-115 on October 4, 2017.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 1, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 1, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 1, Repealed 0.

Date Adopted: December 5, 2017.

Derek I. Sandison
Director

AMENDATORY SECTION (Amending WSR 14-24-086, filed 12/1/14, effective 1/1/15)

WAC 16-390-240 USDA audit verification and terminal market inspection fees. WSDA performs audit and inspection services requested by customers under a "cooperative agreement" with the United States Department of Agriculture's Agricultural Marketing Service (USDA/AMS). Under USDA/AMS rules, WSDA provides these services as a "federal-state inspection agency." Under USDA/AMS regulations and the cooperative agreement, the fees that WSDA charges for these services must be no less than the current USDA/AMS fees for these services. The applicable current USDA/AMS fees were published in the Federal Register at Vol. 82, No. 88, on May 9, 2017, under the "Fruit and Vegetable Fees" table and, for the overtime and holiday fees, in Patch #26, dated September 25, 2017, for incorporation in the USDA/AMS "General Market Manual" at Appendix II, "Schedule of User Fees." In conformity with the cooperative agreement, WSDA adopts the same applicable fees for these services as set forth in this section.

WSR 17-24-077

PERMANENT RULES

DEPARTMENT OF AGRICULTURE

[Filed December 5, 2017, 9:43 a.m., effective January 5, 2018]

Effective Date of Rule: Thirty-one days after filing.

Purpose: The department is amending WAC 16-390-240 USDA audit verification and terminal market inspection fees,

(1) The fee for USDA audit verification services (~~is \$92.00~~) is \$108.00 per hour (~~as per the authority of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621))~~).

(2) Mileage related to audit verification services is charged at the rate established by the Washington state office of financial management at the time the service was performed.

(3) The fee for terminal market inspection services is (~~(\$74.00)~~) \$85.00 per hour, (~~(\$151.00)~~) \$191.00 per lot for a carlot equivalent of each product, and (~~(\$125.00)~~) \$159.00 per lot for one-half carlot equivalent or less of each product. The fee for each additional lot of the same product is (~~(\$69.00)~~) \$79.00. The overtime fee for terminal market inspection services is an additional (~~(\$38.00)~~) \$27.00 per hour. The fee for terminal market inspection services on a holiday is an additional (~~(\$74.00)~~) \$63.00 per hour. The mileage fee related to terminal market inspection services is \$1.32 per mile. USDA fees for lots and mileage are regulated by 7 C.F.R. 51.38 and 51.40, respectively, and are current as of (~~August 5, 2014~~) October 1, 2017.

WSR 17-24-078

PERMANENT RULES

SKAGIT VALLEY COLLEGE

[Filed December 5, 2017, 10:05 a.m., effective January 5, 2018]

Effective Date of Rule: Thirty-one days after filing.

Purpose: Skagit Valley College finds good cause that a revised rule at WAC 132D-276-090 is necessary for the following reasons. The Public Records Act is chapter 42.56 RCW. The 2017 legislature amended RCW 42.56.120, section 3, chapter 304, Laws of 2017, to require that effective July 23, 2017, if an agency uses the new law's amended statutory default copy fee schedule (rather than determining actual costs of copies), the agency must have a rule declaring the reason it is not calculating actual costs is because to do so would be unduly burdensome. The college is not calculating actual costs for copying records because to do so would be unduly burdensome.

Citation of Rules Affected by this Order: Amending WAC 132D-276-090.

Statutory Authority for Adoption: RCW 28B.50.150.

Adopted under notice filed as WSR 17-20-025 on September 26, 2017.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 1, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 1, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making:

New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: December 5, 2017.

Lisa Radeleff

Executive Assistant to the President
and Public Records Officer

AMENDATORY SECTION (Amending WSR 89-11-024, filed 5/11/89)

WAC 132D-276-090 (~~Copying~~) Charges for public records. (~~No fee shall be charged for the inspection of public records. The district may impose a reasonable charge for providing copies of public records and for the use by any person of agency equipment to copy public records; such charges shall not exceed the amount necessary to reimburse the district for its actual costs incident to such copying. No person shall be released a record so copied until and unless the person requesting the copied public record has tendered payment for such copying to the appropriate district official. All charges must be paid by money order, cashier's check, or cash in advance.~~) Calculating the actual costs of charges for providing public records is unduly burdensome because it will consume scarce college resources to conduct a study of actual costs, and it is difficult to accurately calculate all costs directly incident to copying records, including equipment and paper costs, data storage costs, electronic production costs, and staff time for copying and sending requested records. Instead of calculating the actual costs of charges for records, the college president or designee shall establish, maintain, and make available for public inspection and copying a statement of costs that the college charges for providing photocopies or electronically produced copies of public records, and such charges for records shall not exceed the maximum default charges allowed in RCW 42.56.120 (2)(b). The college may also use any other method authorized by the Public Records Act for imposing charges for public records including, but not limited to, charging a flat fee, charging a customized service charge, or charging based on a contract, memorandum of understanding, or other agreement with a requestor. The college may waive charges assessed for records when the public records officer determines collecting a fee is not cost effective.

WSR 17-24-084

PERMANENT RULES

DEPARTMENT OF HEALTH

[Filed December 5, 2017, 11:34 a.m., effective January 5, 2018]

Effective Date of Rule: Thirty-one days after filing.

Purpose: WAC 246-811-020 Sexual misconduct, the adopted rule corrects references in the chemical dependency professionals' rules to correctly reference subsections in WAC 246-16-100, regarding sexual misconduct. This rule is for clarification only and does not change the rule's effect.

Citation of Rules Affected by this Order: Amending WAC 246-811-020.

Statutory Authority for Adoption: RCW 18.130.050 and 18.205.060.

Adopted under notice filed as WSR 17-14-010 on June 22, 2017.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 1, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 1, Repealed 0.

Date Adopted: December 5, 2017.

John Wiesman, DrPH, MPH
Secretary

AMENDATORY SECTION (Amending WSR 09-14-111, filed 6/30/09, effective 7/1/09)

WAC 246-811-020 Sexual misconduct. (1) The definitions and prohibitions on sexual misconduct described in chapter 246-16 WAC apply to chemical dependency professionals and a chemical dependency professional trainee except WAC 246-16-100 ~~((3) and)~~ (4) and (5).

(2) A chemical dependency professional or a chemical dependency professional trainee shall never engage, or attempt to engage, in the activities listed in WAC 246-16-100 (1) and (2) with a former patient, former client or former key party.

WSR 17-24-089
PERMANENT RULES
SUPERINTENDENT OF
PUBLIC INSTRUCTION

[Filed December 5, 2017, 12:53 p.m., effective January 5, 2018]

Effective Date of Rule: Thirty-one days after filing.

Purpose: WAC 392-344-080 requires school districts to provide the office of superintendent of public instruction (OSPI) proof of insurance for school construction assistance program (SCAP) funded school projects under construction. The purpose of this permanent rule is to require school districts to provide OSPI evidence that they carry commercial all risk property insurance as a condition to receiving SCAP funding.

Citation of Rules Affected by this Order: Amending X [WAC 392-344-080].

Statutory Authority for Adoption: RCW 28A.525.020.

Adopted under notice filed as WSR 17-21-119 on October 18, 2017.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 1, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 1, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: December 1, 2017.

Chris P. S. Reykdal
Superintendent of
Public Instruction

AMENDATORY SECTION (Amending WSR 10-09-008, filed 4/8/10, effective 5/9/10)

WAC 392-344-080 Construction documents—Bids and contract provisions. The construction documents shall include the following bid and contract provisions:

(1) Separate or combined bids. The school district shall determine if the bids for general, mechanical, or electrical are to be separate or combined.

(2) Combination projects. For those projects which include a combination of both new construction and modernization, bid documents shall provide for separate and distinct bids for each and shall, when combined, be the low bid for the project.

(3) Ineligible items. Items ineligible for state funding assistance shall be bid separate or as an alternate.

(4) Bid law. All items included in the construction documents shall be bid in accordance with RCW 28A.335.190 and 43.19.1906.

(5) ~~((Commercial all risk property))~~ Builder's risk insurance. Provision for ~~((commercial all risk property))~~ builder's risk insurance is mandatory for all school facilities under construction. The insurance shall cover at a minimum the amount of the work in place and materials to be used in the project which is in place and on the site. A certificate of insurance shall be submitted to the superintendent of public instruction that insurance is provided for by the contractor or the school district. Only costs for builder's risk insurance provided for in the construction documents will be eligible for state funding assistance.

WSR 17-24-095
PERMANENT RULES
WASHINGTON STATE PATROL

[Filed December 5, 2017, 2:34 p.m., effective January 5, 2018]

Effective Date of Rule: Thirty-one days after filing.

Purpose: The adopted changes to WAC 448-16-040 reflect the update to RCW 46.61.506 by removing the requirement that piercings be removed prior [to] conducting a breath test. (RCW 46.61.506 specifically excludes piercings as a foreign object for the purposes of an evidential breath test effective July 23, 2017.)

Citation of Rules Affected by this Order: Amending WAC 448-16-040.

Statutory Authority for Adoption: RCW 46.61.506.

Adopted under notice filed as WSR 17-17-081 on August 16, 2017.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 1, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: December 4, 2017.

John R. Batiste
Chief

AMENDATORY SECTION (Amending WSR 16-21-025, filed 10/10/16, effective 11/10/16)

WAC 448-16-040 Foreign substances, interference, and invalid samples. (1) A determination as to whether a subject has a foreign substance in his or her mouth will be made by either an examination of the mouth or a denial by the person that he or she has any foreign substances in their mouth. A test mouthpiece is not considered a foreign substance for purposes of RCW 46.61.506.

~~(2) ((If a subject is wearing jewelry or ornamentation pierced through their tongue, lips, cheek, or other soft tissues in the oral cavity, they will be required to remove this prior to conducting the breath test. If the subject declines to remove the jewelry or ornamentation, they will be deemed to have a physical limitation rendering them incapable of providing a valid breath sample.~~

~~(3))~~ If during a breath test, interference is detected, this will invalidate the test. The subject will be required to repeat the test. A subject whose breath registers the presence of interference on two or more successive breaths shall be deemed to have a physical limitation rendering them incapable of providing a valid breath sample.

~~((4))~~ (3) In the event that the instrument records an "invalid sample" result at any point during the subject's test, that subject's test should be readministered, after again determining that the subject has no foreign substance in their mouth as outlined in WAC 448-16-040(1), and repeating the fifteen minute observation period.

WSR 17-24-103

PERMANENT RULES

HEALTH CARE AUTHORITY

[Filed December 5, 2017, 3:37 p.m., effective January 5, 2018]

Effective Date of Rule: Thirty-one days after filing.

Purpose: To comply with new federal rules in 42 C.F.R. Part 431, the agency has created new WAC 182-526-0100 to allow for expedited administrative hearings for urgent health care needs.

Citation of Rules Affected by this Order: New WAC 182-526-0100; and amending WAC 182-526-0280 and 182-526-0290.

Statutory Authority for Adoption: RCW 41.05.021, 41.05.160, 42 C.F.R. Part 431, Subpart E - Fair Hearings for Applicants and Beneficiaries.

Adopted under notice filed as WSR 17-15-044 on July 11, 2017.

Changes Other than Editing from Proposed to Adopted Version:

Proposed/ Adopted	WAC Subsection	Reason
Original WAC 182-526-0100 Expedited administrative hearings for urgent health care needs.		
Proposed	(1)(c) The applicant or recipient bears the burden of proof to establish an urgent health care need and must submit evidence or arrange for evidence to be submitted to the office of administrative hearings (OAH) with the expedited hearing request to support the need for an expedited hearing.	The agency agreed to add the last sentence by recommendation of a commenter.
Adopted	(1)(c) The applicant or recipient bears the burden of proof to establish an urgent health care need and must submit evidence or arrange for evidence to be submitted to the office of administrative hearings (OAH) with the expedited hearing request to support the need for an expedited hearing. <u>Agency staff may help an applicant or recipient who asks for assistance in obtaining information that the agency has pursuant to WAC 182-503-0120.</u>	
Proposed	(4) The ALJ must grant or deny the expedited hearing request and issue the determination within four business days of receipt of the request by OAH or as expeditiously as possible. OAH must immediately notify the parties orally and in writing of the ALJ's determination, unless notification in writing is waived by the parties. The oral and written notice must clearly state:	This change was made to clarify the language used when parties waive written notification.
Adopted	(4) The ALJ must grant or deny the expedited hearing request and issue the determination within four business days of receipt of the request by OAH or as expeditiously as possible. OAH must immediately notify the parties orally and in writing of the ALJ's determination, unless <u>the parties waive written</u> notification ((is waived by the parties)). The oral and written notice must clearly state:	
Original WAC 182-529-0290 Reinstating a hearing after an order of default or an order of dismissal.		
Proposed	(2) The petition to vacate must be filed within twenty-one calendar days of service (mailing) of the order to the parties. If the petition to vacate is not filed by the deadline, the order of default or order of dismissal becomes a final order.	The agency agreed to add the last sentence by recommendation of a commenter.
Adopted	(2) The petition to vacate must be filed within twenty-one calendar days of service (mailing) of the order to the parties. If the petition to vacate is not filed by the deadline, the order of default or order of dismissal becomes a final order <u>by operation of law.</u>	
Proposed	(3) If OAH receives a petition to vacate, OAH schedules a prehearing conference and serves all parties with a notice of a prehearing conference under WAC 182-526-0250.	This agency agreed to add this change by recommendation of a commenter.
Adopted	(3) If OAH receives a petition to vacate, <u>or if the BOA receives a petition to vacate in a nursing home rates case,</u> OAH or BOA schedules a prehearing conference and serves all parties with a notice of a prehearing conference under WAC 182-526-0250.	
Proposed	(4) If the appellant fails to appear at the scheduled prehearing conference to address the petition to vacate ((= (a)) the order becomes ((the)) a final order ((= and (b) The ALJ or review judge must dismiss the matter with prejudice).	The agency agreed to add this change by recommendation of a commenter.

<p>Adopted</p>	<p>(4) If the appellant fails to appear at the scheduled prehearing conference to address the petition to vacate: (a) The order of default or order of dismissal becomes ((the)) a final order ((and (b) The ALJ or review judge must dismiss the matter with prejudice.)) by operation of law; <u>(b) OAH, or BOA in a nursing home rates case, will issue an order disposing of the appellant's hearing request, stating that the order of default or order of dismissal became a final order by operation of law under RCW 34.05.440 (2) and (3) because the appellant failed to appear at the prehearing conference to address the petition to vacate, and including information about judicial review under WAC 182-526-0640;</u> <u>(c) The appellant may seek judicial review of the final order of default or final order of dismissal to the superior court under WAC 182-526-0640.</u></p>	
<p>Proposed</p>	<p>(5) (a) If the appellant appears for the scheduled prehearing conference: (b) The ALJ or review judge will receive evidence and argument from the parties regarding whether: (i) The petition to vacate was timely filed; and (ii) The appellant has established good cause to excuse any default and to reinstate the matter for hearing.</p>	<p>The agency agreed to add this change by recommendation of a commenter.</p>
<p>Adopted</p>	<p>(5) ((a)) If the appellant appears for the scheduled prehearing conference: ((b)) <u>(a) The ALJ or review judge will receive evidence and argument from the parties regarding whether:</u> (i) The petition to vacate was timely filed; and (ii) The appellant has established good cause to excuse any default <u>or dismissal</u> and to reinstate the matter for hearing. <u>(b) If the petition to vacate was not filed timely, the ALJ or the review judge will issue an order disposing of the appellant's hearing request, stating that the order of default or order of dismissal became a final order by operation of law under RCW 34.05.440(1) because the appellant failed to timely file the petition to vacate, and including information about judicial review under WAC 182-526-0640. The appellant may seek judicial review of the final order of default or final order of dismissal to the superior court under WAC 182-526-0640.</u> <u>(c) If the petition to vacate was timely filed, but the appellant does not establish good cause to excuse any default or dismissal, the ALJ must issue an initial order, including information about how to petition for review to the BOA, or the review judge must issue a final order dismissing the appeal.</u> <u>(d) If the petition to vacate was timely filed and the appellant establishes good cause to excuse any default or dismissal, the ALJ or review judge vacates the order of default or order of dismissal and the matter may proceed to hearing on the issues identified in the original request for hearing. The hearing may occur:</u> <u>(i) Immediately following the prehearing conference if the parties agree; or</u> <u>(ii) At a hearing date scheduled by OAH or BOA under WAC 182-526-0250 if the ALJ or review judge continues the hearing to a later date.</u></p>	
<p>Proposed</p>	<p>(6) The ALJ ((or review judge)) must issue ((a final)) <u>an initial order or the review judge must issue a final order</u> dismissing the appeal ((and terminating the hearing process)) if: (a) The petition to vacate was not filed timely; or (b) The appellant fails to establish good cause to excuse any default or to reinstate the matter for hearing.</p>	<p>The agency agreed to add this change by recommendation of a commenter.</p>
<p>Adopted</p>	<p>((6) The ALJ or review judge must issue a final order dismissing the appeal and terminating the hearing process if: (a) The petition to vacate was not filed timely; or (b) The appellant fails to establish good cause to excuse any default or to reinstate the matter for hearing.))</p>	

Proposed	(7) If the ALJ or review judge rules that the order of default or order of dismissal is vacated, the matter may proceed to hearing and the parties may present argument and evidence about the issues identified in the original request for hearing. The hearing may occur: (a) Immediately following the prehearing conference if agreed to by the parties and the ALJ; or (b) At a hearing date scheduled by OAH under WAC 182-526-0250.	The agency agreed to add this change by recommendation of a commenter.
Adopted	((7) If the ALJ or review judge rules that the order of default or order of dismissal is vacated, the matter may proceed to hearing and the parties may present argument and evidence about the issues identified in the original request for hearing. The hearing may occur: (a) Immediately following the prehearing conference if agreed to by the parties and the ALJ; or (b) At a hearing date scheduled by OAH under WAC 182-526-0250.))	

Number of Sections Adopted in Order to Comply with Federal Statute: New 1, Amended 2, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; and Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 1, Amended 2, Repealed 0.

Date Adopted: December 5, 2017.

Wendy Barcus
Rules Coordinator

NEW SECTION

WAC 182-526-0100 Expedited administrative hearings for urgent health care needs. (1) Requesting an expedited hearing.

(a) An expedited hearing may be requested only in matters involving applicants or recipients.

(b) An applicant or recipient may request an expedited administrative hearing when the applicant or recipient believes there is an urgent health care need as defined in subsection (3) of this section.

(c) The applicant or recipient bears the burden of proof to establish an urgent health care need and must submit evidence or arrange for evidence to be submitted to the office of administrative hearings (OAH) with the expedited hearing request to support the need for an expedited hearing. Agency staff may help an applicant or recipient who asks for assistance in obtaining information that the agency has pursuant to WAC 182-503-0120.

(d) A recipient may be eligible for continued coverage according to WAC 182-504-0130.

(2) **Exception to notice requirements.** The notice requirements in this section prevail over notice requirements in WAC 182-526-0250.

(3) Standard for granting an expedited hearing request.

(a) For the purposes of this section, an urgent health care need means that waiting for an otherwise timely final order could jeopardize the applicant's or recipient's life, health or ability to attain, maintain, or regain maximum function.

(b) The administrative law judge (ALJ) grants a request for an expedited hearing only if the ALJ finds by a preponderance of the evidence submitted with the applicant's or recipient's expedited hearing request and the information listed below that the applicant or recipient has an urgent health care need.

(c) Information the ALJ may consider when determining whether the applicant or recipient has an urgent health care need and whether to subsequently grant or deny an expedited hearing request includes, but is not limited to:

(i) The documentation submitted with the expedited hearing request to show an urgent health care need;

(ii) Whether the recipient is eligible for continued coverage of the benefits denied, reduced, or terminated by the agency or the agency's designee pending resolution of the appeal as an expedited hearing request may not be granted for individuals receiving continued coverage;

(iii) The length of time between the applicant's or recipient's receipt of the agency's or the agency designee's adverse notice and the applicant's or recipient's request for an expedited hearing; and

(iv) Whether the documentation submitted with the expedited hearing request shows that an appointment with a provider for a health care procedure or treatment to address the applicant's or recipient's stated urgent health care need:

(A) Is scheduled; or

(B) Cannot be scheduled due to a lack of coverage.

(4) **Time frame and notice requirements for expedited hearing request determination.** The ALJ must grant or deny the expedited hearing request and issue the determination within four business days of receipt of the request by OAH or as expeditiously as possible. OAH must immediately notify the parties orally and in writing of the ALJ's determination, unless the parties waive written notification. The oral and written notice must clearly state:

(a) Whether the expedited hearing request was approved or denied;

(b) That a hearing has been or will be scheduled; and

(c) The information listed in subsection (3)(c) of this section that the ALJ relied upon.

(5) **Scheduling an expedited hearing.** If the ALJ grants a request for an expedited hearing, OAH will schedule a hearing and provide notice as expeditiously as possible, allowing for a reasonable amount of notice and time for the parties to prepare for hearing. The notice rules in WAC 182-526-0250 do not apply.

(6) **Denial of expedited hearing.** If the ALJ denies an expedited hearing request, OAH will schedule the hearing based on standard scheduling practices and the notice rules in WAC 182-526-0250.

(7) **Appeal right.** There is no right to appeal an ALJ's determination to grant or deny an expedited hearing request.

(8) **Expedited hearing initial order.** If an expedited hearing request is granted and an expedited hearing is held, the ALJ must issue an initial order as expeditiously as possible.

(9) **Expedited final order.** Any party may request administrative review of the initial order with the health care authority board of appeals according to WAC 182-526-0560 through 182-526-0600. The board of appeals will issue a final order as expeditiously as possible.

(10) **Delayed expedited hearing request determination or expedited hearing initial order.** The ALJ has a duty to determine whether to grant or deny an expedited hearing request and, if granted, to issue an expedited hearing initial order as expeditiously as possible, except in unusual circumstances when:

(a) An ALJ is unable to reach a decision because the applicant or recipient requests a delay or does not take a required action; or

(b) There is an administrative or other emergency beyond OAH's or the agency's control.

AMENDATORY SECTION (Amending WSR 17-05-066, filed 2/13/17, effective 3/16/17)

WAC 182-526-0280 Continuing a hearing when an appellant is an applicant or recipient. ~~((This section applies to continuance requests made by applicants or recipients.))~~ (1) Any party may request a continuance under this section either orally or in writing.

(2) Before contacting the office of administrative hearings (OAH) to request a continuance, the party seeking the continuance must make a good faith effort to contact the other parties to find out if they agree to a continuance. The party making the request for a continuance must let OAH know whether the other parties agreed to the continuance.

(3) **Standard when less than sixty days.** When a continuance request is made less than sixty days from the date OAH received the hearing request:

(a) If all parties agree to the continuance, the ALJ must grant the request unless the ALJ holds a prehearing conference and finds that good cause for a continuance does not exist under WAC 182-526-0020.

(b) If the parties do not agree to the continuance, the ALJ must schedule a prehearing conference and determine if good cause for a continuance exists under WAC 182-526-0020 and under the following factors:

(i) Why the party is requesting a continuance;

(ii) Why the other party or parties are objecting to the request;

(iii) Whether a continuance in the case has previously been granted at the request of the same party who is now requesting the continuance and, if so, whether it was for the same reason;

(iv) The extent to which the requesting or objecting parties could have prevented the need for delay;

(v) The number and duration of previous continuances in the case and who requested them;

(vi) The legal or factual complexity of the case;

(vii) The relative harm to the parties if the continuance is granted or denied, including the risk of harm to the appellant if he or she is not receiving continued benefits;

(viii) The impact of a continuance on the parties' ability to adequately prepare and present their cases;

(ix) Any need to provide accommodation, translation, or interpreter services; and

(x) The impact of a continuance on the ability of OAH to issue a timely initial decision; or

(xi) Other relevant factors.

(4) **Standard when sixty days or greater.** When a continuance request is made sixty days or more from the date OAH received the hearing request:

(a) The ALJ must not only consider whether there is good cause to continue the hearing but also must find a compelling reason for the continuance.

(b) Compelling reasons include:

(i) Medical evidence is required;

(ii) Extraordinary circumstances exist, such as the sudden unforeseen onset of an illness or adverse event that was beyond the party's ability to prevent;

(iii) The hearing format changes or the ALJ finds a compelling reason to change the way a witness appears at the hearing according to WAC 182-526-0360;

(iv) The appellant needs more time to prepare or present evidence or argument because the agency issued an amended notice under WAC 182-526-0260;

(v) The need for more time was caused by another party's action or inaction, considering the relative capacity and resources of the parties;

(vi) The need to provide accommodation, translation, or interpreter services;

(vii) A party received notice of the date or deadline thirty days or more after OAH received the hearing request;

(viii) Whether the continuance is needed to allow for effective assistance of counsel of record; or

(ix) Other compelling reasons.

(5) The ALJ must notify all parties whether a continuance was granted or denied orally on the record, or must do so in writing within five business days of the prehearing conference.

(6) If the ALJ grants a continuance, OAH must serve a new notice of hearing on the parties at least fourteen calendar days before the new hearing date, unless the parties agree to a shorter time period.

AMENDATORY SECTION (Amending WSR 17-05-066, filed 2/13/17, effective 3/16/17)

WAC 182-526-0290 Reinstating a hearing after an order of default or an order of dismissal. (1) If an order of default was entered under WAC 182-526-0284, or an order of dismissal was entered under WAC 182-526-0285, the appellant may file a petition (request) to vacate (set aside) the order.

(a) The petition to vacate must be filed with the office of administrative hearings (OAH) or the board of appeals (BOA) for nursing home rates cases.

(b) BOA forwards any petition to vacate to OAH except for nursing home rates cases.

(c) The appellant must specify in the petition to vacate the reason why the order should be vacated.

(2) The petition to vacate must be filed within twenty-one calendar days of service (mailing) of the order to the parties. If the petition to vacate is not filed by the deadline, the order of default or order of dismissal becomes a final order by operation of law.

(3) If OAH receives a petition to vacate, or if the BOA receives a petition to vacate in a nursing home rates case, OAH or BOA schedules a prehearing conference and serves all parties with a notice of a prehearing conference under WAC 182-526-0250.

(4) If the appellant fails to appear at the scheduled prehearing conference to address the petition to vacate:

(a) The order of default or order of dismissal becomes ~~((the))~~ a final order ~~((; and~~

~~((b))~~ ~~The ALJ or review judge must dismiss the matter with prejudice.~~ by operation of law;

~~((b))~~ OAH, or BOA in a nursing home rates case, will issue an order disposing of the appellant's hearing request, stating that the order of default or order of dismissal became a final order by operation of law under RCW 34.05.440 (2) and (3) because the appellant failed to appear at the prehearing conference to address the petition to vacate, and including information about judicial review under WAC 182-526-0640;

~~((c))~~ The appellant may seek judicial review of the final order of default or final order of dismissal to the superior court under WAC 182-526-0640.

~~((5))~~ ~~((a))~~ If the appellant appears for the scheduled prehearing conference:

~~((b))~~ ~~((a))~~ The ALJ or review judge will receive evidence and argument from the parties regarding whether:

(i) The petition to vacate was timely filed; and

(ii) The appellant has established good cause to excuse any default or dismissal and to reinstate the matter for hearing.

~~((6))~~ ~~The ALJ or review judge must issue a final order dismissing the appeal and terminating the hearing process if:~~

~~((a))~~ The petition to vacate was not filed timely; or

~~((b))~~ The appellant fails to establish good cause to excuse any default or to reinstate the matter for hearing.

~~((7))~~ If the ALJ or review judge rules that the order of default or order of dismissal is vacated, the matter may proceed to hearing and the parties may present argument and evidence about the issues identified in the original request for hearing. The hearing may occur:

~~((a))~~ Immediately following the prehearing conference if agreed to by the parties and the ALJ; or

~~((b))~~ At a hearing date scheduled by OAH under WAC 182-526-0250.) ~~((b))~~ If the petition to vacate was not filed timely, the ALJ or the review judge will issue an order disposing of the appellant's hearing request, stating that the order of default or order of dismissal became a final order by operation of law under RCW 34.05.440(1) because the appellant failed to timely file the petition to vacate, and including information about judicial review under WAC 182-526-0640. The appellant may seek judicial review of the final order of default or final order of dismissal to the superior court under WAC 182-526-0640.

~~((c))~~ If the petition to vacate was timely filed, but the appellant does not establish good cause to excuse any default or dismissal, the ALJ must issue an initial order, including information about how to petition for review to the BOA, or the review judge must issue a final order dismissing the appeal.

~~((d))~~ If the petition to vacate was timely filed and the appellant establishes good cause to excuse any default or dismissal, the ALJ or review judge vacates the order of default or order of dismissal and the matter may proceed to hearing on the issues identified in the original request for hearing. The hearing may occur:

~~((i))~~ Immediately following the prehearing conference if the parties agree; or

~~((ii))~~ At a hearing date scheduled by OAH or BOA under WAC 182-526-0250 if the ALJ or review judge continues the hearing to a later date.

WSR 17-24-107

PERMANENT RULES

HEALTH CARE AUTHORITY

[Filed December 6, 2017, 8:42 a.m., effective January 6, 2018]

Effective Date of Rule: Thirty-one days after filing.

Purpose: The agency has revised the requirements a hospital must meet to perform and be paid for bariatric surgery provided to eligible apple health clients. To qualify, a hospital must be accredited by the metabolic and bariatric surgery accreditation and quality improvement program.

Citation of Rules Affected by this Order: Amending WAC 182-550-2301.

Statutory Authority for Adoption: RCW 41.05.021, 41.05.160.

Adopted under notice filed as WSR 17-22-029 on October 24, 2017.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 1, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 1, Repealed 0.

Date Adopted: December 6, 2017.

Wendy Barcus
Rules Coordinator

AMENDATORY SECTION (Amending WSR 15-18-065, filed 8/27/15, effective 9/27/15)

WAC 182-550-2301 Hospital and medical criteria requirements for bariatric surgery. (1) The medicaid agency pays a hospital for bariatric surgery and bariatric surgery-related services only when the surgery is provided in an inpatient hospital setting and only when:

(a) The client:

(i) Qualifies for bariatric surgery by successfully completing all requirements under WAC 182-531-1600; and

~~((b) The client)~~ (ii) Continues to meet the criteria to qualify for bariatric surgery under WAC 182-531-1600 up to the actual surgery date;

~~(c) The hospital providing the bariatric surgery and bariatric surgery-related services meets the requirements in this section and other applicable WAC; and~~

~~(d))~~.

(b) The hospital:

(i) Is accredited by the metabolic and bariatric surgery accreditation and quality improvement program (MBSA-QIP); and

(ii) Receives prior authorization from the agency before performing a bariatric surgery for a Washington apple health client.

~~(2) ((A hospital must meet the following requirements to be paid for bariatric surgery and bariatric surgery-related services provided to an eligible Washington apple health client. The hospital must:~~

~~(a) Be approved by the agency to provide bariatric surgery and bariatric surgery-related services and:~~

~~(i) For dates of admission after June 30, 2007, be located in Washington state or approved bordering cities (see WAC 182-501-0175).~~

~~(ii) For dates of admission after June 30, 2007, be located in Washington state, or be an agency designated critical border hospital.~~

~~(b) Have an established bariatric surgery program in operation under which at least one hundred bariatric surgery procedures have been performed. The program must have been in operation for at least five years and be under the direction of an experienced board-certified surgeon. In addition, the agency requires the bariatric surgery program to:~~

~~(i) Have a mortality rate of two percent or less;~~

~~(ii) Have a morbidity rate of fifteen percent or less;~~

~~(iii) Document patient follow-up for at least five years postsurgery;~~

~~(iv) Have an average loss of at least fifty percent of excess body weight achieved by patients at five years post-surgery; and~~

~~(v) Have a reoperation or revision rate of five percent or less.~~

~~(c) Submit documents to the agency's division of health care services that verify the performance requirements listed in this section.~~

~~(3) The agency waives the program requirements listed in subsection (2)(b) of this section if the hospital participates in a statewide bariatric surgery quality assurance program such as the surgical Clinical Outcomes Assessment Program (COAP).~~

~~(4))~~ See WAC 182-531-1600(13) for requirements for surgeons who perform bariatric surgery.

~~((5))~~ (3) Authorization does not guarantee payment. Authorization for bariatric surgery and bariatric surgery-related services is valid only if:

(a) The client is eligible on the date of admission and date of service; and

(b) The hospital and professional providers meet the criteria in this section and other applicable WAC to perform bariatric surgery or to provide bariatric surgery-related services.

WSR 17-24-111

PERMANENT RULES

HEALTH CARE AUTHORITY

[Filed December 6, 2017, 9:14 a.m., effective January 6, 2018]

Effective Date of Rule: Thirty-one days after filing.

Purpose: The agency is revising these sections to fix outdated hyperlinks and to define the criteria by which a person is ineligible to receive health home services.

Citation of Rules Affected by this Order: Amending WAC 182-557-0100, 182-557-0200, and 182-557-0225.

Statutory Authority for Adoption: RCW 41.05.021, 41.05.160.

Adopted under notice filed as WSR 17-22-009 on October 19, 2017.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 3, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 3, Repealed 0.

Date Adopted: December 6, 2017.

Wendy Barcus
Rules Coordinator

AMENDATORY SECTION (Amending WSR 15-17-065, filed 8/14/15, effective 9/14/15)

WAC 182-557-0100 Health home program—Definitions. The following terms and definitions and those found in chapter 182-500 WAC apply to this chapter:

Action - For the purposes of this chapter, means one or more of the following:

- (a) The denial of eligibility for health home services.
- (b) The denial or limited authorization by the qualified health home of a requested health home service, including a type or level of health home service.
- (c) The reduction, suspension, or termination by the qualified health home of a previously authorized health home service.
- (d) The failure of a qualified health home to provide authorized health home services or provide health home services as quickly as the participant's condition requires.

Agency - See WAC 182-500-0010.

Chronic condition - Means mental health conditions, substance use disorders, asthma, diabetes, heart disease, cancer, cerebrovascular disease, coronary artery disease, dementia or Alzheimer's disease, intellectual disability, HIV/AIDS, renal failure, chronic respiratory conditions, neurological disease, gastrointestinal, hematological, and musculoskeletal conditions.

Client - For the purposes of this chapter, means a person who is eligible to receive health home services under this chapter.

Clinical eligibility tool - Means an electronic spreadsheet that determines a client's risk score using the client's age, gender, diagnoses, and medications.

Coverage area - Means a geographical area composed of one or more counties within Washington state. The map of the coverage areas and the list of the qualified health homes is ~~((available on the agency's web site at: <http://www.hca.wa.gov/medicaid/health-homes/Pages/index.aspx>))~~ located at <https://www.hca.wa.gov/billers-providers/programs-and-services/health-homes>.

Fee-for-service (FFS) - See WAC 182-500-0035.

Full dual eligible - For the purpose of this chapter, means a fee-for-service client who receives qualified medicare beneficiary coverage or specified low-income medicare beneficiary coverage and categorically needy health care coverage.

Grievance - Means an expression of a participant's dissatisfaction about any matter other than an action. Possible subjects for grievances include the quality of health home services provided when an employee of a qualified health home provider is rude to the participant or shares confidential information about the participant without their permission.

Health action plan - Means a plan that lists the participant's goals to improve and self-manage their health conditions and steps needed to reach those goals.

Health home care coordinator - Means staff employed by or subcontracted by the qualified health home to provide one or more of the six defined health home care coordination benefits listed in WAC 182-557-0050.

Health home services - Means services described in WAC 182-557-0050 (2)(a) through (f).

Medicaid - See WAC 182-500-0070.

Participant - Means a client who has agreed to receive health home services under the requirements of this chapter.

Qualified health home - Means an organization that contracts with the agency to provide health home services to participants in one or more coverage areas and meets the requirements in WAC 182-557-0050(4).

Risk score - Means a measure of the expected costs of the health care a client is likely to incur in the next twelve months that the agency calculates using an algorithm developed by the department of social and health services (DSHS) or the clinical eligibility tool.

AMENDATORY SECTION (Amending WSR 15-17-065, filed 8/14/15, effective 9/14/15)

WAC 182-557-0200 Health home program—Eligibility. (1) To be eligible for the health home program, a client must:

(a) Be a recipient of categorically needy health care coverage through:

- (i) Fee-for-service, including full dual eligible clients; or
- (ii) An agency-contracted managed care organization.

(b) Have one or more chronic conditions as defined in WAC 182-557-0100; and

(c) Have a risk score of 1.5 or greater measured either with algorithms developed by the department of social and health services or the agency's clinical eligibility tool located ~~((on the agency's web site at http://www.hca.wa.gov/Pages/health_homes.aspx; and~~

~~((d) Agree to participate in a health home program))~~ at https://www.hca.wa.gov/assets/billers-and-providers/Clinical_Eligibility_Tool.xls.

(2) A person is ineligible to receive health home services when:

(a) The person has third-party coverage that provides comparable health care services(~~(-~~

~~(3) Using information provided by the department of social and health services (DSHS), the agency identifies clients who are eligible for health home services.~~

~~(4)); or~~

(b) The person has a risk score of less than 1.0 for six consecutive months and has not received health home services.

(3) When the agency determines a client is eligible for health home services, the agency enrolls the client with a qualified health home in the coverage area where the client lives.

(a) The client may decline health home services or change to a different qualified health home or a different health home care coordinator.

(b) If the client ~~((accepts enrollment))~~ chooses to participate in the health home program, a health home care coordinator will:

(i) Work with the participant to develop a health action plan that describes the participant's health goals and includes a plan for reaching those goals; and

(ii) Provide health home services at a level appropriate to the participant's needs.

~~((5))~~ (4) A participant who does not agree with a decision regarding health home services, including a decision

regarding the client's eligibility to receive health home services, has the right to an administrative hearing as described in chapter 182-526 WAC.

AMENDATORY SECTION (Amending WSR 15-17-065, filed 8/14/15, effective 9/14/15)

WAC 182-557-0225 Health home services—Methodology for calculating a person's risk score. The agency uses eight steps to calculate a person's risk score.

(1) **Step 1. Collect paid claims and health plan encounter data.** The agency obtains a set of paid fee-for-service claims and managed care encounters for a client.

(a) For clients age seventeen and younger, the agency uses all paid claims and encounters within the last twenty-four months.

(b) For clients age eighteen and older, the agency uses all paid claims and encounters within the last fifteen months.

(i) The claims and encounters include the international classification of diseases (ICD) diagnosis codes and national drug codes (NDC) submitted by health care providers. These are used in steps 2 and 3 to create a set of risk categories.

(ii) The agency uses two algorithms developed by the University of San Diego:

(A) Chronic illness and disability payment system (CDPS) which assigns ICD diagnosis codes to CDPS risk categories (see Table ((6)) 3 in ((~~Steps to Calculate a Medical Expenditure Risk Score located at http://www.hca.wa.gov/medicaid/health_homes/Documents/calculate_medical_expenditure_risk.pdf)~~ subsection (5)(b) of this section); and

(B) Medical Rx (MRx) which assigns NDCs to MRx risk categories (see Table ((7)) 2 in ((~~Steps to Calculate a Medical Expenditure Risk Score located at http://www.hca.wa.gov/medicaid/health_homes/Documents/calculate_medical_expenditure_risk.pdf)~~ subsection (3)(b) of this section).

(2) **Step 2. Group ICD diagnosis codes into chronic illness and disability payment system risk categories.**

(a) To group ICD diagnosis codes into the CDPS risk categories (see Table 1 in (b) of this subsection), the agency uses an ICD diagnosis code to CDPS risk categories crosswalk in subsection (1)(b)(ii)(A) of this section. Each of the ICD diagnosis codes listed is assigned to one risk category. If an ICD diagnosis code is not listed in the crosswalk it does not map to a risk category that is used in the calculation of the risk score.

(b) **Table 1. Titles of Chronic Illness and Disability Payment System Risk Categories**

CARVH	Cardiovascular, very high
CARM	Cardiovascular, medium
CARL	Cardiovascular, low
CAREL	Cardiovascular, extra low
PSYH	Psychiatric, high
PSYM	Psychiatric, medium
PSYML	Psychiatric, medium low
PSYL	Psychiatric, low
SKCM	Skeletal, medium

SKCL	Skeletal, low
SKCVL	Skeletal, very low
CNSH	Central Nervous System, high
CNSM	Central Nervous System, medium
CNSL	Central Nervous System, low
PULVH	Pulmonary, very high
PULH	Pulmonary, high
PULM	Pulmonary, medium
PULL	Pulmonary, low
GIH	Gastro, high
GIM	Gastro, medium
GIL	Gastro, low
DIA1H	Diabetes, type 1 high
DIA1M	Diabetes, type 1 medium
DIA2M	Diabetes, type 2 medium
DIA2L	Diabetes, type 2 low
SKNH	Skin, high
SKNL	Skin, low
SKNVL	Skin, very low
RENEH	Renal, extra high
RENVH	Renal, very high
RENM	Renal, medium
RENL	Renal, low
SUBL	Substance abuse, low
SUBVL	Substance abuse, very low
CANVH	Cancer, very high
CANH	Cancer, high
CANM	Cancer, medium
CANL	Cancer, low
DDM	Developmental Disability, medium
DDL	Developmental Disability, low
GENEL	Genital, extra low
METH	Metabolic, high
METM	Metabolic, medium
METVL	Metabolic, very low
PRGCMP	Pregnancy, complete
PRGINC	Pregnancy, incomplete
EYEL	Eye, low
EYEVL	Eye, very low
CERL	Cerebrovascular, low
AIDSH	AIDS, high
INFH	Infectious, high
HIVM	HIV, medium
INFM	Infectious, medium

INFL	Infectious, low
HEMEH	Hematological, extra high
HEMVH	Hematological, very high
HEMM	Hematological, medium
HEML	Hematological, low

MRx34	Nausea
MRx35	Neurogenic Bladder
MRx36	Osteoporosis/Pagets
MRx37	Pain
MRx38	Parkinsons/Tremor
MRx39	Prenatal Care
MRx40	Psychotic Illness/Bipolar
MRx41	Replacement Solution
MRx42	Seizure Disorders
MRx43	Thyroid Disorder
MRx44	Transplant
MRx45	Tuberculosis

(3) Step 3. Group national drug codes (NDCs) into MRx risk categories.

(a) To group the NDC codes into MRx risk categories (see Table 2 in (b) of this subsection), the agency uses a NDC code to MRx risk categories crosswalk in subsection (1)(b)(ii)(B) of this section.

(b) Table 2. Titles of Medicaid Rx Risk Categories

MRx1	Alcoholism
MRx2	((Alzheimers)) <u>Alzheimer's</u>
MRx3	Anti-coagulants
MRx4	Asthma/COPD
MRx5	Attention Deficit
MRx6	Burns
MRx7	Cardiac
MRx8	Cystic Fibrosis
MRx9	Depression/Anxiety
MRx10	Diabetes
MRx11	EENT
MRx12	ESRD/Renal
MRx13	Folate Deficiency
MRx14	CMV Retinitis
MRx15	Gastric Acid Disorder
MRx16	Glaucoma
MRx17	Gout
MRx18	Growth Hormone
MRx19	Hemophilia/von Willebrands
MRx20	Hepatitis
MRx21	Herpes
MRx22	HIV
MRx23	Hyperlipidemia
MRx24	Infections, high
MRx25	Infections, medium
MRx26	Infections, low
MRx27	Inflammatory/Autoimmune
MRx28	Insomnia
MRx29	Iron Deficiency
MRx30	Irrigating Solution
MRx31	Liver Disease
MRx32	Malignancies
MRx33	Multiple Sclerosis/Paralysis

(4) Step 4. Remove duplicate risk categories. After mapping all diagnosis and drug codes to the risk categories, the agency eliminates duplicates of each client's risk categories so that there is only one occurrence of any risk category for each client.

(5) Step 5. Select the highest CDPS risk category within a disease group.

(a) The agency organizes CPDS risk categories into risk category groups of different intensity levels. The high risk category in each group is used in the calculation of the risk score. The lower level risk categories are eliminated from further calculations.

(b) Table 3. Chronic Disease Payment System Risk Category Groups

Group Description	Risk Categories (Ordered Highest to Lowest Intensity)
AIDS/HIV and Infection	AIDSH, INFH, HIVM, INFM, INFL
Cancer	CANVH, CANH, CANM, CANL
Cardiovascular	CARVH, CARM, CARL, CAREL
Central Nervous System	CNSH, CNSM, CNSL
Diabetes	DIA1H, DIA1M, DIA2M, DIA2L
Developmental Disability	DDM, DDL
Eye	EYEL, EYEVL
Gastrointestinal	GIH, GIM, GIL
Hematological	HEMEH, HEMVH, HEMM, HEML
Metabolic	METH, METM, METVL
Pregnancy	PRGCMP, PRGINC
Psychiatric	PSYH, PSYM, PSYML, PSYL
Substance Abuse	SUBL, SUBVL

Group Description	Risk Categories (Ordered Highest to Lowest Intensity)	Age	Gender
		Pulmonary	PULVH, PULH, PULM, PULL
Renal	RENEH, RENVH, RENM, RENL	Age 15 to 24	Male
		Age 15 to 24	Female
Skeletal	SKCM, SKCL, SKCVL	Age 25 to 44	Male
		Age 25 to 44	Female
Skin	SKNH, SKNL, SKNVL	Age 45 to 64	Male
		Age 45 to 64	Female
		Age 65+	

(6) Step 6. Determine age/gender category.

(a) For each client, the agency selects the appropriate age/gender category. The eleven categories are listed in Table 4 in (b) of this subsection. The categories for ages below five and above sixty-five are gender neutral.

(b) Table 4. Age/Gender Categories

Age	Gender
Age <1	
Age 1 to 4	
Age 5 to 14	Male

(7) Step 7. Apply risk weights.

(a) The agency assigns each risk category and age/gender category a weight. The weight comes from either the model for clients who are age seventeen and younger or from the model for clients age eighteen and older.

(b) In each model there are three types of weights.

(i) Age/gender - Weights that correspond to the age/gender category of a client.

(ii) CDPS - Weights that correspond to fifty-eight of the CDPS risk categories.

(iii) MRx - Weights that correspond to forty-five of the MRx risk categories.

(c) Table 5. Risk Score Weights

Category Type	Category	Description	Weights for Children (age <18)	Weights for Adults (age 18+)
Age/Gender	Age <1	Clients of age less than 1	0.40671	0.00000
	Age 1 to 4	Clients age 1 to 4	0.40671	0.00000
	Age 5 to 14, Male	Male clients age 5 to 14	0.28867	0.00000
	Age 5 to 14, Female	Female clients age 5 to 14	0.29441	0.00000
	Age 15 to 24, Male	Male clients age 15 to 24	0.22630	-0.01629
	Age 15 to 24, Female	Female clients age 15 to 24	0.26930	0.03640
	Age 25 to 44, Male	Male clients age 25 to 44	0.00000	0.04374
	Age 25 to 44, Female	Female clients age 25 to 44	0.00000	0.06923
	Age 45 to 64, Male	Male clients age 45 to 64	0.00000	0.13321
	Age 45 to 64, Female	Female clients age 45 to 64	0.00000	0.06841
	Age 65+	Clients age 65 and older	0.00000	-0.05623
CDPS	CARVH	Cardiovascular, very high	0.53941	2.86702
	CARM	Cardiovascular, medium	0.23927	0.73492
	CARL	Cardiovascular, low	0.18510	0.24620
	CAREL	Cardiovascular, extra low	0.06589	0.06225
	PSYH	Psychiatric, high	0.47759	0.27085
	PSYM	Psychiatric, medium	0.31301	0.00000
	PSYML	Psychiatric, medium low	0.16307	0.00000
	PSYL	Psychiatric, low	0.10344	0.00000
	SKCM	Skeletal, medium	0.23477	0.42212
	SKCL	Skeletal, low	0.10630	0.15467

Category Type	Category	Description	Weights for Children (age <18)	Weights for Adults (age 18+)
	SKCVL	Skeletal, very low	0.07873	0.06773
	CNSH	Central Nervous System, high	0.30440	0.78090
	CNSM	Central Nervous System, medium	0.34386	0.40886
	CNSL	Central Nervous System, low	0.16334	0.18261
	PULVH	Pulmonary, very high	1.28955	4.01723
	PULH	Pulmonary, high	0.67772	0.39309
	PULM	Pulmonary, medium	0.39768	0.31774
	PULL	Pulmonary, low	0.14708	0.13017
	GIH	Gastro, high	0.78046	1.34924
	GIM	Gastro, medium	0.29755	0.24372
	GIL	Gastro, low	0.14579	0.05104
	DIA1H	Diabetes, type 1 high	0.31680	1.04302
	DIA1M	Diabetes, type 1 medium	0.31680	0.23620
	DIA2M	Diabetes, type 2 medium	0.16101	0.17581
	DIA2L	Diabetes, type 2 low	0.16101	0.09635
	SKNH	Skin, high	0.49898	0.37981
	SKNL	Skin, low	0.25185	0.45155
	SKNVL	Skin, very low	0.07523	0.02119
	RENEH	Renal, extra high	2.43609	3.41999
	RENVH	Renal, very high	0.93888	0.69251
	RENM	Renal, medium	0.33261	0.92846
	RENL	Renal, low	0.17492	0.17220
	SUBL	Substance Abuse, low	0.27104	0.16104
	SUBVL	Substance Abuse, very low	0.04493	0.08784
	CANVH	Cancer, very high	1.31064	2.80074
	CANH	Cancer, high	0.57909	0.97173
	CANM	Cancer, medium	0.29642	0.38022
	CANL	Cancer, low	0.15058	0.22625
	DDM	Developmental Disability, medium	0.31414	0.27818
	DDL	Developmental Disability, low	0.11095	0.05913
	GENEL	Genital, extra low	0.02242	0.01121
	METH	Metabolic, high	0.51575	0.47226
	METM	Metabolic, medium	0.33856	0.11310
	METVL	Metabolic, very low	0.14658	0.18678
	PRGCMP	Pregnancy, complete	0.00000	0.00000
	PRGINC	Pregnancy, incomplete	0.17563	0.51636
	EYEL	Eye, low	0.11538	0.13271
	EYEVL	Eye, very low	0.04094	0.00000
	CERL	Cerebrovascular, low	0.10623	0.00000
	AIDSH	AIDS, high	0.91357	0.47361
	INFH	Infectious, high	0.91357	0.79689

Category Type	Category	Description	Weights for Children (age <18)	Weights for Adults (age 18+)
	HIVM	HIV, medium	0.60245	0.07937
	INFM	Infectious, medium	0.41047	0.79689
	INFL	Infectious, low	0.15311	0.05617
	HEMEH	Hematological, extra high	2.80021	12.71981
	HEMVH	Hematological, very high	0.97895	3.08836
	HEMM	Hematological, medium	0.46032	0.63211
	HEML	Hematological, low	0.17762	0.25601
MRx	MRx1	Alcoholism	0.11051	0.01924
	MRx2	((Alzheimers) <u>Alzheimer's</u>)	0.00000	0.08112
	MRx3	Anti-coagulants	0.31281	0.13523
	MRx4	Asthma/COPD	0.09825	0.05751
	MRx5	Attention Deficit	0.00000	0.00779
	MRx6	Burns	0.13977	0.00000
	MRx7	Cardiac	0.09177	0.06425
	MRx8	Cystic Fibrosis	0.48222	0.37265
	MRx9	Depression/Anxiety	0.07013	0.09436
	MRx10	Diabetes	0.16852	0.17046
	MRx11	EENT	0.00000	0.00072
	MRx12	ESRD/Renal	1.32358	1.20707
	MRx13	Folate Deficiency	0.17618	0.11899
	MRx14	CMV Retinitis	0.41138	0.00000
	MRx15	Gastric Acid Disorder	0.11001	0.15470
	MRx16	Glaucoma	0.03738	0.12971
	MRx17	Gout	0.00000	0.00000
	MRx18	Growth Hormone	0.97620	1.59521
	MRx19	Hemophilia/von Willebrands	11.68858	89.14461
	MRx20	Hepatitis	0.16213	0.00000
	MRx21	Herpes	0.04497	0.01725
	MRx22	HIV	0.69702	1.01178
	MRx23	Hyperlipidemia	0.00000	0.03791
	MRx24	Infections, high	1.23096	1.51663
	MRx25	Infections, medium	0.07841	0.06192
	MRx26	Infections, low	0.00000	0.00918
	MRx27	Inflammatory/Autoimmune	0.09058	0.20046
	MRx28	Insomnia	0.08510	0.06437
	MRx29	Iron Deficiency	0.12948	0.15054
	MRx30	Irrigating Solution	0.64194	0.16387
	MRx31	Liver Disease	0.34084	0.22681
	MRx32	Malignancies	0.36730	0.44200
	MRx33	Multiple Sclerosis/Paralysis	0.03542	0.04353
	MRx34	Nausea	0.16101	0.17120

Category Type	Category	Description	Weights for Children (age <18)	Weights for Adults (age 18+)
	MRx35	Neurogenic Bladder	0.13864	0.07675
	MRx36	Osteoporosis/Pagets	0.00000	0.00000
	MRx37	Pain	0.04154	0.04151
	MRx38	Parkinsons/Tremor	0.17179	0.06257
	MRx39	Prenatal Care	0.00000	0.13192
	MRx40	Psychotic Illness/Bipolar	0.24399	0.20274
	MRx41	Replacement Solution	0.47152	1.49405
	MRx42	Seizure Disorders	0.23418	0.19837
	MRx43	Thyroid Disorder	0.04267	0.06326
	MRx44	Transplant	0.34858	0.05810
	MRx45	Tuberculosis	0.22778	0.00000

(8) Step 8. Sum risk weights to obtain the risk score.

After obtaining the weights that correspond to a client's age/gender category and set of risk categories, the agency takes a sum of the values of all of the weights. This sum is the risk score for a client.

**WSR 17-24-121
PERMANENT RULES
BOARD OF INDUSTRIAL
INSURANCE APPEALS**

[Filed December 6, 2017, 9:55 a.m., effective January 6, 2018]

Effective Date of Rule: Thirty-one days after filing.

Purpose: To revise the board's rules of practice and procedure by amending WAC 263-12-01501, 263-12-01701, 263-12-059, 263-12-085, 263-12-090, 2663-12-115, 263-12-116, 263-12-117, and 263-12-195. Rules are being modified to meet current business needs including changes necessary for the board of industrial insurance appeals (BIIA) to transition to electronic filing and a paperless file, to reduce duplicate filings, codify the board's policy on weapons, to implement charges for copy fees, and to clarify current practice and procedure for conferences, hearings, perpetuation deposition, exhibits, and indexing of significant decisions.

Citation of Rules Affected by this Order: New 2; and amending 7.

Statutory Authority for Adoption: RCW 51.51.2020.

Other Authority: RCW 51.52.020.

Adopted under notice filed as WSR 17-22-020 on October 20, 2017.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 2, Amended 9, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 2, Amended 9, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: December 6, 2017.

Dave E. Threedy
Executive Secretary

AMENDATORY SECTION (Amending WSR 16-24-054, filed 12/2/16, effective 1/2/17)

WAC 263-12-01501 Communications and filing with the board. (1) **Where to file communications with the board.** Except as provided elsewhere in this section all written communications shall be filed with the board at its headquarters in Olympia, Washington. With written permission of the industrial appeals judge assigned to an appeal, depositions, witness confirmations, motions (other than motions for stay filed pursuant to RCW 51.52.050), briefs, stipulations, agreements, and general correspondence may be filed in the appropriate regional board facilities located in Tacoma, Spokane, or Seattle.

(2) **Methods of filing.** Unless otherwise provided by statute or these rules any written communication may be filed with the board by using one of four methods: Personally, by mail, by telephone facsimile, or by electronic filing. Failure of a party to comply with the filing methods selected by the party for use under this section, or as otherwise set forth in these rules or statute for filing written communications may prevent consideration of a document.

(a) **Filing personally.** The filing of a written communication with the board personally is accomplished by delivering the written communication to an employee of the board at the board's headquarters in Olympia during customary office hours.

(b) **Filing by mail.** The filing of a written communication with the board is accomplished by mail when the written communication is deposited in the United States mail, properly addressed to the board's headquarters in Olympia and with postage prepaid. Where a statute or rule imposes a time limitation for filing the written communication, the party filing the same should include a certification demonstrating the date filing was perfected as provided under this subsection. Unless evidence is presented to the contrary, the date of the United States postal service postmark shall be presumed to be the date the written communication was mailed to the board.

(c) **Filing by telephone facsimile.**

(i) The filing of a written communication with the board by telephone facsimile is accomplished when a legible copy of the written communication is reproduced on the board's telephone facsimile equipment during the board's customary office hours. All facsimile communications must be filed with the board via fax numbers listed on the board's web site.

(ii) The hours of staffing of the board's telephone facsimile equipment are the board's customary office hours. Documents sent by facsimile communication comments outside of the board's customary office hours will be deemed filed on the board's next business day.

(iii) Any written communication filed with the board by telephone facsimile should be preceded by a cover page identifying the party making the transmission, listing the address, telephone and telephone facsimile number of such party, referencing the appeal to which the written communication relates, and indicating the date of, and the total number of pages included in, such transmission. A separate transmission must be used for each appeal. Transmissions containing more than one docket number will be rejected and filing will not be accomplished, unless the multiple docket numbers have been previously consolidated by the board.

(iv) The party attempting to file a written communication by telephone facsimile bears the risk that the written communication will not be received or legibly printed on the board's telephone facsimile equipment due to error in the operation or failure of the equipment being utilized by either the party or the board.

(v) The board may require a party to file an original of any document previously filed by telephone facsimile.

(d) **Electronic filing.** Electronic filing is accomplished by using the electronic filing link on the board's web site. Communication sent by email will not constitute or accomplish filing. Communication filed using the board's web site outside of the board's customary office hours will be deemed filed on the board's next business day. A separate transmission must be used for each appeal. Transmissions containing more than one docket number will be rejected and filing will not be accomplished, unless the multiple docket numbers have been previously consolidated by the board.

(3) **Electronic filing of a notice of appeal.** A notice of appeal may be filed electronically when using the appropriate form for electronic filing of appeals as provided on the board's web site. An electronic notice of appeal is filed when it is received by the board's designated computer during the board's customary office hours pursuant to WAC 263-12-015. Appeals received via the board's web site outside of the board's customary office hours will be deemed filed on the

board's next business day. The board will issue confirmation to the filing party that an electronic notice of appeal has been received. The board may reject a notice of appeal that fails to comply with the board's filing requirements. The board will notify the filing party of the rejection.

(4) **Electronic filing of application for approval of claim resolution structured settlement agreement.** An application for approval of claim resolution structured settlement agreement must be filed electronically using the form for electronic filing of applications for approval of claim resolution structured settlement agreement as provided on the board's web site. An electronic application for approval of claim resolution structured settlement agreement is filed when received by the board's designated computer during the board's customary office hours pursuant to WAC 263-12-015. Applications received by the board via the board's web site outside of the board's customary office hours will be deemed filed on the board's next business day. The board will issue confirmation to the filing party that an electronic application for approval of claim resolution structured settlement agreement has been received. An electronic copy of the signed agreement for claim resolution structured settlement agreement must be submitted as an attachment to the application for approval. The board will reject an application for approval of claim resolution structured settlement agreement that fails to comply with the board's filing requirements. The board will notify the filing party of the rejection.

(5) **Sending written communication.** All correspondence or written communication filed with the board pertaining to a particular case, before the entry of a proposed decision and order, should be sent to the attention of the industrial appeals judge assigned to the case. Interlocutory appeals should be sent to the attention of the chief industrial appeals judge. In all other instances, written communications shall be directed to the executive secretary of the board.

(6) **Form requirements.** Any written communications with the board concerning an appeal should reference the docket number assigned by the board to the appeal, if known. Copies of any written communications filed with the board shall be furnished to all other parties or their representatives of record, and the original shall demonstrate compliance with this requirement. All written communications with the board shall be on paper 8 1/2" x 11" in size.

NEW SECTION

WAC 263-12-01701 Copying fees—Payments. (1) The following copying fees and payment procedures apply to requests to the board under chapter 42.56 RCW and received on or after July 23, 2017.

(2) Pursuant to RCW 42.56.120 (2)(b), the board is not calculating all actual costs for copying records because it would be unduly burdensome for the following reasons:

(a) The board does not have the resources to conduct a study to determine all its actual copying costs;

(b) To conduct such a study would interfere with other essential agency functions; and

(c) Through the 2017 legislative process, the public and requestors have commented on and been informed of autho-

rized fees and costs, including for electronic records, provided in RCW 42.56.120 (2)(b) and (c), (3), and (4).

(3) The board will charge for copies of records pursuant to the default fees in RCW 42.56.120 (2)(b) and (c). The board will charge for customized services pursuant to RCW 42.56.120(3). Under RCW 42.56.130, the board may charge other copying fees authorized by statutes outside of chapter 42.56 RCW. The board may enter into an alternative fee agreement with a requestor under RCW 42.56.120(4). The charges for copying methods used by the board are summarized in the fee schedule available on the board's web site at www.biaa.wa.gov.

(4) Requestors are required to pay for copies in advance of receiving records. Fee waivers are an exception and are available for some small requests:

(a) It is within the discretion of the public records officer to waive copying fees when:

(i) All of the records responsive to an entire request are paper copies only and are twenty-five or fewer pages; or

(ii) All of the records responsive to an entire request are electronic and can be provided in a single email with attachments of a size totaling no more than the equivalent of one hundred printed pages. If that email for any reason is not deliverable, records will be provided through another means of delivery, and the requestor will be charged in accordance with this rule.

(b) Fee waivers are not applicable to records provided in installments.

(5) The public records officer may require an advance deposit of ten percent of the estimated fees when the copying fees exceed twenty-five dollars for an installment, an entire request, or customized service charge.

(6) All required fees or deposits must be paid in advance of release of the copies or an installment of copies. The office will notify the requestor of when payment is due.

(7) Payment should be made by check or money order to the board of industrial insurance appeals. The board prefers not to receive cash. For cash payments, it is within the public records officer's discretion to determine the denomination of bills and coins that will be accepted.

AMENDATORY SECTION (Amending WSR 16-24-054, filed 12/2/16, effective 1/2/17)

WAC 263-12-059 Appeals arising under the Washington Industrial Safety and Health Act; contents of notice of appeal; notice to affected employees; request for stay of abatement pending appeal. (1) **Contents of notice of appeal in WISHA appeals.** In all appeals arising under the Washington Industrial Safety and Health Act, the notice of appeal should contain where applicable:

(a) The name and address of the appealing party and of the party's representative, if any.

(b) A statement identifying the citation, penalty assessment, or notice of abatement date appealed from. This requirement may be satisfied by attaching a copy of the citation, penalty assessment, or notice of abatement date.

(c) The name and address of the representative of any labor union representing any employee who was or who may be affected by the alleged safety violation(s). If the employer

has no affected employees who are members of a union, the employer shall affirmatively certify that no union employees are affected by the appeal.

(d) The reason why the appealing party considers such order or decision, to be unjust or unlawful.

(e) A statement of facts in full detail in support of each stated reason.

(f) The specific nature and extent of the relief sought.

(g) The place, most convenient to the appealing party and that party's witnesses, where board proceedings are requested to be held.

(h) A statement that the person signing the notice of appeal has read it and that to the best of his or her knowledge the contents are true.

(i) The signature of the appealing party or the party's representative.

In all appeals where a stay of abatement of alleged violation(s) pending appeal is requested, the notice of appeal must comply with additional requirements set forth in subsection (3) of this section.

(2) Employer duty to notify affected employees.

(a) In the case of any appeal by an employer concerning an alleged violation of the Washington Industrial Safety and Health Act, the employer shall give notice of such appeal to its employees by either:

(i) Providing copies of the appeal and applicable division of safety and health citation and notice or corrective notice of redetermination to each employee member of the employer's safety committee; or

(ii) By posting a copy of the appeal and applicable division of safety and health citation and notice or corrective notice of redetermination in a conspicuous place at the work site at which the alleged violation occurred. Any posting shall remain during the pendency of the appeal.

(b) The employer shall also provide notice advising interested employees that an appeal has been filed with the board and that any employee or group of employees who wish to participate in the appeal may do so by contacting the board. Such notice shall include the address of the board.

(c) The employer shall file with the board a certificate of proof of compliance with this section within fourteen days of issuance of the board's notice of filing of appeal. A certification form is provided on the board's web site.

(d) If notice as required by this subsection is not possible or has not been satisfied, the employer shall notify the board in writing of the reasons for noncompliance or impossibility. If the board, or its designee, determines that it is not possible for the employer to provide the required notice to employees, it will prescribe the terms and conditions of a substitute procedure reasonably calculated to give notice to affected employees, or may waive the affected-employee-notice requirement. If the employer requests a stay of abatement pending appeal, and desires to assert the claim of impossibility of notice to employees, the employer must include its claim of impossibility, together with facts showing impossibility, in its notice of appeal.

(3) Request for a stay of abatement in WISHA appeals.

(a) **How made.** Any request for stay of abatement pending appeal must be included in the notice of appeal. An

employer may request a stay of abatement pending appeal by placing "STAY OF ABATEMENT REQUESTED" prominently on the first page of the notice of appeal in bold print. The board will issue a final decision on such requests within forty-five working days of the board's notice of filing of appeal.

(b) Union information.

(i) Appeals from corrective notice of redetermination. In appeals where the employer has requested a stay of abatement of the violation(s) alleged in the corrective notice of redetermination, the employer shall include in the notice of appeal the names and addresses of any unions representing workers for the employer as required by subsection (1) of this section. If the employer has no affected employees who are members of a union, the employer shall affirmatively inform the board that no union employees are affected by the appeal.

(ii) Appeals from citation and notice. Where an employer files an appeal from a citation and notice and the department of labor and industries chooses to forward the appeal to the board to be treated as an appeal to the board, the employer shall provide the board with the names and addresses of any unions representing workers for the employer as required by subsection (1) of this section. If the employer has no affected employees who are members of a union, the employer shall inform the board that no union employees are affected by the appeal. The employer shall provide this information to the board within fourteen days of the date of the board's notice of filing of appeal.

(c) Supporting and opposing documents.

(i) Supporting documents. In appeals where the employer has requested a stay of abatement pursuant to RCW 49.17.140, the employer shall, within fourteen calendar days of the date of the board's notice of filing of appeal, file with the board supporting declarations, affidavits, and documents it wishes the board to consider in deciding the request. The employer must also simultaneously provide supporting documents to the department and any affected employees' safety committee or union representative. Supporting affidavits or declarations shall be made on personal knowledge, shall set forth such facts as would be admissible in evidence, and shall show affirmatively that the affiant is competent to testify to the matters stated therein. Copies of individual relevant supporting documents shall be specifically referred to in the affidavit and shall be attached to the affidavit. Such supporting documents shall not be excluded from consideration based on a hearsay objection. All such affidavits and supporting documents shall be limited to evidence addressing:

(A) Whether there is good cause to stay the abatement of the violation(s) set forth in the citation and notice or corrective notice of redetermination; and

(B) Whether it is more likely than not that a stay of the abatement of the violation(s) would result in death or serious physical harm to a worker.

(ii) Opposing documents. Within twenty-eight calendar days of the date of the board's notice of filing of appeal, the department of labor and industries and any affected employees shall file with the board any declarations, affidavits, and documents they wish the board to consider in deciding the request. The department must also simultaneously serve these opposing documents on the employer and any affected employees' safety committee or representative. The employ-

ees must also simultaneously serve the opposing documents on the employer and the department. Supporting and opposing affidavits and declarations shall be made on personal knowledge, shall set forth such facts as would be admissible in evidence, and shall show affirmatively that the affiant is competent to testify to the matters stated therein. Copies of individual relevant supporting documents shall be specifically referred to in the affidavit and shall be attached to the affidavit. Such supporting documents shall not be excluded from consideration based on a hearsay objection. All such affidavits and supporting documents shall be limited to evidence addressing:

(A) Whether there is good cause to stay the abatement of the violation(s) set forth in the citation and notice or corrective notice of redetermination; and

(B) Whether it is more likely than not that a stay of the abatement of the violation(s) would result in death or serious physical harm to a worker.

(4) Denial of request to stay abatement. If any of the following procedural or substantive grounds are present, the board will deny the request for a stay of abatement pending appeal:

(a) The request for stay of abatement is not contained in the employer's notice of appeal as required by RCW 49.17.140 (4)(a).

(b) The employer fails to include union information as required in subsection (3)(b) of this section.

(c) The employer fails to timely file a certification that its employees have been notified about the appeal and the request for stay of abatement as required in subsection (2) of this section.

(d) The employer fails to file supporting documents within fourteen calendar days of the issuance of the board's notice of filing of appeal as required in subsection (3)(c)(i) of this section.

(e) The request is moot.

(f) The only violation alleged by the department of labor and industries is a general violation.

(g) The employer fails to show good cause for a stay of abatement in its supporting documents.

(h) The preliminary evidence shows it is more likely than not that a stay would result in death or serious physical harm to a worker.

(5) Expedited nature of requests to stay abatement/requests to enlarge time. Requests to stay abatement pending appeal must be decided in accordance with a strict statutory timeline. Oral argument will not be permitted. The board will grant requests to enlarge time to file documents or certifications only after receipt of a written motion with supporting affidavit filed with the board and all other parties before the filing deadline and only upon a showing of good cause.

NEW SECTION

WAC 263-12-085 Weapons. (1) Firearms and other dangerous weapons are prohibited at all facilities owned, leased, or operated by the board of industrial insurance appeals and in the rooms where the board of industrial insurance appeals is conducting any board-related event.

(a) This prohibition applies to all parties or witnesses at hearings, all board employees, and all other persons present. It does not apply to law enforcement personnel, security personnel, or military personnel, all while engaged in official duties.

(b) As used in this chapter, "firearm and other dangerous weapons" means any device from which a projectile may be fired by an explosive; any simulated firearm operated by gas or compressed air; any electric or other conductive energy device designed to deliver an electronic charge directly or from a missile projectile, except any automatic external defibrillator; sling shot; sand club; metal knuckles; any spring-blade knife; any knife that opens or is ejected by an outward, downward thrust or movement; bow and arrow; crossbow; hunting knife (excluding pocket knives); any explosive device; any object that may reasonably be used to injure or intimidate others; dangerous chemicals, except those chemicals typically used for self-defense; and any other dangerous weapons as defined by chapter 9.41 RCW.

(c) This prohibition does not apply to board employees who have obtained a written exemption from a board member, the chief industrial appeals judge, or the chief of administrative services, which may be issued on a case-by-case basis.

(d) Possession of a valid concealed weapons permit is not a defense to the prohibition in this section.

(e) This prohibition does not apply to lawful firearms or other lawful weapons while confined to private motor vehicles in parking areas at board facilities.

(f) This prohibition does not apply to firearms or other dangerous weapons offered as evidence in a board hearing. However, any party or representative seeking to offer a firearm or dangerous weapon as evidence shall obtain written permission from the hearing judge, in advance of the hearing date, before bringing any such item to the hearing. Any application for permission to offer a firearm or other dangerous weapon shall identify the manner, method, means, and other information explaining how the firearm or weapon will be secured.

(2) Notice that firearms and other dangerous weapons are prohibited shall be posted conspicuously in the waiting area of all board offices and shall be included with every proceeding notice issued by the board.

(3) Any person in possession of a firearm or dangerous weapon at a facility owned, leased, or operated by the board or in rooms being used by the board may be excluded from the facility or room, consistent with the provisions of WAC 263-12-020 (10)(c), and may face any other applicable legal consequences.

AMENDATORY SECTION (Amending WSR 00-23-021, filed 11/7/00, effective 12/8/00)

WAC 263-12-090 Conferences—Notice of conferences. Once an appeal has been granted, it shall be assigned to an industrial appeals judge with direction to conduct a settlement conference or a conference to schedule the appeal for hearing. ~~((If a conference is scheduled in a case, it shall be upon written notice to all parties specifying the time and place set for such conference, and such notice))~~ The indus-

trial appeals judge may, in his or her discretion, conduct conferences in person or by telephone conference call. In-person conferences shall be scheduled upon written notice to all parties specifying the date, time and place set for such conference. Telephone conferences shall be scheduled upon written notice to all parties specifying the date and time for such conference, and that such conference shall be conducted by telephone. Notice of conferences, whether in person or by telephone, shall be mailed not less than seven days prior to the date of the conference, unless such notice is waived by all parties. The industrial appeals judge assigned to conduct hearings in an appeal or his or her designee shall conduct the conference at which hearings are scheduled.

AMENDATORY SECTION (Amending WSR 14-24-105, filed 12/2/14, effective 1/2/15)

WAC 263-12-115 Procedures at hearings. (1) Industrial appeals judge. All hearings shall be conducted by an industrial appeals judge who shall conduct the hearing in an orderly manner and rule on all procedural matters, objections and motions.

(2) Order of presentation of evidence.

(a) In any appeal under either the Industrial Insurance Act, the Worker and Community Right to Know Act, or the Crime Victims Compensation Act, the appealing party shall initially introduce all evidence in his or her case-in-chief except that in an appeal from an order of the department that alleges fraud or willful misrepresentation the department or self-insured employer shall initially introduce all evidence in its case-in-chief.

(b) In all appeals subject to the provisions of the Washington Industrial Safety and Health Act, the department shall initially introduce all evidence in its case-in-chief.

(c) After the party with the initial burden has presented his or her case-in-chief, the other parties may then introduce the evidence necessary to their cases-in-chief. In the event there is more than one other party, they may either present their cases-in-chief successively or may join in their presentation. Rebuttal evidence shall be received in the same order. Witnesses may be called out of turn in contravention of this rule only by agreement of all parties.

(3) **Objections and motions to strike.** Objections to the admission or exclusion of evidence shall be in short form, stating the legal grounds of objection relied upon. Extended argument or debate shall not be permitted.

(4) **Rulings.** The industrial appeals judge on objection or on his or her own motion shall exclude all irrelevant or unduly repetitious evidence and statements that are inadmissible pursuant to WAC 263-12-095(5). All rulings upon objections to the admissibility of evidence shall be made in accordance with rules of evidence applicable in the superior courts of this state.

(5) **Interlocutory appeals to the board - Confidentiality of trade secrets.** A direct appeal to the board shall be allowed as a matter of right from any ruling of an industrial appeals judge adverse to the employer concerning the confidentiality of trade secrets in appeals under the Washington Industrial Safety and Health Act.

(6) Interlocutory review by a chief industrial appeals judge.

(a) Except as provided in subsection (5) of this section interlocutory rulings of the industrial appeals judge are not subject to direct review by the board. A party to an appeal or a witness who has made a motion to quash a subpoena to appear at board related proceedings, may within five working days of receiving an adverse ruling from an industrial appeals judge request a review by a chief industrial appeals judge or his or her designee. Such request for review shall be in writing and shall be accompanied by an affidavit in support of the request and setting forth the grounds for the request, including the reasons for the necessity of an immediate review during the course of conference or hearing proceedings. Within ten working days of receipt of the written request, the chief industrial appeals judge, or designee, may decline to review the ruling based upon the written request and supporting affidavit; or, after such review as he or she deems appropriate, may either affirm or reverse the ruling, or refer the matter to the industrial appeals judge for further consideration.

(b) Failure to request review of an interlocutory ruling shall not constitute a waiver of the party's objection, nor shall an unfavorable response to the request preclude a party from subsequently renewing the objection whenever appropriate.

(c) No conference or hearing shall be interrupted for the purpose of filing a request for review of the industrial appeals judge's rulings; nor shall any scheduled proceedings be canceled pending a response to the request.

(7) **Recessed hearings.** Where, for good cause, all parties to an appeal are unable to present all their evidence at the time and place originally set for hearing, the industrial appeals judge may recess the hearing to the same or a different location so as to insure that all parties have reasonable opportunity to present their respective cases. No written "notice of hearing" shall be required as to any recessed hearing.

(8) Failure to present evidence when due.

(a) If any party is due to present certain evidence at a hearing or recessed hearing and, for any reason on its part, fails to appear and present such evidence, the industrial appeals judge may conclude the hearing and issue a proposed decision and order on the record, or recess or set over the proceedings for further hearing for the receipt of such evidence.

(b) In cases concerning Washington Industrial Safety and Health Act citations, a failure to appear by the person and/or party who filed the appeal is deemed to be an admission of the validity of any citation, abatement period, or penalty issued or proposed, and constitutes a waiver of all rights except the right to receive a copy of the decision.

(c) In cases concerning willful misrepresentation, the industrial appeals judge may proceed with the hearing, receive evidence, and issue a proposed decision and order without requirement of further notice to the appealing party who fails to appear.

(9) **Offers of proof in colloquy.** When an objection to a question is sustained an offer of proof in question and answer form shall be permitted unless the question is clearly objectionable on any theory of the case.

(10) **Telephone testimony.** At hearings, the parties may present the testimony of witnesses by telephone if agreed to by all parties and approved by the industrial appeals judge. For good cause the industrial appeals judge may authorize telephone testimony over the objection of a party after weighing the following nonexclusive factors:

- The need to weigh a witness's demeanor or credibility.
- Difficulty in handling documents and exhibits.
- The number of parties participating in the hearing.
- Whether any of the testimony will need to be translated.
- Ability of the witness to travel.
- Feasibility of taking a perpetuation deposition.
- Availability of quality telecommunications equipment and service.

When telephone testimony is permitted, the industrial appeals judge presiding at the hearing will swear in the witness testifying by phone as if the witness appeared live at the hearing. For rules relating to telephone deposition testimony, see WAC 263-12-117.

AMENDATORY SECTION (Amending WSR 16-24-054, filed 12/2/16, effective 1/2/17)

WAC 263-12-116 Exhibits. (1) ~~((Whenever possible,))~~ Tangible exhibits ~~((should))~~ shall be submitted on paper 8 1/2" x 11" in size. A larger version may be shown to the judge or witness for purpose of demonstration and a smaller version marked and offered as the exhibit.

(2) Electronic exhibits containing documents, pictures, audio, video, or other electronic material may be submitted on a CD, DVD, flash drive, or similar device, subject to the following conditions:

(a) The party seeking to present the audio/video/electronic material at a hearing must provide the appropriate equipment for hearing/viewing the material.

(b) If the party submitting the material for presentation at a hearing does not provide the equipment needed, the material will not be heard or viewed during the hearing, but the exhibit may be marked into evidence and ruling reserved.

(c) A media exhibit must be in MP4 (MPEG-4 Part 14) format or other industry format specified on the BIIA web site.

(d) Documents and pictures must be submitted in a pdf format.

(3) The board will not accept any hazardous exhibit. A hazardous exhibit is an exhibit that:

(a) Threatens the health and safety of persons handling the exhibit, including exhibits having potentially toxic, explosive, or disease-carrying characteristics.

(b) Threatens the security of the board's electronic equipment or network. Nonexclusive examples of hazardous exhibits include:

- Biohazards (bodily fluid samples, bloody clothing).
- Used medical implements or devices (surgical screws, cables, plates, pins, prosthetic devices).
- Corrosive or toxic substances.
- Controlled substances (prescription drugs).
- Potential airborne contaminants (asbestos, silica).
- Flammable, explosive, or reactive materials.
- Live ammunition, firearms, knives, and other weapons.

(4) Photographs, videotapes, or other facsimile representations may be used to demonstrate the existence, quantity, and physical characteristics of hazardous evidence consistent with this rule.

(5) If a party is uncertain whether a proposed exhibit conforms to this rule or is not able to bring the necessary equipment to the hearing, that party must request a conference with the judge at least fourteen days before submitting the exhibit, asking the judge to make a determination of conformity or to provide assistance in making the exhibit accessible at the proceeding.

(6) If an exhibit submitted in an appeal under the Washington Industrial Safety and Health Act (chapter 49.17 RCW) implicates a trade secret as set forth in chapter 19.108 RCW, the employer must bring it to the attention of an industrial appeals judge at the time of submission or within a reasonable time thereafter to permit a ruling on the confidentiality of the information and application of RCW 49.17.200 and WAC 263-12-115(5).

AMENDATORY SECTION (Amending WSR 16-24-054, filed 12/2/16, effective 1/2/17)

WAC 263-12-117 Perpetuation depositions. (1) **Evidence by deposition.** The industrial appeals judge may permit or require the perpetuation of testimony by deposition, subject to the applicable provisions of WAC 263-12-115. Such ruling may only be given after the industrial appeals judge gives due consideration to:

- (a) The complexity of the issues raised by the appeal;
- (b) The desirability of having the witness's testimony presented at a hearing;
- (c) The costs incurred by the parties in complying with the ruling; and
- (d) The fairness to the parties in complying with the ruling.

(2) **Telephone depositions:** When testimony is taken by perpetuation deposition, it may be taken by telephone if all parties agree. For good cause the industrial appeals judge may permit the parties to take the testimony of a witness by telephone deposition over the objection of a party after weighing the following nonexclusive factors:

- The need of a party to observe a witness's demeanor.
- Difficulty in handling documents and exhibits.
- The number of parties participating in the deposition.
- Whether any of the testimony will need to be translated.
- Ability of the witness to travel.
- Availability of quality telecommunications equipment and service.

If a perpetuation deposition is taken by telephone, the court reporter transcribing the deposition is authorized to swear in the deponent, regardless of the deponent's location within or outside the state of Washington.

(3) The industrial appeals judge may require that depositions be taken and published within prescribed time limits. The time limits may be extended by the industrial appeals judge for good cause. Each party shall bear its own costs except when the industrial appeals judge allocates costs to parties or their representatives. If a party takes a deposition under this section, but elects not to file the deposition as evi-

dence in the appeal, the party shall provide written notice to the assigned industrial appeals judge and all other parties prior to the deposition filing deadline.

(4) The party filing a deposition must submit the stenographically reported and transcribed deposition, certification, and exhibits in both a written format and an electronic format in accordance with procedures established by the board. The following requirements apply to the submission of depositions:

(a) Video depositions will not be considered as part of the record on appeal;

(b) The electronic deposition must be submitted in searchable (~~(PDF)~~) pdf format;

(c) Exhibits to the deposition must be filed electronically as a single attachment separate from the deposition transcript and certification;

(d) A legible paper copy of all exhibits must accompany the paper deposition transcript;

(e) Any media exhibit (audio or video) must meet the requirements set forth in WAC 263-12-116; and

(f) If the deposition is not transcribed in a reproducible format or properly submitted it may be excluded from the record.

(5) **Procedure at deposition.** Unless the parties stipulate or the industrial appeals judge determines otherwise all depositions permitted to be taken for the perpetuation of testimony shall be taken subject to the following conditions:

(a) That all motions and objections, whether to form or otherwise, shall be raised at the time of the deposition and if not raised at such time shall be deemed waived.

(b) That all exhibits shall be marked and identified at the time of the deposition and, if offered into evidence, appended to the deposition.

(c) That the deposition be published without necessity of further conference or hearing at the time it is received by the industrial appeals judge.

(d) That all motions, including offers to admit exhibits and objections raised at the time of the deposition, shall be ruled upon by the industrial appeals judge in the proposed decision and order.

(e) That the deposition may be appended to the record as part of the transcript, and not as an exhibit, without the necessity of being retyped into the record.

AMENDATORY SECTION (Amending WSR 91-13-038, filed 6/14/91, effective 7/15/91)

WAC 263-12-195 Significant decisions. (1) The board's publication "*Significant Decisions*," prepared pursuant to RCW 51.52.160, contains the decisions or orders of the board which it considers to have an analysis or decision of substantial importance to the board in carrying out its duties. Together with the indices of decision maintained pursuant to WAC 263-12-016(4), "*Significant Decisions*" shall serve as the index required by RCW 42.17.260 (4)(b) and (c).

(2) The board selects the decisions or orders to be included in "*Significant Decisions*" based on recommendations from staff and the public. Generally, a decision or order is considered "significant" only if it provides a legal analysis or interpretation not found in existing case law, or applies set-

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Deputy Director

tled law to unusual facts. Decisions or orders may be included which demonstrate the application of a settled legal principle to varying fact situations or which reflect the further development of, or continued adherence to, a legal principle previously recognized by the board. Nominations of decisions or orders for inclusion in "*Significant Decisions*" should be submitted in writing to the executive secretary.

(3) "*Significant Decisions*" consists of (~~microfilmed copies of the~~) decisions and orders identified as significant and headnotes summarizing the proposition or propositions for which the board considers the decisions or orders "significant." Indices are also provided to identify each decision or order by name and by subject. (~~Permanent revisions and additions to "*Significant Decisions*" are prepared annually. A cumulative supplement is prepared annually between permanent updates and is provided to subscribers of "*Significant Decisions*." The cumulative supplement contains decisions or orders identified by the board as "significant" in the interim between permanent updates.~~)

(4) (~~Copies of~~) "*Significant Decisions*" and (~~permanent updates are available to the public at cost. Requests for information concerning the purchase of "*Significant Decisions*" should be directed to the executive secretary~~) indices may be accessed at the board's web site, www.bjia.wa.gov.

WSR 17-24-123

PERMANENT RULES

TRAFFIC SAFETY COMMISSION

[Filed December 6, 2017, 10:31 a.m., effective January 6, 2018]

Effective Date of Rule: Thirty-one days after filing.

Purpose: Revisions to current chapter 467-02 WAC including: Updating references to our old address; updating definitions; updating references to RCW that have been recodified; updating the public records request language to reflect new RCW language.

Citation of Rules Affected by this Order: Amending WAC 467-02-010, 467-02-020, 467-02-030, 467-02-050, 467-02-070, 467-02-090, 467-02-120, and 467-02-130.

Statutory Authority for Adoption: RCW 43.59.070.

Adopted under notice filed as WSR 17-22-015 on October 20, 2017.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 1, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Non-governmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 8, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 8, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: December 6, 2017.

AMENDATORY SECTION (Amending WSR 91-23-101, filed 11/20/91, effective 12/21/91)

WAC 467-02-010 Purpose. The purpose of this chapter shall be to ensure compliance by the Washington traffic safety commission with the provisions (~~of RCW 42.17.250 through 42.17.340~~) under chapter 42.56 RCW dealing with public records.

AMENDATORY SECTION (Amending Order 1, filed 4/11/77)

WAC 467-02-020 Definitions. (1) "Public record" includes any writing containing information relating to the conduct of government or the performance of any governmental or proprietary function prepared, owned, used, or retained by any state or local agency regardless of fiscal form or characteristic. This definition does not include records that are not otherwise required to be retained by the agency and are held by volunteers who:

(a) Do not serve in an administrative capacity;

(b) Have not been appointed by the agency to an agency board, commission, or internship; and

(c) Do not have a supervisory role or delegated agency authority.

(2) "Writing" means handwriting, typewriting, printing, photostating, photographing and every other means of recording (~~(sounds, or symbols, or combination thereof, and all papers, maps, magnetic or paper tapes, photographic films, magnetic or punchcards, discs, drums and other documents)~~) any form of communication or representation including, but not limited to, letters, words, pictures, sounds, or symbols, or combination thereof, and all papers, maps, magnetic or paper tapes, photographic films, prints, motion pictures, film and video recordings, magnetic or punched cards, discs, drums, diskettes, sound recordings, and other documents including existing data compilation from which information may be obtained or translated.

(3) "Commission" means the Washington traffic safety commission.

AMENDATORY SECTION (Amending WSR 91-23-101, filed 11/20/91, effective 12/21/91)

WAC 467-02-030 Exempted records. In accordance with RCW (~~42.17.340~~) 42.56.210, the following personal and other records shall be exempt from public inspection and copying:

(1) Personal information in any files maintained for students in public schools, patients or clients of public institutions or public health agencies, welfare recipients, prisoners, probations or parolees.

(2) Personal information in files maintained for employees, appointees or elected officials of any public agency to the extent that disclosure would violate their right to privacy.

(3) Information required of any taxpayer in connection with the assessment or collection of any tax if the disclosure of the information to other persons would violate the tax-

payer's right to privacy or would result in unfair competitive disadvantage to such taxpayer.

(4) Specific intelligence information and specific investigative records compiled by investigative, law enforcement, and penology agencies, and state agencies vested with the responsibility to discipline members of any profession, the nondisclosure of which is essential to effective law enforcement or for the protection of any person's right to privacy.

(5) Information revealing the identity of persons who file complaints with investigative, law enforcement, or penology agencies, except as the complainant may authorize.

(6) Test questions, scoring keys, and other examination data used to administer a license, employment or academic examination.

~~(7) (Except as provided by chapter 8.26 RCW, the contents of real estate appraisals, made for or by any agency relative to the acquisition or sale of property, until the project or prospective sale is abandoned or until such time as all of the property has been acquired or the property to which the sale appraisal relates is sold, but in no event shall disclosure be denied for more than three years after the appraisal.~~

~~(8)) Valuable formulae, designs, drawings computer source code or object code and research data obtained by any agency within five years of the request for disclosure when disclosure would produce private gain and public loss (RCW 42.56.270(1)).~~

~~((9)) (8) Preliminary drafts, notes, recommendations and intra-agency memorandums in which opinions are expressed or policies formulated or recommended except that a specific record shall not be exempt when publicly cited by an agency in connection with any agency action.~~

~~((10)) (9) Records which are relevant to a controversy to which an agency is a party but which records would not be available to another party under the rules of pretrial discovery for causes pending in the superior courts.~~

~~((11)) (10) All applications for public employment, including the names of applicants, resumes, and other related materials submitted with respect to an applicant.~~

~~((12)) (11) The residential addresses and residential telephone numbers of the employees or volunteers of a public agency which are held by the agency in personnel records, employment or volunteer rosters, or mailing lists of employees or volunteers.~~

~~((13)) (12) Records, maps, or other information identifying the location of archaeological sites in order to avoid the looting or depredation of such sites.~~

~~((14)) (13) Any library record, the primary purpose of which is to maintain control of library materials, or to gain access to information, which discloses or could be used to disclose the identity of a library user.~~

~~((15)) (14) Personal or financial information supplied by or on behalf of a person, firm, or corporation for the purpose of qualifying to submit a bid or proposal for(:~~

~~(a) A ferry system construction or repair contract as required by RCW 47.60.680 through 47.60.750; or~~

~~(b) Highway construction or improvement as required by RCW 47.28.070.~~

~~(16)) as required by RCW 42.56.230 and defined by RCW 9.35.005.~~

(15) The exemptions of this section shall be inapplicable to the extent that information, the disclosure of which would violate personal privacy or vital governmental interests, can be deleted from the specific records sought. No exemption shall be construed to permit the nondisclosure of statistical information not descriptive of any readily identifiable person or persons.

AMENDATORY SECTION (Amending WSR 91-23-101, filed 11/20/91, effective 12/21/91)

WAC 467-02-050 Public records officer. The Washington traffic safety commission public records shall be managed by the public records officer for the commission. The person so designated shall be officed in the Washington Traffic Safety Commission (~~(Building)~~) Office, Olympia, Washington. The public records officer shall be responsible for implementation of the commission's rules and regulations regarding release of public records, coordinating staff efforts of the commission's rules and regulations regarding release of public records, and generally ensuring compliance of the staff with the public records disclosure requirements of chapter 1, Laws of 1973.

AMENDATORY SECTION (Amending WSR 91-23-101, filed 11/20/91, effective 12/21/91)

WAC 467-02-070 Requests for public records. Subject to the provisions of subsection (3) of this section, public records are obtainable by members of the public when those members of the public comply with the following procedures.

(1) The commission shall honor requests received in person during the commission's normal office hours, or by mail or email, unless exempted by provisions in this chapter. A request shall be addressed to the public records officer. Such request shall include the following in the public disclosure request:

(a) The name of the person requesting the record and their contact information.

(b) The time of day and calendar date on which the request was made.

(c) If the matter requested is referenced within the current index maintained by the Washington traffic safety commission, a reference to the requested record as it is described in such current index.

(d) If the requested matter is not identifiable by reference to the Washington traffic safety commission's current index, a statement that identifies the specific record requested.

(e) A verification that the records requested shall not be used to compile a commercial sales list.

(2) The public records officer shall inform the member of the public making the request (~~(whether the requested record is available for inspection and copying at 1000 S. Cherry Street, in Olympia, Washington)~~) within five business days of receiving a public record request by either:

(a) Providing the record;

(b) Providing an internet address and link on the agency's web site to the specific records requested, except that if the requestor notifies the agency that he or she cannot access the records through the internet, then the agency must provide

copies of the record or allow the requestor to view copies using an agency computer;

(c) Acknowledging that the agency has received the request and providing a reasonable estimate of the time the agency will require to respond to the request; or

(d) Denying the public record request (RCW 42.56.520).

(3) When it appears that a request for a record is made by or on behalf of a party to a lawsuit or a controversy to which the commission is also a party (or when such a request is made by or on behalf of an attorney for such a party) the request shall be referred to the assistant attorney general assigned to the commission for appropriate response.

AMENDATORY SECTION (Amending Order 1, filed 4/11/77)

WAC 467-02-090 Inspection and copying cost. (1) No fee shall be charged for inspection of public records.

~~(2) ((The Washington traffic safety commission shall impose a reasonable charge for providing copies of public records and for the use by any person of agency equipment to copy records; such charges shall not exceed the amount necessary to reimburse the Washington traffic safety commission for its actual costs incident to such copying. Actual costs shall include the labor costs of staff, machine cost and paper cost necessary to provide copies of requested records.)) Pursuant to RCW 42.56.120(2), as amended by section 3, chapter 304, Laws of 2017, the Washington traffic safety commission declares for the following reasons that it would be unduly burdensome for it to calculate the actual costs it charges for providing copies of public records: Funds were not allocated for performing a study to calculate such actual costs and the agency lacks the necessary funds to perform a study and calculations; staff resources are insufficient to perform a study and to calculate such actual costs; and a study would interfere with and disrupt other essential agency functions.~~

(3) The Washington traffic safety commission may charge fees for production of copies of public records consistent with the fee schedule established in RCW 42.56.120, as amended by section 3, chapter 304, Laws of 2017.

AMENDATORY SECTION (Amending WSR 91-23-101, filed 11/20/91, effective 12/21/91)

WAC 467-02-120 Review of denials of public records requests. (1) Any person who objects to the denial of a request for a public record may petition the public records officer for prompt review of such decision by tendering a written request for review. The written request shall specifically refer to the written statement by the public records officer or other staff member which constituted or accompanied the denial.

(2) After receiving a written request for review of a decision denying a public record, if the public records officer determines to affirm the denial, ~~((then the written request shall immediately be referred to the assistant attorney general assigned to the commission. The assistant attorney general shall promptly consider the matter and either affirm or reverse such denial))~~ such decision shall constitute final agency action. In any case, the request shall be returned with

a final decision, within two business days following receipt of the petition for review.

(3) Administrative remedies shall not be considered exhausted until the public records officer has returned the petition with a decision or until the close of the second business day following denial of inspection, whichever first occurs.

AMENDATORY SECTION (Amending WSR 91-23-101, filed 11/20/91, effective 12/21/91)

WAC 467-02-130 Records index. (1) The commission has available to all persons at its offices in Olympia a current index which provides identifying information as to the following records issued, adopted or promulgated by the commission:

- (a) Minutes of commission meetings;
- (b) Those statements of policy and interpretations of policy, statute and the constitution which have been adopted by the commission;
- (c) Administrative staff manuals and instructions to staff that affect a member of the public;
- (d) Planning policies and goals, and interim and final planning decisions;
- (e) Factual staff reports and studies, factual consultant's reports and studies, scientific reports and studies, and any other factual information derived from tests, studies, reports or surveys, whether conducted by public employees or others.

(2) A system of indexing for identification and location of the following records is hereby established by the commission. Such records shall include the following:

- (a) Final orders entered after June 30, 1990, issued in adjudicative proceedings as defined in RCW 34.05.010(1) that contain an analysis or decision of substantial importance to the agency in carrying out its duties.
- (b) Declaratory orders entered after June 10, 1990, that contain an analysis or decision of substantial importance to the agency in carrying out its duties.
- (c) Interpretative statements as defined in RCW 34.05.010(8).
- (d) Policy statements entered after June 30, 1990, as defined in RCW 34.05.010(14).

(3) A system of indexing shall be as follows:

(a) The indexing system will be administered by the commission's rules coordinator and located at ~~((400 S. Cherry Street, Olympia, Washington))~~ the Washington traffic safety commission.

(b) Copies of all indexes shall be available for public inspection and copying in the manner provided for the inspection and copying of public records.

(c) The rules coordinator shall establish and maintain a separate index for each item contained in subsection (1)(a) through (e) of this section as follows:

(i) The index shall list all final orders and declaratory orders selected by the commission that contain decisions of substantial importance to the agency which orders shall be listed alphabetically by the titles of the hearing or controversy and shall contain a phrase describing the issue or issues and relevant citations of law.

(ii) Interpretative statements and policy statements shall be indexed by the applicable program administered by the commission.

(d) The rules coordinator shall update all indexes at least once a year and shall revise such indexes when deemed necessary by the commission.