

**WSR 21-23-011**  
**EXPEDITED RULES**  
**DEPARTMENT OF REVENUE**

[Filed November 4, 2021, 1:25 p.m.]

Title of Rule and Other Identifying Information: WAC 458-18-220 Refunds—Rate of interest, 458-30-262 Agricultural land valuation—Interest rate—Property tax component, and 458-30-590 Rates of inflation—Publication—Interest rate—Calculation.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The department proposes to amend:

- WAC 458-18-220 to provide the rate of interest for treasury bill auction year 2021, which is used when refunding property taxes paid in 2022, as required by RCW 84.69.100.
- WAC 458-30-262 to provide the interest rate and property tax component used when valuing classified farm and agricultural land during the 2022 assessment year, as required by RCW 84.34.065.
- WAC 458-30-590 to provide the rate of inflation published in 2021, which is used in calculating interest for deferred special benefit assessments of land removed or withdrawn from classification during 2022, as required by RCW 84.34.310.

Reasons Supporting Proposal: The department is specifically and explicitly required by statute to annually update these rules to provide the information identified above.

Statutory Authority for Adoption: RCW 84.34.065, 84.34.141, 84.34.360, and 84.69.100.

Statute Being Implemented: RCW 84.34.055, 84.34.065, 84.34.141, 84.34.310, 84.34.360, 84.68.030, and 84.69.100.

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

Name of Proponent: Department of revenue, governmental.

Name of Agency Personnel Responsible for Drafting: Leslie Mullin, 6400 Linderson Way S.W., Tumwater, WA, 360-534-1589; Implementation and Enforcement: John Ryser, 6400 Linderson Way S.W., Tumwater, WA, 360-534-1605.

This notice meets the following criteria to use the expedited adoption process for these rules:

Adopts or incorporates by reference without material change federal statutes or regulations, Washington state statutes, rules of other Washington state agencies, shoreline master programs other than those programs governing shorelines of statewide significance, or, as referenced by Washington state law, national consensus codes that generally establish industry standards, if the material adopted or incorporated regulates the same subject matter and conduct as the adopting or incorporating rule.

Content is explicitly and specifically dictated by statute.

Explanation of the Reason the Agency Believes the Expedited Rule-Making Process is Appropriate: The department is required by Washington state statutes to annually update these rules.

NOTICE

THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO Leslie Mullin, Department of Revenue, P.O. Box 47453, Olympia, WA 98504-7453, phone 360-534-1589, fax 360-534-1606, email LeslieMu@dor.wa.gov, AND RECEIVED BY January 17, 2022.

November 4, 2021  
 Atif Aziz  
 Rules Coordinator

AMENDATORY SECTION (Amending WSR 21-01-210, filed 12/23/20, effective 1/1/21)

**WAC 458-18-220 Refunds—Rate of interest. (1) Introduction.** Interest applies to refunds of taxes made pursuant to RCW 84.69.010 through 84.69.090 in accordance with RCW 84.69.100. Interest also applies to judgments entered in favor of the plaintiff pursuant to RCW 84.68.030.

(2) **Calculation of interest rate.** The interest rate is calculated from the equivalent coupon issue yield of the average bill rate for twenty-six week treasury bills as determined at the first bill market auction conducted after June 30th of the calendar year preceding the date the taxes were paid.

(3) **Interest rates.** The following rates are applied to the amount of the judgment or the amount of the refund, until paid:

Year tax paid	Auction Year	Rate
1984	1983	9.29%
1985	1984	11.27%
1986	1985	7.36%
1987	1986	6.11%
1988	1987	5.95%
1989	1988	7.04%
1990	1989	8.05%
1991	1990	8.01%
1992	1991	5.98%
1993	1992	3.42%
1994	1993	3.19%
1995	1994	4.92%
1996	1995	5.71%
1997	1996	5.22%
1998	1997	5.14%
1999	1998	5.06%

Year tax paid	Auction Year	Rate	COUNTY	PERCENT	COUNTY	PERCENT
2000	1999	4.96%	Clark	1.08	Pend Oreille	<del>((1.04))</del> <u>0.98</u>
2001	2000	5.98%	Columbia	<del>((1.19))</del> <u>1.16</u>	Pierce	<del>((1.27))</del> <u>1.22</u>
2002	2001	3.50%	Cowlitz	<del>((1.05))</del> <u>1.07</u>	San Juan	<del>((0.73))</del> <u>0.72</u>
2003	2002	1.73%	Douglas	<del>((1.09))</del> <u>1.11</u>	Skagit	<del>((1.08))</del> <u>1.06</u>
2004	2003	0.95%	Ferry	<del>((1.02))</del> <u>1.06</u>	Skamania	<del>((1.07))</del> <u>1.04</u>
2005	2004	1.73%	Franklin	0.99	Snohomish	<del>((1.03))</del> <u>0.97</u>
2006	2005	3.33%	Garfield	<del>((1.02))</del> <u>1.25</u>	Spokane	<del>((1.21))</del> <u>1.17</u>
2007	2006	5.09%	Grant	<del>((1.15))</del> <u>1.10</u>	Stevens	<del>((0.95))</del> <u>0.91</u>
2008	2007	4.81%	Grays Harbor	<del>((1.22))</del> <u>1.19</u>	Thurston	<del>((1.26))</del> <u>1.24</u>
2009	2008	2.14%	Island	0.90	Wahkiakum	<del>((0.82))</del> <u>0.79</u>
2010	2009	0.29%	Jefferson	<del>((1.00))</del> <u>0.99</u>	Walla Walla	1.24
2011	2010	0.21%	King	<del>((0.99))</del> <u>1.01</u>	Whatcom	<del>((1.05))</del> <u>1.01</u>
2012	2011	0.08%	Kitsap	<del>((1.03))</del> <u>1.02</u>	Whitman	<del>((1.41))</del> <u>1.42</u>
2013	2012	0.15%	Kittitas	<del>((0.90))</del> <u>0.91</u>	Yakima	<del>((1.20))</del> <u>1.14</u>
2014	2013	0.085%	Klickitat	<del>((1.04))</del> <u>0.97</u>		
2015	2014	0.060%				
2016	2015	0.085%				
2017	2016	0.340%				
2018	2017	1.130%				
2019	2018	2.085%				
2020	2019	2.040%				
2021	2020	0.165%				
<u>2022</u>	<u>2021</u>	<u>0.050%</u>				

**AMENDATORY SECTION** (Amending WSR 21-01-210, filed 12/23/20, effective 1/1/21)

**WAC 458-30-262 Agricultural land valuation—Interest rate—Property tax component.** For assessment year (~~2021~~) 2022, the interest rate and the property tax component that are used to value classified farm and agricultural lands are as follows:

- (1) The interest rate is ~~((5.70))~~ 5.62 percent; and
- (2) The property tax component for each county is:

COUNTY	PERCENT	COUNTY	PERCENT
Adams	<del>((1.24))</del> <u>1.25</u>	Lewis	<del>((1.09))</del> <u>0.97</u>
Asotin	<del>((1.07))</del> <u>1.15</u>	Lincoln	1.15
Benton	<del>((1.15))</del> <u>1.09</u>	Mason	<del>((1.15))</del> <u>1.04</u>
Chelan	0.99	Okanogan	<del>((1.15))</del> <u>1.17</u>
Clallam	<del>((1.04))</del> <u>1.03</u>	Pacific	<del>((1.20))</del> <u>1.10</u>

**AMENDATORY SECTION** (Amending WSR 21-01-210, filed 12/23/20, effective 1/1/21)

**WAC 458-30-590 Rate of inflation—Publication—Interest rate—Calculation.** (1) **Introduction.** This rule provides the rates of inflation discussed in RCW 84.34.330 and WAC 458-30-550 Exemption—Removal or withdrawal. It also explains the department of revenue's (department) obligation to annually publish a rate of inflation and the manner in which this rate is determined.

(2) **General duty of department - Basis for inflation rate.** Each year the department determines and publishes a rule establishing an annual rate of inflation. This rate of inflation is used in computing the interest that is assessed when farm and agricultural or timber land, which are exempt from special benefit assessments, is withdrawn or removed from current use classification.

(a) The rate of inflation is based on the implicit price deflator for personal consumption expenditures calculated by the United States Department of Commerce. This rate is used

to calculate the rate of interest collected on exempt special benefit assessments.

(b) The rate is published by December 31st of each year and applies to all withdrawals or removals from the farm and agricultural or timber land classifications that occur the following year.

(3) **Assessment of rate of interest.** An owner of classified farm and agricultural or timber land is liable for interest on the exempt special benefit assessment. Interest accrues from the date the local improvement district is created until the land is withdrawn or removed from classification. Interest accrues and is assessed in accordance with WAC 458-30-550.

(a) Interest is assessed only for the time (years and months) the land remains classified under RCW 84.34.020 (2) or (3).

(b) If the classified land is exempt from the special benefit assessment for more than one year, the annual inflation rates are used to calculate an average rate of interest. This average is determined by adding the inflation rate for each year the classified land was exempt from the special benefit assessment after the local improvement district was created. The sum of the inflation rates is then divided by the number of years involved to determine the applicable rate of interest.

(c) **Example.** A local improvement district for a domestic water supply system was created in January 2010 and the owner used the statutory exemption provided in RCW 84.34.320. On July 1, 2017, the land was removed from the farm and agricultural classification. An average interest rate was calculated using the inflation rates for 2010 through 2017. The owner was then notified of the amount of previously exempt special benefit assessment, plus the average interest rate.

(4) **Rates of inflation.** The rates of inflation used to calculate the interest as required by WAC 458-30-550 are as follows:

YEAR	PERCENT	YEAR	PERCENT
1976	5.6	1977	6.5
1978	7.6	1979	11.3
1980	13.5	1981	10.3
1982	6.2	1983	3.2
1984	4.3	1985	3.5
1986	1.9	1987	3.7
1988	4.1	1989	4.8
1990	5.4	1991	4.2
1992	3.3	1993	2.7
1994	2.2	1995	2.3
1996	2.2	1997	2.1
1998	0.85	1999	1.42
2000	2.61	2001	1.89
2002	1.16	2003	1.84
2004	2.39	2005	2.54
2006	3.42	2007	2.08
2008	4.527	2009	-0.85 (negative)

YEAR	PERCENT	YEAR	PERCENT
2010	1.539	2011	2.755
2012	1.295	2013	1.314
2014	1.591	2015	0.251
2016	0.953	2017	1.553
2018	2.169	2019	1.396
2020	0.602	<u>2021</u>	<u>3.860</u>

**WSR 21-23-054**  
**EXPEDITED RULES**  
**DEPARTMENT OF REVENUE**

[Filed November 10, 2021, 2:34 p.m.]

Title of Rule and Other Identifying Information: WAC 458-18-010 Deferral of special assessments and/or property taxes—Definitions.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The department is amending WAC 458-18-010 to incorporate 2021 legislation, ESSB 5251, section 24. This section of the legislation clarified the use of the seasonally adjusted consumer price index as a method to calculate the income thresholds.

Reasons Supporting Proposal: Updating this rule provides clarity on how the department of revenue calculates the county income thresholds.

Statutory Authority for Adoption: RCW 84.38.180.

Statute Being Implemented: RCW 84.36.385 and 84.38.020.

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

Name of Proponent: Department of revenue, governmental.

Name of Agency Personnel Responsible for Drafting: Leslie Mullin, 6400 Linderson Way S.W., Tumwater, WA, 360-534-1589; Implementation and Enforcement: John Ryser, 6400 Linderson Way S.W., Tumwater, WA, 360-534-1605.

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Adopts or incorporates by reference without material change federal statutes or regulations, Washington state statutes, rules of other Washington state agencies, shoreline master programs other than those programs governing shorelines of statewide significance, or, as referenced by Washington state law, national consensus codes that generally establish industry standards, if the material adopted or incorporated regulates the same subject matter and conduct as the adopting or incorporating rule.

Explanation of the Reason the Agency Believes the Expedited Rule-Making Process is Appropriate: The expedited rule-making process is applicable to this rule update because the department is incorporating changes resulting from 2021 legislation.

## NOTICE

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November 10, 2021  
Atif Aziz  
Rules Coordinator

AMENDATORY SECTION (Amending WSR 20-04-016, filed 1/24/20, effective 2/24/20)

**WAC 458-18-010 Deferral of special assessments and/or property taxes—Definitions.** (1) **Introduction.** This rule provides definitions of the terms used to administer the deferral program in chapter 84.38 RCW and this section through WAC 458-18-100 for special assessments and/or property taxes on residential housing.

(2) **"Boarding house"** means a residence in which lodging and meals are provided. Each resident of a boarding house is charged a lump sum to cover the costs of lodging and meals with no separate accounting for the fair selling price of the meals.

(3) **"Claimant"** means a person who either elects under chapter 84.38 RCW or is required under RCW 84.64.050, to defer payment of special assessments and/or real property taxes accrued on their residence by filing a declaration to defer as allowed under chapter 84.38 RCW. Only one individual per household may file a declaration to defer.

(4) **"Cooperative housing"** means any existing structure, including surrounding land and improvements, which contains one or more dwelling units and is owned by:

(a) An association with resident shareholders who are granted renewable leasehold interests in dwelling units in the building. Unlike owners of a condominium, the resident shareholders who hold a renewable leasehold interest do not own their dwelling units; or

(b) An association organized under the Cooperative Association Act (chapter 23.86 RCW).

(5) **"Department"** means the state department of revenue.

(6) **"Devisee"** has the same meaning as provided in RCW 21.35.005: Any person designated in a will to receive a disposition of real or personal property.

(7) **"Domestic partner"** means a person registered under chapter 26.60 RCW or a partner in a legal union of two persons, other than a marriage, that was validly formed in another jurisdiction, and that is substantially equivalent to a domestic partnership under chapter 26.60 RCW.

(8) **"Domestic partnership"** means a partnership registered under chapter 26.60 RCW or a legal union of two persons, other than a marriage, that was validly formed in another jurisdiction, and that is substantially equivalent to a domestic partnership under chapter 26.60 RCW.

(9) **"Equity value"** means the amount by which the true and fair value of a residence exceeds the total amount of all liens, obligations, and encumbrances against the property, excluding deferral liens. As used in this context, the "true and fair value" of a residence is the value shown on the county tax rolls maintained by the assessor for the assessment year in which the deferral claim is made.

(10) **"Fire and casualty insurance"** means a policy with an insurer that is authorized by the state insurance commission to insure property in this state.

(11) **"Heir"** has the same meaning as provided in RCW 21.35.005: Any person, including the surviving spouse, who is entitled under the statutes of intestate succession to the property of a decedent.

(12) **"Income threshold"** means:

(a) For taxes levied for collection in calendar years prior to 2020, a combined disposable income equal to (~~forty-five thousand dollars~~) \$45,000; and

(b) For taxes levied for collection in calendar year 2020 and thereafter, a combined disposable income equal to the greater of the income threshold for the previous year, or (~~seventy-five~~) 75 percent of the county median household income, adjusted every five years beginning August 1, 2019, and by March 1st every fifth year thereafter, as provided in RCW 84.36.385.

(i) Beginning with the adjustment made by March 1, 2024, and every second adjustment thereafter, if the income threshold in a county is not adjusted based on percentage of county median income, then the income threshold must be adjusted based on the growth of the seasonally adjusted consumer price index for all urban consumers (CPI-U) for the prior (~~twelve-month~~) 12-month period as published by the United States Bureau of Labor Statistics.

(ii) In no case may the adjustment be greater than one percent and if the income threshold adjustment is negative, the income threshold for the prior year continues to apply. The adjusted threshold must be rounded to the nearest one dollar.

(13) **"Irrevocable trust"** means a trust that may not be revoked after its creation by the trustor.

(14) **"Lease for life"** means a lease that terminates upon the death of the lessee.

(15) **"Lien"** means any interest in property given to secure payment of a debt or performance of an obligation, including a deed of trust. A lien includes the total amount of special assessments and/or property taxes deferred and the interest. It also may include any other outstanding balances owed to local governments for special assessments.

(16) **"Life estate"** means an estate that consists of total rights to use, occupy, and control real property but is limited to the lifetime of a designated party; this party is often called a "life tenant."

(17) **"Local government"** means any city, town, county, water-sewer district, public utility district, port district, irrigation district, flood control district, or any other

municipal corporation, quasi municipal corporation, or other political subdivision authorized to levy special assessments.

(18) "**Perjury**" means the willful assertion as to a matter of fact, opinion, belief, or knowledge made by a claimant upon the declaration to defer that the claimant knows to be false.

(19) "**Real property taxes**" means ad valorem property taxes levied on a residence in this state. The term includes foreclosure costs, interest, and penalties accrued as of the date the declaration to defer is filed.

(20) "**Residence**" is defined as:

(a) A single-family dwelling unit whether the unit is separate or part of a multiunit dwelling and includes up to one acre of the parcel of land on which the dwelling stands. Residence also includes any additional property up to a total of five acres that comprises the residential parcel if local land use regulations require this larger parcel size; or

(b) A single-family dwelling situated upon lands the fee of which is vested in the United States or any instrumentality of the United States, including an Indian tribe, or in the state of Washington.

(21) "**Revocable trust**" means an agreement that entitles the trustor to have the full right to use the real property and to revoke the trust and retake complete ownership of the property at any time during their lifetime. The trustee of a revocable trust holds only bare legal title to the real property. Full equitable title to the property remains with the trustor; the original property owner.

(22) "**Rooming house**" means a residence where persons may rent rooms.

(23) "**Special assessment**" means the charge or obligation imposed by a local government upon real property specially benefited by improvements.

### WSR 21-23-055

#### EXPEDITED RULES

#### DEPARTMENT OF REVENUE

[Filed November 10, 2021, 2:37 p.m.]

Title of Rule and Other Identifying Information: WAC 458-20-134 Commercial or industrial use.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The department is amending WAC 458-20-134 to incorporate 2021 legislation, ESSB 5251, section 11. This section of the legislation provides a written definition of "biofuel" to replace an outdated statutory reference.

Reasons Supporting Proposal: Updating this rule provides clarity on the definition of "biofuel" in determining whether a sale of hog fuel used to produce biofuel qualifies for an exemption from retail sales tax.

Statutory Authority for Adoption: RCW 82.01.060 and 82.32.300.

Statute Being Implemented: RCW 82.08.956.

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

Name of Proponent: Department of revenue, governmental.

Name of Agency Personnel Responsible for Drafting: Leslie Mullin, 6400 Linderson Way S.W., Tumwater, WA, 360-534-1589; Implementation and Enforcement: John Ryser, 6400 Linderson Way S.W., Tumwater, WA, 360-534-1605.

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Explanation of the Reason the Agency Believes the Expedited Rule-Making Process is Appropriate: The expedited rule-making process is applicable to this rule update because the department is incorporating changes resulting from 2021 legislation.

#### NOTICE

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November 10, 2021

Atif Aziz

Rules Coordinator

AMENDATORY SECTION (Amending WSR 18-05-011, filed 2/8/18, effective 3/11/18)

#### WAC 458-20-134 Commercial or industrial use. (1) Definitions.

(a) ((?))The term ((?))"commercial or industrial use((?))" means the following uses of products, including by-products, by the same person that extracted or manufactured them:

(i) Any use as a consumer; and

(ii) The manufacturing of articles, substances, or commodities.((?)) (RCW 82.04.130.)

(b) The term "biomass fuel" means wood waste and other wood residuals, including forest derived biomass, but does not include firewood or wood pellets. "Biomass fuel" also includes partially organic by-products of pulp, paper, and wood manufacturing processes.

(2) **Examples of commercial or industrial use.** The following are examples of commercial or industrial use:

(a) The use of lumber by the manufacturer of that lumber to build a shed for its own use.

(b) The use of a motor truck by the manufacturer of that truck as a service truck for itself.

(c) The use by a boat manufacturer of patterns, jigs, and dies which it has manufactured.

(d) The use by a contractor building or improving a publicly owned road of crushed rock or pit run gravel which it has extracted.

(3) **Business and occupation tax.** Persons manufacturing or extracting tangible personal property for commercial or industrial use are subject to tax under the manufacturing or extracting B&O tax classifications, as the case may be. The tax is measured by the value of the product manufactured or extracted and used. ~~((f))~~ See WAC 458-20-112 Value of products, for ~~((definition and explanation of value of products))~~ additional information. ~~((g))~~

(4) **Use tax.** Persons manufacturing or extracting tangible personal property for commercial or industrial use are subject to use tax on the value of the article ~~((s))~~ used, unless a specific exemption is provided. ~~((f))~~ See WAC 458-20-178 Use tax and the use of tangible personal property, for further explanation of ~~((the))~~ use tax and the definition of "value of the article used. ~~((h))~~"

(5) **Exemptions.** The following uses of articles produced for commercial or industrial use are expressly exempt ~~((e))~~ from use tax.

(a) RCW 82.12.0263 exempts from the use tax the use of biomass fuel by the same person that extracted or manufactured that biomass fuel when it is used directly in the operation of the particular extractive operation or manufacturing plant which produced or manufactured the same biomass fuel.

(b) Property produced for use in manufacturing ferrosilicon which is subsequently used to make magnesium for sale is exempt ~~((e))~~ from use tax if the primary purpose is to create a chemical reaction directly through contact with an ingredient of ferrosilicon. ~~((f))~~ RCW 82.04.190(1). ~~((g))~~

(c) ~~((Effective July 1, 2009,))~~ Hog fuel used to produce electricity, steam, heat, or biofuel is exempt from use tax. RCW 82.12.956. For the purposes of this exemption, "hog fuel" means wood waste and other wood residuals including forest derived biomass, but not including firewood or wood pellets. "Biofuel" ~~((has the same meaning as provided in RCW 43.325.010))~~ means a liquid or gaseous fuel derived from organic matter intended for use as a transportation fuel including, but not limited to, biodiesel, renewable diesel, ethanol, renewable natural gas, and renewable propane.

(6) **Special provisions regarding value of article used.** RCW 82.12.010 provides the following special valuation provisions to persons manufacturing products for commercial or industrial use:

(a) In the case of articles manufactured or produced by the user and used in the manufacture or production of products sold or to be sold to the United States Department of Defense, the value of the articles used is determined according to the value of the ingredients of those articles.

(b) In the case of an article manufactured or produced for purposes of serving as a prototype for the development of a

new or improved product, the value of the article used is determined by:

~~((\*)~~ (i) The retail selling price of such new or improved product when first offered for sale; or

~~((\*)~~ (ii) The value of materials incorporated into the prototype in cases in which the new or improved product is not offered for sale.

## WSR 21-23-056

### EXPEDITED RULES

### DEPARTMENT OF REVENUE

[Filed November 10, 2021, 2:41 p.m.]

Title of Rule and Other Identifying Information: WAC 458-29A-600 Leasehold excise tax—Collection and administration.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The department is amending WAC 458-29A-600 to incorporate 2021 legislation, EHB [ESSB] 5251, section 17, and 2017 legislation, SSB 5977, section 1302, which is effective January 1, 2022.

Reasons Supporting Proposal: Updating this rule will provide current guidance on the administration and credits available for leasehold excise tax.

Statutory Authority for Adoption: RCW 82.29A.140.

Statute Being Implemented: RCW 82.29A.090 and 82.29A.120.

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

Name of Proponent: Department of revenue, governmental.

Name of Agency Personnel Responsible for Drafting: Leslie Mullin, 6400 Linderson Way S.W., Tumwater, WA, 360-534-1589; Implementation and Enforcement: John Ryser, 6400 Linderson Way S.W., Tumwater, WA, 360-534-1605.

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Explanation of the Reason the Agency Believes the Expedited Rule-Making Process is Appropriate: The expedited rule-making process is applicable to this rule update because the department is incorporating changes resulting from 2017 and 2021 legislation.

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Atif Aziz  
Rules Coordinator

AMENDATORY SECTION (Amending WSR 14-14-034, filed 6/24/14, effective 7/25/14)

**WAC 458-29A-600 Leasehold excise tax—Collection and administration.** (1) **Introduction.** Leasehold excise tax is levied by the state under RCW 82.29A.030 and by counties and/or cities under RCW 82.29A.040. The administrative procedures contained in chapters 82.02 and 82.32 RCW apply to the administration and collection of the leasehold excise tax.

(2) **Tax imposed.** The rates at which leasehold excise tax is levied are contained in RCW 82.29A.030 and 82.29A.040. The department publishes documents containing the applicable rates, credits, and formulas. These documents are updated as necessary and are available upon request.

(3) **Separate listing requirement.** The amount of leasehold excise tax due must be listed separately from the amount of contract rent on any statement or other document provided to the lessee by the lessor. If the leasehold excise tax is not stated separately from the contract rent, it is assumed that the leasehold excise tax is not included in the amount stated as due.

(4) **Credits allowed against leasehold excise tax.** Because the leasehold excise tax is intended only to equalize treatment between private property owners and lessees of public entities, the amount of leasehold excise tax should not exceed the amount of property tax that would be due if the leased property was privately owned. Therefore, in calculating the taxes imposed under RCW 82.29A.030 and 82.29A.040, RCW 82.29A.120 authorizes the following credits:

(a) ~~((Leasehold interests created after April 1, 1986, or situations where the department has established taxable rent. Where a leasehold interest other than a product lease was created after April 1, 1986, or where the department has established taxable rent in accordance with RCW 82.29A.020 (2)(b), and the amount of leasehold excise tax due is greater than the amount of property tax that would be due if the property was privately owned by the lessee, without regard to any property tax exemption under RCW 84.36.381, a credit equal to the difference between the leasehold excise tax and the comparable property tax will be allowed. This credit expires at midnight, July 27, 2013.~~

~~If the property is subleased, any allowable credit must be passed on to the sublessee.))~~ **Property tax exemption under RCW 84.36.381.** Lessees and sublessees of residential prop-

erty who would qualify for either a partial or total exemption from property tax under RCW 84.36.381 if they owned the property in fee are eligible for a corresponding reduction in the amount of leasehold excise tax due. The leasehold excise tax for the qualifying lessees or sublessees is reduced by the same percentage as the percentage reduction in property tax that would result from the property tax exemption under RCW 84.36.381.

(b) **Product leases.** A credit of ~~((thirty-three))~~ 33 percent of the total leasehold excise tax due is allowed for product leases.

**(c) Real property owned by a state university.** For a leasehold interest in real property owned by a state university, a credit is allowed equal to the amount of leasehold excise tax due under chapter 82.29A RCW that exceeds the amount of property tax that would be due if the property was privately owned by the taxpayer. The credit is available only if the tax parcel that is subject to the leasehold interest has a market value in excess of \$10,000,000. If the leasehold interest attaches to two or more parcels, the credit is available if at least one of the tax parcels has a market value in excess of \$10,000,000. In either case, the market value must be determined as of January 1st of the year prior to the year for which the credit is claimed. This credit may not be claimed for tax reporting periods beginning on or after January 1, 2032, and the credit may not be claimed or approved on or after January 1, 2032. For purposes of this subsection (4)(c), the following definitions apply:

(i) "Market value" means the true and fair value of the property as that term is used in RCW 84.40.030, based on the property's highest and best use and determined by any reasonable means approved by the department;

(ii) "Real property" has the same meaning as in RCW 84.04.090, and also includes all improvements upon the land the fee of which is still vested in the public owner; and

(iii) "State university" has the same meaning as provided in RCW 28B.10.016.

(5) **When payment is due.** The leasehold excise taxes are due on the same date that the contract rent is due to the lessor. If the contract rent is paid to someone other than the lessor, the leasehold tax is due at the time the payment is made to that other person or entity. Any prepaid contract rent will be deemed to have been paid in the year due and not in the year in which it was actually paid if the prepayment is for more than one year's rent. If contract rent is prepaid, the leasehold tax payment may be prorated over the number of years for which the contract rent is prepaid. The prorated portion of the tax will be due in two installments per year, with no less than one-half due on or before May 31<sup>st</sup> and the second half due no later than November 30<sup>th</sup> of each year.

(6) **Collection and distribution of tax by the department.** The department collects and distributes the leasehold excise taxes authorized by RCW 82.29A.030 and 82.29A.040.

(a) **Taxes levied by the state.** All money received by the department from leasehold taxes levied under RCW 82.29A.030 is transmitted to the state treasurer for deposit in the general fund.

(b) **Taxes levied by counties and cities.** Prior to the effective date of the ordinance imposing a leasehold excise

tax, the county or city imposing the tax must contract with the department for administration and collection services. The department may deduct a percentage, not to exceed two percent, of the taxes collected as reimbursement for administration and collection expenses. RCW 82.29A.080. The department deposits the balance of the taxes collected in the local leasehold excise tax account with the state treasury, and the state treasurer (~~bimonthly~~) distributes those moneys to the counties and cities on a monthly basis.

County treasurers must proportionately distribute the moneys they receive in the same manner they distribute moneys collected from property tax levies in accordance with RCW 84.56.230, provided that no moneys are to be distributed to the state or any city, and the pro rata calculation for proportionate distribution cannot include any levy rates by the state or any city.

(7) **Leasehold interests in federally owned land or federal trust land.** Lessees with a leasehold interest in federally owned lands or federal trust lands must report and remit the leasehold tax due directly to the department on an annual reporting basis.

### WSR 21-23-058

#### EXPEDITED RULES

#### DEPARTMENT OF REVENUE

[Filed November 10, 2021, 2:44 p.m.]

Title of Rule and Other Identifying Information: WAC 458-07-010 Valuation and revaluation of real property—Introduction, and 458-07-015 Revaluation of real property.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The department is amending both WAC 458-07-010 and 458-07-015 to incorporate 2021 legislation, EHB 1271, section 3. This legislation instructs county assessors to review taxable real property characteristics in accordance with the International Association of Assessing Officers standards for physical inspections.

Reasons Supporting Proposal: These rules are being updated to incorporate changes resulting from 2021 legislation, EHB 1271, section 3.

Statutory Authority for Adoption: RCW 84.41.090 and 84.41.120.

Statute Being Implemented: RCW 84.41.041.

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

Name of Proponent: Department of revenue, governmental.

Name of Agency Personnel Responsible for Drafting: Leslie Mullin, 6400 Linderson Way S.W., Tumwater, WA, 360-534-1589; Implementation and Enforcement: John Ryser, 6400 Linderson Way S.W., Tumwater, WA, 360-534-1605.

This notice meets the following criteria to use the expedited adoption process for these rules:

Adopts or incorporates by reference without material change federal statutes or regulations, Washington state statutes, rules of other Washington state agencies, shoreline master programs other than those programs governing shorelines of statewide signifi-

cance, or, as referenced by Washington state law, national consensus codes that generally establish industry standards, if the material adopted or incorporated regulates the same subject matter and conduct as the adopting or incorporating rule.

Explanation of the Reason the Agency Believes the Expedited Rule-Making Process is Appropriate: The expedited rule-making process is applicable to this rule update because the department is incorporating changes resulting from 2021 legislation.

#### NOTICE

THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO Leslie Mullin, Department of Revenue, P.O. Box 47467, Olympia, WA 98504-7467, phone 360-534-1589, fax 360-534-1606, email LeslieMu@dor.wa.gov, AND RECEIVED BY January 17, 2022.

November 10, 2021

Atif Aziz

Rules Coordinator

AMENDATORY SECTION (Amending WSR 16-08-115, filed 4/5/16, effective 5/6/16)

**WAC 458-07-010 Valuation and revaluation of real property—Introduction.** The Washington state Constitution requires that all taxes be uniform upon the same class of property within the territorial limits of the authority levying the tax. In order to comply with this constitutional mandate and ensure that all taxes are uniform, all real property must be valued in a manner consistent with this principle of uniformity. Also, to comply with statutory and case law, the county assessor must value all taxable real property in the county on a regular, systematic, and continuous basis. All taxable real property within a county must be valued or revalued annually, and each county assessor must review all taxable real property characteristics in accordance with the International Association of Assessing Officers' standards for physical inspections. All taxable real property within a county must also be physically inspected at least once every six years, per RCW 84.41.030. The assessor must adhere to a revaluation plan that will ensure equality and uniformity in the valuation of real property, and must use proper appraisal methods. The administrative rules in this chapter describe and explain the processes to be used by the county assessor in valuing and revaluing real property for purposes of taxation.



AMENDATORY SECTION (Amending WSR 16-08-115, filed 4/5/16, effective 5/6/16)

**WAC 458-07-015 Revaluation of real property.** (1) **Appropriate statistical data defined.** The assessor must revalue ~~((the))~~ real property at its current true and fair value using appropriate statistical data. RCW 84.41.041. For purposes of this chapter, "appropriate statistical data" means the data required to accurately adjust real property values and includes, but is not limited to, data reflecting costs of new construction and real property market trends.

(2) **Comparable sales data.** In gathering appropriate statistical data and determining real property market trends, the assessor must consider current sales data. "Current sales data" means sales of real property that occurred within the past five years of the date of appraisal and may include sales that occur in the assessment year. To the extent feasible, and in accordance with generally accepted appraisal practices, the assessor shall compile the statistical data into categories of comparable properties. Comparability is most often determined by similar use and location and may be based upon the following use classifications:

- (a) Single family residential;
- (b) Residential with from two to four units;
- (c) Residential with more than four units;
- (d) Residential hotels, condominiums;
- (e) Hotels and motels;
- (f) Vacation homes and cabins;
- (g) Retail trade;
- (h) Warehousing;
- (i) Office and professional service;
- (j) Commercial other than listed;
- (k) Manufacturing;
- (l) Agricultural; and
- (m) Other classifications as necessary.

(3) **Appraisal processes.** Appropriate statistical data shall be applied to revalue real property to current true and fair value using one or more of the following processes:

- (a) Multiple or linear regression;
- (b) Sales ratios;
- (c) Physical inspection; or
- (d) Any other appropriate statistical method that is recognized and accepted with respect to the appraisal of real property for purposes of taxation.

(4) **Physical inspection cycles.**

(a) For purposes of this chapter, "physical inspection" means, at a minimum, an exterior observation of the property to determine whether there have been any changes in the physical characteristics that affect value. The property improvement record must be appropriately documented in accordance with the findings of the physical inspection. The assessor must physically inspect all taxable real property at least once within a six-year time period, and review all taxable real property characteristics in accordance with the International Association of Assessing Officers' physical inspection standards.

(b) Physical inspection of all the property in the county shall be accomplished on a proportional basis in cycle, with approximately equal portions of taxable property of the county inspected each year. Physical inspections of properties outside of the areas scheduled for physical inspection

under the plan filed with the department ~~((see))~~, in accordance with WAC 458-07-025((+)) Revaluation of real property—Plan submitted to department of revenue, may be conducted for purposes of validating sales, reconciling inconsistent valuation results, calibrating statistical models, valuing unique or nonhomogeneous properties, administering appeals or taxpayer reviews, documenting digital images, or for other purposes as necessary to maintain accurate property characteristics and uniform assessment practices. All properties shall be placed on the assessment rolls at current true and fair value as of January 1st of the assessment year.

(c) In any year, when the area of the county being physically inspected is not completed in that year, the portion remaining must be completed before beginning the physical inspection of another area in the succeeding year. All areas of the county must be physically inspected within the cycle established in the revaluation plan filed with the department.

(5) **Revaluation after a value is certified for the current year.** In certain circumstances the assessor is authorized to revalue real property, using appraisal judgment, after a value is certified for the current year. These revaluations must not be arbitrary or capricious, nor violate the equal protection clauses of the federal and state Constitutions, nor the uniformity clause of the state Constitution. The assessor may disregard the certified value for the current year and change a property valuation, as appropriate, in the following situations:

(a) If requested by a property owner, when a notice of decision pertaining to the value of real property is received under RCW 36.70B.130 ~~((f))~~ Notice of decision—Distribution; local project review((+)), chapter 35.22 RCW ~~((f))~~ First-class cities((+)), chapter 35.63 RCW ~~((f))~~ Planning commissions((+)), chapter 35A.63 RCW ~~((f))~~ Planning and zoning in code cities((+)), or chapter 36.70 RCW ~~((f))~~ Planning Enabling Act((+));

(b) When the owner or person responsible for payment of taxes on any real property petitions the assessor for a reduction in the assessed value in accordance with RCW 84.40.039, within three years of adoption of a restriction by a government entity;

(c) When there has been a "definitive change of land use designation" by an authorized land use authority, and the revaluation is in accordance with RCW 84.48.065;

(d) When a bona fide mistake has been made by the assessor in a prior valuation made within the current valuation cycle. The change in property valuation is not retroactive to the prior year;

(e) When property has been destroyed, in whole or in part, and is entitled to a reduction in value in accordance with chapter 84.70 RCW; or

(f) When property has been subdivided or merged.

(6) **Change of value notice.** Revaluation, or change of value notices, must be mailed or transmitted electronically by the assessor to the taxpayer when there is any change in the assessed value of real property, not later than thirty days after an appraisal or adjustment in value.

**WSR 21-23-059**  
**EXPEDITED RULES**  
**DEPARTMENT OF REVENUE**

[Filed November 10, 2021, 2:49 p.m.]

November 10, 2021

Atif Aziz

Rules Coordinator

Title of Rule and Other Identifying Information: WAC 458-20-238 Sales of watercraft to nonresidents.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: This proposal is made to update WAC 458-20-238 to conform with the changes implemented by SHB 1107. Primarily, the bill expands the circumstances under which a nonresident vessel owner can seek a nonresident vessel permit.

Reasons Supporting Proposal: This proposal updates WAC 458-20-238 to conform to the statutes listed below.

Statutory Authority for Adoption: RCW 82.32.865.

Statute Being Implemented: RCW 82.32.865.

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

Name of Proponent: Department of revenue, governmental.

Name of Agency Personnel Responsible for Drafting: Ryan Becklean, 6400 Linderson Way S.W., Tumwater, WA, 360-534-1576; Implementation and Enforcement: John Ryser, 6400 Linderson Way S.W., Tumwater, WA, 360-534-1605.

This notice meets the following criteria to use the expedited adoption process for these rules:

Adopts or incorporates by reference without material change federal statutes or regulations, Washington state statutes, rules of other Washington state agencies, shoreline master programs other than those programs governing shorelines of statewide significance, or, as referenced by Washington state law, national consensus codes that generally establish industry standards, if the material adopted or incorporated regulates the same subject matter and conduct as the adopting or incorporating rule.

Explanation of the Reason the Agency Believes the Expedited Rule-Making Process is Appropriate: The amendments to WAC 458-20-238 only incorporate existing statutory provisions in RCW 82.32.865. The amendments are not interpretive. The amendments were completed due to 2021 legislative changes to RCW 82.32.865.

**NOTICE**

THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO Ryan Becklean, Department of Revenue, P.O. Box 47476, Olympia, WA 98504-7476, phone 360-534-1576, fax 360-534-1606, email RyanBe@dor.wa.gov, AND RECEIVED BY January 17, 2022.

AMENDATORY SECTION (Amending WSR 16-12-068, filed 5/27/16, effective 6/27/16)

**WAC 458-20-238 Sales of watercraft to nonresidents—Use of watercraft in Washington by nonresidents.**

(1) **Introduction.** This rule explains:

- Nonresident temporary use of watercraft in Washington waters for sales and use tax purposes;
- Purchase and delivery of vessels in Washington by nonresidents, and the application or exemption of retail sales and use taxes;
  - The vessel use permit, authorized by RCW 82.08.700 and 82.12.700, for one year in Washington waters by nonresident individuals for vessels (~~(thirty)~~) 30 feet or longer;
  - The nonresident vessel permit, authorized by RCW 88.02.620, for individual persons extending their stay an additional (~~(sixty)~~) 60 days on Washington waters;
  - The nonresident entity vessel permit, authorized by RCW 88.02.620 and 82.32.865, that allows for an additional (~~(sixty)~~) 60 days on Washington waters; and
  - The nonresident vessel repair affidavit required when vessels are in Washington exclusively for repair. RCW 88.02.570.

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

(b) **Other rules that may be relevant.**

- (i) WAC 458-20-136 Manufacturing, processing for hire, fabricating;
- (ii) WAC 458-20-178 Use tax and the use of tangible personal property;
- (iii) WAC 458-20-193 Interstate sales of tangible personal property; (~~and~~)
- (iv) WAC 458-20-19301 Multiple activities tax credits;
- (v) WAC 458-20-145 Local sales and use tax; and
- (vi) WAC 458-20-211 Leases or rentals of tangible personal property, bailments.

(2) **Business and occupation (B&O) tax.** Retailing B&O tax is due on all sales of watercraft to consumers if delivery is made within the state of Washington, even though the sale may qualify for an exemption from retail sales tax. If the seller also manufactures the vessel in Washington, the seller must report under both the manufacturing and wholesaling or retailing classifications of the B&O tax, and claim a multiple activities tax credit (MATC). For additional information on manufacturing and the MATC, manufacturers should refer to WAC 458-20-136 and 458-20-19301.

(3) **Retail sales tax.** The retail sales tax generally applies to the sale of watercraft to consumers when delivery is made within the state of Washington. Under certain conditions, however, retail sales tax exemptions are available for sales of watercraft to nonresidents of Washington, even when delivery is made within Washington.

(a) **Exemptions for sales of watercraft, to nonresidents, requiring United States Coast Guard documentation and certain sales of vessels to residents of foreign countries.** RCW 82.08.0266 provides an exemption from retail sales tax for sales of watercraft to residents of states other than Washington for use outside this state, even when delivery is made within Washington. The exemption provided by RCW 82.08.0266 is limited to sales of watercraft requiring United States Coast Guard registration or registration by the state of principal use according to the Federal Boating Act of 1958.

RCW 82.08.02665 provides a retail sales tax exemption for sales of vessels to residents of foreign countries for use outside this state, even when delivery is made in Washington. This exemption is not limited to the types of watercraft qualifying for the exemption provided by RCW 82.08.0266. The term "vessel," for the purposes of RCW 82.08.02665, means every watercraft used or capable of being used as a means of transportation on the water, other than a seaplane.

(i) **Exemption requirements.** The following requirements must be met to perfect any claim for exemption under RCW 82.08.0266 and 82.08.02665:

(A) The watercraft must not be used within this state for more than ~~((forty-five))~~ 45 days from delivery;

(B) The seller must examine acceptable proof that the buyer is a resident of another state or a foreign country; and

(C) The seller, at the time of the sale, must retain as a part of its records a completed exemption certificate to document the exempt nature of the sale. This requirement may be satisfied by using the department's "Buyer's Retail Sales Tax Exemption Certificate," or another certificate with substantially the information as it relates to the exemption provided by RCW 82.08.0266 and 82.08.02665. The certificate must be completed in its entirety, and retained by the seller. A blank certificate is available on the department of revenue's (department) website at [dor.wa.gov](http://dor.wa.gov).

The seller should not accept an exemption certificate if the seller becomes aware of any information prior to the completion of the sale that is inconsistent with the buyer's claim of residency, such as a Washington address on a credit application.

(ii) **Component parts and repairs.** The exemptions provided by RCW 82.08.0266 and 82.08.02665 apply only to sales of watercraft. For the purposes of these exemptions, the term "watercraft" includes component parts which are installed in or on the watercraft prior to delivery to and acceptance by the buyer, but only when these parts are sold by the seller of the watercraft. "Component part" means tangible personal property which is attached to and used as an integral part of the operation of the watercraft, even if the item is not required mechanically for the operation of the watercraft. Component parts include, but are not necessarily limited to, motors, navigational equipment, radios, depthfinders, and winches, whether they are permanently attached to the watercraft or held by brackets which are permanently attached. If held by brackets, the brackets must be permanently attached to the watercraft in a definite and secure manner.

These exemptions do not extend to the sale of boat trailers, repair parts, or repair labor. These exemptions also do not extend to a separate seller of unattached component parts,

even though these parts may be manufactured specifically for the watercraft and/or permanently installed in or on the watercraft prior to the watercraft being delivered to and accepted by the buyer.

(b) **A one year "use permit" for vessels ~~((thirty))~~ 30 feet or longer.** RCW 82.08.700 and 82.12.700 provide the retail sales and use tax exemptions for sales of vessels ~~((thirty))~~ 30 feet or longer to individuals who are nonresidents of Washington.

(i) **Exemption requirements.** The following requirements must be met ~~((in order))~~ for an individual to claim these exemptions:

(A) The individual must provide valid proof of nonresidency at the time of purchase;

(B) The vessel purchased must measure at least ~~((thirty))~~ 30 feet in length; and

(C) The individual must obtain a valid use permit from the vessel dealer authorized to sell use permits.

(ii) **Valid proof of nonresidency.** An individual may prove nonresidency with identification that:

(A) Includes a photograph of the individual;

(B) Is issued by the jurisdiction in which the individual claims residency;

(C) Includes the individual's residential address; and

(D) Is issued for the purpose of establishing an individual's residency in a jurisdiction outside Washington state.

Acceptable identification includes a valid out-of-state driver's license.

(iii) **Use permits.** A use permit is not renewable. It costs ~~((five hundred dollars))~~ \$500 for vessels ~~((thirty to fifty))~~ 30 to 50 feet, and ~~((eight hundred dollars))~~ \$800 for vessels greater than ~~((fifty))~~ 50 feet in length. The permit includes an affidavit ~~((affidavit))~~ from the buyer declaring that the purchased vessel will be used in a manner consistent with this exemption. The use permit also includes an adhesive sticker (sticker) that must be displayed on the purchased vessel and is valid for ~~((twelve))~~ 12 consecutive months from the date of purchase. The sticker serves as proof of a validly issued use permit. Vessel dealers are not obligated to issue use permits to any individual. Buyers must elect this exemption irrevocably and may not elect additional exemptions under RCW 82.08.0266 and 82.08.02665 for the same period. Individuals must wait ~~((twenty-four))~~ 24 months from the expiration of a use permit before claiming the use tax exemption for their vessel pursuant to RCW 82.12.0251.

(iv) **What are the obligations of vessel dealers?** A vessel dealer electing to issue a use permit under this subsection must:

(A) Examine and determine, in good faith, whether the individual has valid proof of nonresidency.

(B) Use the department's approved use permits. Use permits are available on the department's website at [dor.wa.gov](http://dor.wa.gov).

(C) Retain copies of issued use permits in their records for the statutory period. For information about the statutory period and maintaining records, please refer to WAC 458-20-254.

(D) Provide copies of issued use permits to the department on a quarterly basis. Copies of issued permits must be sent to: Taxpayer Account Administration Division, Depart-

ment of Revenue, P.O. Box 47476, Olympia, Washington 98504-7476.

(E) Collect, remit, and report use permit fees. Dealers report use permit fees on their excise tax returns and remit in accordance with RCW 82.32.045.

(F) Electronically file all returns, as described in RCW 82.32.080, with the department. Nonelectronically filed returns are not deemed filed unless approved by the department for good cause shown.

(v) **Liability for retail sales tax.**

(A) A nonresident individual may purchase a vessel in Washington without paying retail sales tax and remain in the state for ~~((twelve))~~ 12 consecutive months, from the date of issuance, by obtaining a use permit under RCW 82.08.700 from the vessel dealer. If the nonresident individual uses that vessel in Washington after the use permit expires, the individual will be liable for retail sales tax on the original selling price of that vessel (along with interest from the date of purchase at the rate provided in RCW 82.32.050).

(B) Vessel dealers are personally liable for retail sales tax if the dealer either does not collect retail sales tax when making sales to individuals without valid identification establishing nonresidency, or fails to maintain records of sales as provided under (b)(iv) of this subsection.

(4) **Deferred retail sales or use tax.** If Washington retail sales tax has not been paid, persons using watercraft on Washington waters are required to report and remit to the department sales tax (commonly referred to as deferred retail sales tax) or use tax, unless the use is specifically exempt by law. A credit against Washington's use tax is allowed for retail sales or use tax previously paid by the user or the user's bailor or donor with respect to the property to any other state of the United States, any political subdivision thereof, the District of Columbia, and any foreign country or political subdivision thereof, prior to the use of the property in Washington. For additional information on use tax refer to WAC 458-20-178.

(a) **Purchased and used within Washington for more than ~~((forty-five))~~ 45 days.** Tax is due on the use by any nonresident of watercraft purchased from a Washington seller and first used within this state for more than ~~((forty-five))~~ 45 days if retail sales or use tax was not paid by the user. Tax is due notwithstanding the watercraft qualified for a retail sales tax exemption at the time of purchase.

(b) **Temporary use.** Use tax does not apply, for the first ~~((sixty))~~ 60 days, for temporary use or enjoyment of watercraft brought into this state by nonresidents while temporarily within this state.

(i) For watercraft owned by nonresident entities (i.e., corporations, limited liability companies, trusts, partnerships, etc.), it will be presumed that use within Washington exceeding ~~((sixty))~~ 60 days in any ~~((twelve-month))~~ 12-month period is more than temporary use and use tax is due, except as otherwise provided in this rule. For vessels at least ~~((thirty))~~ 30 feet in length, but no more than ~~((one-hundred-sixty-four))~~ 200 feet in length, see subsection (e) of this subsection.

(ii) Nonresident individuals (whether residents of other states or foreign countries) may temporarily bring watercraft into this state for ~~((sixty))~~ 60 days before they are required to

obtain a nonresident vessel permit, from the department of licensing, to continue their use or enjoyment without incurring liability for the use tax. RCW 88.02.620. Such use may not exceed a total of six months in any ~~((twelve-month))~~ 12-month period. ~~((To-qualify))~~ Eligibility for this six-month exemption period~~((;))~~ is conditioned on the following requirements:

(A) The watercraft must be issued a valid number under federal law or by an approved authority of the state or county of principal operation, be documented under the laws of a foreign country, or have a valid United States customs service cruising license issued under 19 C.F.R. Sec. 4.94. Failure to meet the applicable documentation and identification requirements will result in a loss of the exemption.

(B) The watercraft must be used in Washington only for the following purposes:

(I) Personal use;

(II) Chartering a vessel with a captain or crew, as long as individual charters are for at least three or more consecutive days in duration, excluding the transit time described in (b)(ii)(B)(III) of this subsection; or

(III) Necessary transit to or from the start or end point of a charter described in (b)(ii)(B)(II) of this subsection.

(c) **Repair, alteration, or reconstruction of watercraft in Washington.** Watercraft owned by nonresidents and in this state exclusively for repair, alteration, or reconstruction are exempt from the use tax if removed from this state within ~~((sixty))~~ 60 days. RCW 88.02.570 and 82.12.0251. If repair, alteration, or reconstruction cannot be completed within this period, the exemption may be extended by filing with the department's compliance division an affidavit as required by RCW 88.02.570 verifying the vessel is located on the waters of this state exclusively for repair, alteration, reconstruction, or testing. This document, titled "Nonresident Vessel Repair Affidavit," is effective for ~~((sixty))~~ 60 days. If additional extensions of the exemption period are needed, additional affidavits must be sent to the department prior to the expiration date. Failure to file this affidavit can result in requiring that the vessel be registered in Washington and subject to the use tax.

(d) **One year "use permit" for nonresident individuals - Use tax exemption for vessels ~~((thirty))~~ 30 feet or longer.** RCW 82.12.700 provides an exemption from use tax for the purchase of vessels ~~((thirty))~~ 30 feet or longer used in Washington by nonresident individuals. This exemption is available to nonresident individuals in any of the three following situations: The vessel is purchased from a vessel dealer and a use permit is obtained in accordance with subsection (3)(b) of this rule; the vessel is purchased in Washington from someone other than a vessel dealer and within ~~((fourteen))~~ 14 days of purchase the nonresident individual obtains a use permit under this subsection; the vessel is acquired outside Washington and the nonresident individual, within ~~((fourteen))~~ 14 days of bringing the vessel into Washington, buys a use permit as provided under this subsection. Any vessel dealer that issues permits under subsection (3)(b) of this rule must also issue permits under this subsection.

(i) **What are the obligations of vessel dealers?** Vessel dealers that issue use permits have the same obligations as those described in subsection (3)(b)(iv) of this rule. Vessel

dealers may not issue use permits under this subsection where a nonresident individual has already obtained a use permit under subsection (3)(b) of this rule.

(ii) **Valid proof of nonresidency.** Nonresident individuals must meet the same identification requirements described in subsection (3)(b)(ii) of this rule.

(iii) **Use permits.** The use permit is not renewable and costs (~~five hundred dollars~~) \$500 for vessels (~~thirty to fifty~~) 30 to 50 feet and (~~eight hundred dollars~~) \$800 for vessels greater than (~~fifty~~) 50 feet in length. This use permit must be displayed on the vessel and is valid for (~~twelve~~) 12 consecutive months from the date of issuance. Nonresident individuals must obtain a use permit from a vessel dealer; however, vessel dealers are not obligated to issue these use permits. Nonresident individuals must elect this exemption irrevocably and may not elect exemption under RCW 82.08.0266 and 82.08.02665 for the same period. The nonresident individual must wait (~~twenty-four~~) 24 consecutive months from the expiration of a use permit before claiming exemption for a vessel under RCW 82.12.0251.

(iv) **Liability for use tax.**

(A) If a nonresident individual's vessel is in Washington after their use permit expires, that individual is liable for use tax under RCW 82.12.020. Liability for use tax will be based on the value of the vessel at the time it was either purchased or first brought into Washington. Interest will accrue from the date of purchase or first use in Washington at a rate set by RCW 82.32.050.

(B) Vessel dealers are personally liable for use tax where a dealer either issues a use permit to a nonresident individual who does not hold valid proof of nonresidency, or fails to maintain records for each use permit issued showing the type of identification accepted, the identification numbers, and expiration date.

(e) **Permits for nonresident entity owned vessels 30 feet - ~~(164)~~ 200 feet.** (~~Effective September 1, 2015,~~) A nonresident entity vessel owner that is not a natural person, or a nonresident vessel owner who is a natural person who intends to charter the vessel with a captain or crew as described in (b)(ii)(B)(II) of this subsection, may qualify to receive a nonresident vessel permit from the department of licensing under RCW 88.02.620.

(i) This permit applies only to vessels at least (~~thirty~~) 30 feet in length, but no more than (~~one hundred sixty-four~~) 200 feet in length.

(ii) An application must be filed, prior to the (~~sixty-first~~) 61st day of use in this state, to obtain a nonresident vessel permit. Application must be made directly to the department for written approval in accordance with RCW 82.32.-865.

(iii) To qualify, no Washington resident may own the vessel or be a principal of the nonresident entity. For the purpose of this subsection, "principal" means a natural person that owns, directly or indirectly, including through any tiered ownership structure, more than a one percent interest in the nonresident person applying for a nonresident vessel permit.

(iv) The "Nonresident Vessel Permit Approval Application" can be found on the department's website at dor.wa.gov.

(5) **Examples.** In all applicable examples, retailing B&O tax is due from the seller for all sales of watercraft and parts, and all charges for repair parts and labor.

(a) **Example 1.** Mr. Kelley, a resident of California, pilots his cabin cruiser that is registered in that state into Puget Sound for his enjoyment. On the (~~sixtieth~~) 60th day of his stay, Mr. Kelley obtains a 60-day nonresident vessel permit for the cabin cruiser under RCW 88.02.620 from the department of licensing. To further extend his stay in Washington waters, he applies for a second permit within the prescribed period. In the middle of his fifth month on Puget Sound, Mr. Kelley departs and returns the cabin cruiser to its home port in California. The stay would not subject Mr. Kelley to use tax. The same would be true if Mr. Kelley were a resident of Vancouver, British Columbia, with a cabin cruiser registered in Canada, as long as he timely obtains and displays the permit required by RCW 88.02.570 and 88.02.620 to allow his temporary use of the cabin cruiser in Washington.

(b) **Example 2.** Company A sells a yacht to John Doe, an Oregon resident, who takes delivery in Washington. The yacht is required to be registered by the state of Oregon. The vessel is removed from Washington waters within (~~forty-five~~) 45 days of delivery. Company A examines a driver's license confirming John Doe is an Oregon resident, and records this information in the sales file. Company A does not complete and retain the required exemption certificate.

The sale of the yacht is subject to the retail sales tax. The exclusive authority for granting a retail sales tax exemption for this sale is provided by RCW 82.08.0266. Completion of an exemption certificate is a statutorily imposed condition for obtaining this exemption. Company A has not satisfied the conditions and requirements necessary to grant an exemption under this statute. The exemption provisions under RCW 82.08.0273 for sales to nonresidents of states having less than three percent retail sales tax may not be used for purchases of vessels which require United States Coast Guard documentation, or registration in the state of principal use. If the exemption certificate had been properly completed at the time of sale, this sale would have qualified for the retail sales tax exemption.

(c) **Example 3.** Mr. Jones, a California resident, contracts Company B to manufacture a pleasure yacht. Mr. Jones purchases a boat motor from Company Y with instructions that delivery be made to Company B for installation on the yacht. The yacht is required to be registered with the state of California, which has assumed the registration and numbering function under the Federal Boating Act of 1958. Company B examines Mr. Jones' driver's license to verify Mr. Jones is a nonresident of Washington, and retains the proper exemption certificate at the time of sale. Delivery is made in Washington, and Mr. Jones removes the yacht from Washington waters within (~~forty-five~~) 45 days of delivery.

The sale of the yacht by Company B to Mr. Jones is not subject to the retail sales tax, as the requirements and conditions for exemption have been satisfied. Retail sales tax does apply to the sale of the motor by Company Y to Mr. Jones. The exemption provided by RCW 82.08.0266 does not extend to a separate seller of unattached component parts,

even though the parts are installed in the yacht prior to delivery.

(d) **Example 4.** Mr. Smith, a resident of British Columbia, Canada, brings his yacht into Washington with the intention of temporarily using the yacht for personal enjoyment. Mr. Smith obtains the required 60-day nonresident vessel permit issued by the department of licensing. After four months of personal use, the yacht experiences mechanical difficulty. The yacht is taken to a repair facility and due to the extensive nature of the damage the yacht remains at the repair facility for six months being repaired. As explained in subsection (4)(c) of this rule, Mr. Smith timely files each required "Nonresident Vessel Repair Affidavit." An employee of the repair facility is on board the yacht during all testing, and there is no personal use by Mr. Smith during this period. Upon completion of the repairs and testing, Mr. Smith takes delivery at the repair facility.

Mr. Smith obtains a second 60-day nonresident vessel permit so he may personally use the yacht in Washington waters for up to two months after taking delivery of the repaired yacht. He will not incur liability for use tax because the in-state use of the yacht for personal enjoyment will not exceed six months in a ~~((twelve-month))~~ 12-month period. The time the yacht is at the repair facility exclusively for repair does not count against the period of time Mr. Smith is considered to be "temporarily" using the yacht in Washington for personal enjoyment because he properly filed the repair affidavit with the department. Retail sales tax is due, and must be paid, on all charges for repair parts and labor. The exemption from sales tax for purchases of vessels does not extend to repairs.

**WSR 21-23-061**  
**EXPEDITED RULES**  
**PROFESSIONAL EDUCATOR**  
**STANDARDS BOARD**

[Filed November 11, 2021, 9:45 a.m.]

Title of Rule and Other Identifying Information: WAC 181-82-120 Assignment of principals and assistant principals within districts.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: This proposed rule updates the WAC citation to refer to the correct language.

Reasons Supporting Proposal: These nonsubstantive changes ensure reference to the correct WAC.

Statutory Authority for Adoption: Chapter 28A.410 RCW.

Statute Being Implemented: Chapter 28A.410 RCW.

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

Name of Proponent: Professional educator standards board, governmental.

Name of Agency Personnel Responsible for Drafting: Sophia Keskey, 600 Washington Street S.E., Olympia, WA 98504, 360-890-5814; Implementation and Enforcement: Alexandra Manuel, 600 Washington Street S.E., Olympia, WA 98504, 360-867-8613.

This notice meets the following criteria to use the expedited adoption process for these rules:

Corrects typographical errors, make address or name changes, or clarify language of a rule without changing its effect.

Explanation of the Reason the Agency Believes the Expedited Rule-Making Process is Appropriate: This change clarifies language without making any substantive changes.

**NOTICE**

THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO Sophia Keskey, Professional Educator Standards Board, 600 Washington Street S.E., Olympia, WA 98504, phone 360-725-6275, email [pesb@k12.wa.us](mailto:pesb@k12.wa.us), AND RECEIVED BY January 17, 2022.

November 5, 2021  
Sophia Keskey  
Rules Coordinator

AMENDATORY SECTION (Amending WSR 06-14-010, filed 6/22/06, effective 7/23/06)

**WAC 181-82-120 Assignment of principals and assistant principals within districts.** No person shall be assigned within the basic program of education to serve as principal or assistant principal unless such person holds a certificate or permit ~~((pursuant to))~~ under WAC 181-79A-140 ~~((3))~~ (4) (a).

**WSR 21-23-085**  
**EXPEDITED RULES**  
**DEPARTMENT OF REVENUE**

[Filed November 16, 2021, 10:58 a.m.]

Title of Rule and Other Identifying Information: WAC 458-19-005 Definitions, 458-19-020 Levy limit—Method of calculation, 458-19-060 Emergency medical service levy, 458-19-065 Levy limit—Protection of future levy capacity, 458-19-070 Five dollars and ninety cents statutory aggregate dollar rate limit calculation, and 458-19-075 Constitutional one percent limit calculation.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The department is amending:

WAC 458-19-005, 458-19-020, 458-19-060, and 458-19-065 to incorporate 2021 legislation, ESHB 1189. This legislation authorizes local governments to establish local tax increment finance areas to fund public improvements.

WAC 458-19-070 and 458-19-075 to incorporate 2021 legislation, HB 1034. This legislation revised the aggregate

levy limitations for park and recreation districts located on an island in a county with a population greater than two million.

Reasons Supporting Proposal: Updating these six rules in chapter 458-19 WAC will provide clarity to county assessors on how to calculate levy limits in a county with a local tax increment finance area and how to prorate certain park and recreation districts.

Statutory Authority for Adoption: RCW 84.08.010, 84.08.070, and 84.55.060.

Statute Being Implemented: RCW 84.52.010, 84.52.043, 84.55.010, and 84.55.120.

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

Name of Proponent: Department of revenue, governmental.

Name of Agency Personnel Responsible for Drafting: Leslie Mullin, 6400 Linderson Way S.W., Tumwater, WA, 360-534-1589; Implementation and Enforcement: John Ryser, 6400 Linderson Way S.W., Tumwater, WA, 360-534-1605.

This notice meets the following criteria to use the expedited adoption process for these rules:

Adopts or incorporates by reference without material change federal statutes or regulations, Washington state statutes, rules of other Washington state agencies, shoreline master programs other than those programs governing shorelines of statewide significance, or, as referenced by Washington state law, national consensus codes that generally establish industry standards, if the material adopted or incorporated regulates the same subject matter and conduct as the adopting or incorporating rule.

Explanation of the Reason the Agency Believes the Expedited Rule-Making Process is Appropriate: The expedited rule-making process is applicable to this rule update because the department is incorporating changes resulting from 2021 legislation.

#### NOTICE

THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO Leslie Mullin, Department of Revenue, P.O. Box 47467, Olympia, WA 98504-7467, phone 360-534-1589, fax 360-534-1606, email LeslieMu@dor.wa.gov, AND RECEIVED BY January 17, 2022.

November 16, 2021

Atif Aziz

Rules Coordinator

AMENDATORY SECTION (Amending WSR 20-24-065, filed 11/24/20, effective 12/25/20)

**WAC 458-19-005 Definitions.** (1) **Introduction.** This rule contains definitions of the terms used throughout chapters 84.52 and 84.55 RCW and chapter 458-19 WAC in the administration of the system used to levy property taxes on taxable property within the state of Washington.

(2) Unless the context clearly requires otherwise, the following definitions apply:

(a) **"Annexation"** means one taxing district is adding territory or another dissimilar taxing district from outside the annexing taxing district's boundary and includes a merger of a portion of a fire protection district under chapter 52.06 RCW with another fire protection district.

(b) **"Assessed value"** means the value of taxable property placed on the assessment rolls. The term is often abbreviated with the initials "A.V."

(c) **"Certified property tax levy rate"** means the tax rate calculated by the county assessor in accordance with law to produce the lawful amount of the certified property tax levy.

(d) **"Consolidated levy rate"** means:

(i) For purposes of the statutory aggregate dollar rate levy limit, the sum of all regular levy rates set for collection, not including the rates for the state levy, ports, public utility districts, financing affordable housing under RCW 84.52.-105, acquiring conservation futures under RCW 84.34.230, criminal justice purposes under RCW 84.52.135, emergency medical care or emergency medical services under RCW 84.52.069, county ferry districts under RCW 36.54.130, the portions of the fire protection and regional fire protection service authority levies protected under RCW 84.52.125, the portion of metropolitan park district levies protected under RCW 84.52.120, transit-related purposes under RCW 84.52.-140, the protected portion of the levies imposed under RCW 84.52.816 by flood control zone districts, and levies imposed by a regional transit authority under RCW 81.104.175; and

(ii) For purposes of the constitutional one percent limit, the sum of all regular levy rates set for collection, including the rates for the state levy, but not including the rates for port and public utility districts.

(e) **"Consolidation"** means the act of combining two or more similar taxing districts into one taxing district; for example, the combination of two fire protection districts into one fire protection district.

(f) **"Constitutional one percent limit"** means the levy limit established by Article VII, section 2 of the state Constitution, which prohibits the aggregate of all tax levies on real and personal property from exceeding one percent (\$10 per \$1,000) of the true and fair value of property. This limit does not apply to excess levies, levies by port districts, and levies by public utility districts. This limit is also set forth in RCW 84.52.050.

(g) **"Department"** means the department of revenue of the state of Washington.

(h) **"Excess property tax levy"** or **"excess levy"** means a voter-approved property tax levy by or for a taxing district, other than a port or public utility district, that is subject to neither the statutory aggregate dollar rate limit set forth in RCW 84.52.043 nor the constitutional one percent limit set forth in

Article VII, section 2 of the state Constitution and in RCW 84.52.050. It does not include regular levies allowed to exceed the levy limit with voter approval.

(i) **"Improvement"** means any valuable change in or addition to real property, including the subdivision or segregation of parcels of real property or the merger of parcels of real property.

(j) **"Inflation"** means the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent ~~((twelve-month))~~ 12-month period by the Bureau of Economic Analysis of the Federal Department of Commerce by September 25th of the year before the taxes are payable; see RCW 84.55.005.

(k) **"Joint taxing district"** means a taxing district that exists in two or more counties; the term does not include the state nor does it include an intercounty rural library district.

(l) **"Junior taxing district"** means a taxing district other than the state, a county, a county road district, a city, a town, a port district, or a public utility district.

(m) **"Levy limit"** means:

(i) The statutorily established limit that prohibits a taxing district, other than the state, from levying regular property taxes for a particular year that exceed the limit factor multiplied by the highest amount of regular property taxes that could have been lawfully levied in the taxing district in any year since 1985, excluding any increase due to (m)(i)(E) of this subsection, unless the highest levy was the statutory maximum rate amount, plus an additional dollar amount calculated by multiplying the regular property tax levy rate of that district for the preceding year, or the last year the taxing district levied taxes, by the increase in assessed value in the taxing district resulting from:

(A) New construction;

(B) Improvements to property;

(C) Increases in the assessed value of state assessed property; ~~(and)~~

(D) Increases in assessed value due to the construction of wind turbine, solar, biomass, and geothermal facilities, if such facilities generate electricity and the property is not included elsewhere under chapter 84.55 RCW for purposes of providing an additional dollar amount. The property may be classified as real or personal property; and

(E) Increases in assessed value of real property within an increment area designated by a local government pursuant to chapter 39.114 RCW, provided the increase is not included elsewhere in the levy limit calculation. This subsection does not apply to:

(I) Levies by the state;

(II) Levies by a port district for purposes of making required payments of principal and interest on general indebtedness; and

(III) Levies by a public utility district for purposes of making required payments of principal and interest on general indebtedness.

(ii) For purposes of the levy limit, the phrase "highest amount of regular property taxes that could have been lawfully levied" means the maximum amount that could have been levied by a taxing district under the limitation set forth in chapter 84.55 RCW unless the highest amount that could

have been levied was actually restricted by the taxing district's statutory dollar rate limit. If the taxing district's levy was restricted by the statutory dollar rate limit, the highest amount that could have been lawfully levied is the amount produced by multiplying the assessed value of the taxing district by the statutory dollar rate.

(iii) For purposes of the levy limit, the regular property tax levy rate of the district for the preceding year, or the last year the taxing district levied taxes, may reflect a reduced rate due to the \$5.90 statutory aggregate limitation and/or the constitutional one percent limitation, if prorating occurred in the district.

The regular property tax levy rate of the district for the preceding year may also reflect a levy error or a levy error correction. If this occurs, the rate used will be the rate had the levy error or levy error correction not occurred. RCW 84.52.-085.

(iv) The levy limit for the state is the amount calculated under WAC 458-19-550.

(n) **"Levy rate"** means the dollar amount per thousand dollars of assessed value applied to taxable property within a taxing district and is calculated by dividing the total amount of a statutorily authorized levy of a taxing district by the total assessed value of that district and is expressed in dollars and cents per thousand dollars of assessed value.

(o) **"Limit factor"** means:

(i) For taxing districts with a population of less than ~~((ten thousand))~~ 10,000 in the calendar year immediately prior to the assessment year, ~~((one hundred one))~~ 101 percent;

(ii) For taxing districts, other than the state, having made a finding of substantial need in accordance with RCW 84.55.-0101, the lesser of the substantial need factor or ~~((one hundred one))~~ 101 percent;

(iii) For all other taxing districts, excluding the state, the lesser of ~~((one hundred one))~~ 101 percent or ~~((one hundred))~~ 100 percent plus inflation; or

(iv) For the state, the limits described in WAC 458-19-550.

(p) **"New construction"** means the construction or alteration of any property for which a building permit was issued, or should have been issued, under chapter 19.27, 19.27A, or 19.28 RCW or other laws providing for building permits, which results in an increase in the value of the property.

(q) **"Regular property tax levy"** or **"regular levy"** means a property tax levy by or for a taxing district that is subject to the statutory aggregate dollar rate limit set forth in RCW 84.52.043, the constitutional one percent limit set forth in RCW 84.52.050, or is a levy imposed by or for a port district or a public utility district.

(r) **"Regular property taxes"** means those taxes resulting from regular property tax levies.

(s) **"Senior taxing district"** means the state (for support of common schools), a county, a county road district, a city, or a town.

(t) **"Statutory aggregate dollar rate limit"** or **"statutory aggregate limit"** means the maximum aggregate regular property tax levy rate within a county established by law for senior and junior taxing districts, other than the state. The



current limit is \$5.90 per \$1,000 of assessed valuation. See RCW 84.52.043 and WAC 458-19-070.

(u) "**Statutory dollar rate limit**" means the maximum regular property tax levy rate established by law for a particular type of taxing district.

(v) "**Substantial need limit factor**" means a limit factor approved by a taxing district's legislative authority that exceeds (~~(one hundred)~~) 100 percent plus inflation. This limit cannot exceed (~~(one hundred one)~~) 101 percent.

(w) "**Super majority**" means a majority of at least three-fifths of the registered voters of a taxing district approving a proposition authorizing a levy, at which election the number of persons voting "yes" on the proposition constitutes three-fifths of a number equal to (~~(forty)~~) 40 percent of the total votes cast in the taxing district in the last preceding general election; or by a majority of at least three-fifths of the registered voters of the taxing district voting on the proposition when the number of registered voters voting on the proposition exceeds (~~(forty)~~) 40 percent of the total votes cast in the taxing district in the last preceding general election.

(x) "**Tax code area**" means a geographical area made up of one or more taxing districts, which is established for the purpose of properly calculating, collecting, and distributing taxes. Only one tax code area will have the same combination of taxing districts, with limited exceptions.

(y) "**Taxing district**" means the state and any county, city, town, port district, school district, road district, metropolitan park district, regional transit authority, water-sewer district, or other municipal corporation, having the power or legal authority to impose burdens upon property within the district on an ad valorem basis, for the purpose of obtaining revenue for public purposes, as distinguished from municipal corporations authorized to impose burdens, or for which burdens may be imposed for public purposes, on property in proportion to the increase in benefits received.

AMENDATORY SECTION (Amending WSR 18-14-095, filed 7/3/18, effective 8/3/18)

**WAC 458-19-020 Levy limit—Method of calculation.**

(1) **Introduction.** This rule explains the general method used to calculate the levy limit for regular property tax levies for taxing districts, other than the state, in accordance with RCW 84.55.092 and 84.55.120. Except for the state levy, the same method is generally used to calculate the amount of regular property taxes that can be levied by a taxing district in any year. This rule also describes what occurs when a taxing district makes a finding of substantial need in accordance with RCW 84.55.0101 to use a limit factor in excess of (~~(one hundred)~~) 100 percent plus inflation. This rule does not attempt to include all special circumstances, such as the reduction in the levy limit for cities and towns that form a fire protection district under RCW 52.02.160, which may affect the applicable limit under chapter 84.55 RCW.

(2) **Increase in tax revenues - Ordinance or resolution required.** The following describes the ordinance or resolution required by taxing districts when requesting increases in tax revenues.

(a) Except by holding a public hearing and adopting an ordinance or resolution, no taxing district, other than the

state, may authorize an increase in property tax revenue, other than one resulting from an increase in assessed value of the district attributable to:

(i) New construction;  
 (ii) Improvements to property;  
 (iii) Increases in the assessed value of state assessed property; (~~and~~)

(iv) Increases in assessed value due to the construction of wind turbine, solar, biomass, and geothermal facilities, if such facilities generate electricity and the property is not included elsewhere under chapter 84.55 RCW for purposes of providing an additional dollar amount. The property may be classified as real or personal property; and

(v) Increases in assessed value of real property within an increment area designated by a local government pursuant to chapter 39.114 RCW, provided the increase is not included elsewhere in the levy limit calculation. This subsection (2)(a)(v) does not apply to:

(A) Levies by the state;

(B) Levies by a port district for purposes of making required payments of principal and interest on general indebtedness; and

(C) Levies by a public utility district for purposes of making required payments of principal and interest on general indebtedness.

(b) The ordinance or resolution may cover a period of up to two years, but the ordinance or resolution must specifically state for each year the dollar increase and percentage change in the levy from the previous year. The dollar increase and percentage change should reflect everything included in the levy limit and should not reflect anything excluded under chapter 84.55 RCW (such as, but not limited to, a levy for property tax refunds paid under the provisions of chapter 84.68 or 84.69 RCW).

(c) A majority of the legislative authority of a taxing district must approve the ordinance or resolution authorizing an increase in the taxing district's levy as calculated in subsection (3) of this rule.

(d) Upon making a finding of substantial need to increase its levy by an amount greater than the rate of inflation, the legislative authority of a taxing district may adopt a second ordinance or resolution establishing a limit factor greater than (~~(one hundred)~~) 100 percent plus inflation. But the substantial need limit factor can never exceed (~~(one hundred one)~~) 101 percent.

(i) In districts with legislative authorities of four members or less, two-thirds of the members must approve an ordinance or resolution supporting a substantial need to increase the limit factor.

(ii) In districts with more than four members, a majority plus one must approve an ordinance or resolution supporting a substantial need to increase the limit factor.

(3) **Calculation of levy limit for all taxing districts other than the state.** The amount of regular property taxes that can be levied by a taxing district, other than the state, in any year is limited to an amount that will not exceed the amount resulting from the following calculation, except as otherwise provided by statute:

(a) The highest amount that could have been lawfully levied by the taxing district in any year since 1985 for 1986

collection, multiplied by the limit factor(~~(:)~~), excluding any increase due to (b)(v) of this subsection, unless the highest levy was the statutory maximum rate amount, plus;

(b) A dollar amount calculated by multiplying the regular property tax levy rate of the district for the preceding year, or the last year the taxing district levied taxes, by the increase in assessed value of the district resulting from:

- (i) New construction;
- (ii) Improvements to property;
- (iii) Increases in the assessed value of state assessed property; (~~and~~)
- (iv) Increases in assessed value due to the construction of wind turbine, solar, biomass, and geothermal facilities, if such facilities generate electricity and the property is not included elsewhere under chapter 84.55 RCW for purposes of providing an additional dollar amount. The property may be classified as real or personal property; and

(v) Increases in assessed value of real property within an increment area designated by a local government pursuant to chapter 39.114 RCW, provided the increase is not included elsewhere in the levy limit calculation. This subsection (3)(b)(v) does not apply to:

- (A) Levies by the state;
- (B) Levies by a port district for purposes of making required payments of principal and interest on general indebtedness; and
- (C) Levies by a public utility district for purposes of making required payments of principal and interest on general indebtedness.

(4) **Calculation of levy limit for the state levy.** The levy limit for the state is calculated according to WAC 458-19-550.

**AMENDATORY SECTION** (Amending WSR 18-24-104, filed 12/4/18, effective 1/4/19)

**WAC 458-19-060 Emergency medical service levy.**

(1) **Introduction.** This rule explains the criteria described in RCW 84.52.069 regarding a taxing district imposing a limited or permanent regular levy for emergency medical care or emergency medical services. This rule also describes the duration of this levy, the ballot title and measure that must be presented to and approved by the voters, the maximum levy rate, and the applicable levy limits.

Definitions. The definitions in WAC 458-19-005 apply to this rule.

(2) **Purpose - Voter approval required - Who may levy.** An emergency medical service (EMS) levy is a regular voter approved levy. Any taxes collected from this levy can only be used to provide emergency medical care or emergency medical services, including related personnel costs, training for such personnel and related equipment, supplies, vehicles, and structures needed to provide this care or service.

(a) Initial approval of EMS levy. A permanent EMS levy, or the initial imposition of a six-year or (~~(ten-year))~~ 10-year EMS levy must be approved by a super majority of registered voters at a general or special election. However, if an area comprising a newly formed regional fire protection service authority was subject to an EMS levy immediately prior to the creation of the authority, the initial imposition of a six-

year or (~~(ten-year))~~ 10-year EMS levy may be approved by a majority of the registered voters who approved the creation of the authority and the related service plan.

(b) Subsequent approval of EMS levy. The subsequent approval of a six-year or (~~(ten-year))~~ 10-year EMS levy only requires the authorization of a majority of the registered voters at a general or special election. Only a county, emergency medical service district, city, town, public hospital district, urban emergency medical service district, regional fire protection service authority, or fire protection district is authorized to impose an EMS levy.

(3) **Duration - Maximum levy rate.** An EMS levy is imposed each year for six consecutive years, each year for (~~(ten))~~ 10 consecutive years, or permanently. Except as provided in subsection (11) of this rule, a taxing district may impose an EMS levy in an amount that cannot exceed (~~(fifty))~~ 50 cents per (~~(thousand dollars))~~ \$1,000 of assessed value of the property in the taxing district.

(4) **Contents of ballot title and measure.** Any ballot title and measure seeking authorization of an EMS levy must conform to the requirements of RCW 29A.36.210. A taxing district cannot submit to the voters, at the same election, multiple propositions to impose an EMS levy under RCW 84.52.069. If the approved ballot title and measure did not authorize the maximum allowable levy rate (~~(fifty))~~ 50 cents per (~~(thousand dollars))~~ \$1,000 of assessed value for the EMS levy, any future proposition to increase the rate up to the maximum allowable levy rate must be specifically authorized by voters at a general or special election. Therefore, a taxing district may impose an EMS levy rate up to, but no greater than, the rate in the approved ballot measure without obtaining additional voter approval. The ballot title and measure authorizing a taxing district to impose:

(a) An EMS levy for a limited duration must state the name of the taxing district, the maximum levy rate per (~~(thousand dollars))~~ \$1,000 of assessed value to be imposed, and the maximum number of years the levy is allowed; or

(b) A permanent EMS levy must state the name of the taxing district and the maximum levy rate per (~~(thousand dollars))~~ \$1,000 of assessed value to be permanently imposed. A ballot title for this type of levy must include wording to indicate that it is a permanent EMS levy. A taxing district that seeks to impose a permanent levy must also provide for a referendum procedure to apply to the ordinance or resolution imposing the tax. For additional information regarding the referendum procedures, see RCW 84.52.069.

(5) **County-wide EMS levy.** A county-wide EMS levy proposal cannot be placed on the ballot without first obtaining the approval from the legislative authority of a majority of at least (~~(seventy-five))~~ 75 percent of all cities within the county having a population exceeding (~~(fifty thousand))~~ 50,000. No other taxing district within the county may hold an election on a proposed EMS levy at the same time as the election on a proposed county-wide EMS levy. To the extent feasible, emergency medical care and services must be provided throughout the county whenever the county levies an EMS levy.

(6) **Additional requirements.** When a county levies an EMS levy, the following conditions apply:

(a) Other taxing districts within the county authorized to levy an EMS levy may do so, but only if the taxing district's EMS levy rate does not exceed the difference between the county's EMS levy rate and ~~((fifty)) 50 cents per ((thousand dollars))~~ \$1,000 of assessed value of the property in the taxing district;

(b) If a taxing district within the county levies an EMS levy and the voters of the county subsequently approve a county-wide EMS levy, then the taxing district must reduce its EMS levy rate so the combined EMS levy rate of the county and the taxing district does not exceed ~~((fifty)) 50 cents per ((thousand dollars))~~ \$1,000 of assessed value of the property in the taxing district;

(c) A taxing district within a county having an EMS levy of limited duration that was authorized by the voters subsequent to a county-wide EMS levy of limited duration, will expire at the same time as the county EMS levy; and

(d) A fire protection district having annexed an area described in subsection (11) of this rule may levy the maximum amount of tax allowed, taking into consideration any limitations in this subsection.

**(7) EMS levy of a taxing district other than a county.** When a taxing district levies an EMS levy within the county, only the county may, at the same time, levy an EMS levy within the boundaries of that taxing district; all other taxing districts are prohibited from levying an EMS levy within that taxing district's boundaries while it collects an EMS levy.

(a) If a regional fire protection service authority imposes an EMS levy under this rule, no other taxing district that is a participating fire protection jurisdiction in the regional fire protection service authority may impose an EMS levy under this rule.

(b) For purposes of this subsection, a "participating fire protection jurisdiction" means a fire protection district, city, town, Indian tribe, or port district that is represented on the governing board of a regional fire protection service authority.

**(8) Constitutional one percent limit.** An EMS levy is subject to the constitutional one percent limit for regular property taxes. If a reduction of the rate of an EMS levy is required because this limit is exceeded, it is reduced according to RCW 84.52.010 and WAC 458-19-075.

**(9) Statutory aggregate dollar rate limit.** An EMS levy is not subject to the statutory aggregate dollar rate limit of ~~((five dollars and ninety cents per thousand dollars))~~ \$5.90 per \$1,000 of assessed value as described in RCW 84.52.043.

**(10) Applicability of limit factor to EMS levy.** The EMS levy is calculated separately from any other levies made by the taxing district for purposes of calculating the levy limit.

(a) The first year an EMS levy is made following voter approval, the levy limit in chapter 84.55 RCW does not apply. ((However, after the first year an EMS levy is subject to this limit. Therefore,))

(b) In the second year, the EMS levy cannot exceed the limit factor multiplied by the highest amount of regular property taxes that could have lawfully been levied since the voters last approved the levy, plus an additional amount calculated by multiplying the regular property tax levy rate of the

district from the preceding year by the increase in assessed value in the taxing district resulting from:

~~((a))~~ (i) New construction;

~~((b))~~ (ii) Improvements to property;

~~((c))~~ (iii) Increases in the assessed value of state assessed property; ((and

~~((d))~~ (iv) Increases in assessed value due to the construction of wind turbine, solar, biomass, and geothermal facilities, if such facilities generate electricity and the property is not included elsewhere under chapter 84.55 RCW for purposes of providing an additional dollar amount. The property may be classified as real or personal property((-

~~The EMS levy is calculated separately from any other levies made by the taxing district for purposes of calculating the levy limit.))~~; and

(v) Increases in assessed value of real property within an increment area designated by a local government pursuant to chapter 39.114 RCW, provided the increase is not included elsewhere in the levy limit calculation. This subsection (10)(b)(v) does not apply to:

(A) Levies by the state;

(B) Levies by a port district for purposes of making required payments of principal and interest on general indebtedness; and

(C) Levies by a public utility district for purposes of making required payments of principal and interest on general indebtedness.

(c) In the third year, and thereafter, the EMS levy limit is calculated according to WAC 458-19-005 (2)(m).

**(11) County boundaries.** For purposes of imposing an EMS levy, the boundary of a county with a population greater than ~~((one million five hundred thousand))~~ 1,500,000 does not include the area of the county that is located within a city that has a boundary in two counties. This only applies if the locally assessed value of all property in the area of the city within the county having a population greater than ~~((one million five hundred thousand))~~ 1,500,000 is less than ~~((two hundred fifty million dollars))~~ \$250,000,000.

AMENDATORY SECTION (Amending WSR 15-03-087, filed 1/21/15, effective 2/21/15)

**WAC 458-19-065 Levy limit—Protection of future levy capacity.** (1) **Introduction.** This rule explains what occurs when a taxing district levies taxes in an amount less than the maximum allowed under the levy limit for any year and how future levies of the district will be calculated.

(2) **Use of maximum lawful levy amount.** In any year when a taxing district, other than the state, levies taxes in an amount less than the maximum amount allowed by the levy limit, whether voluntarily or as a result of the operation of the statutory aggregate dollar rate limit or constitutional one percent limit reducing or eliminating the taxing district's levy rate, the levy limit for succeeding years after 1985 will be calculated as though the maximum lawful levy amount allowed by the levy limit or the taxing district's statutory dollar rate limit had been levied.

(3) **Examples.** These examples do not include any amounts for new construction, improvements to property, increases in the assessed value of state assessed property,

~~((or))~~ increases in the assessed value due to the construction of wind turbine, solar, biomass, and geothermal facilities, or increases in assessed value of real property within an increment area designated by a local government pursuant to chapter 39.114 RCW.

(a) In ~~((2013))~~ 2022, the highest amount of regular property taxes that could have been lawfully levied by taxing district "A" as restricted by the levy limit was \$100,000. But in ~~((2013))~~ 2022 taxing district "A" was otherwise limited by the statutory aggregate dollar rate limit to a maximum levy of \$95,000. The levy limit for the ~~((2014))~~ 2023 levy will be calculated on the basis of what could have been the highest levy amount since 1985, ~~((that))~~ which is \$100,000 multiplied by the limit factor. The amount actually levied in ~~((2013))~~ 2022 is not controlling.

(b) Using the same basic facts from the previous example, if the levy amount of district "A" had been limited by the statutory dollar rate limit in ~~((2013))~~ 2022 to \$95,000, and \$95,000 was the highest amount of regular property taxes that could have been lawfully levied since 1985, then the levy limit for ~~((2014))~~ 2023 will be calculated on the basis of \$95,000, that is \$95,000 multiplied by the limit factor.

AMENDATORY SECTION (Amending WSR 20-24-065, filed 11/24/20, effective 12/25/20)

**WAC 458-19-070 Five dollars and ninety cents statutory aggregate dollar rate limit calculation.** (1) **Introduction.** This rule describes the process used to reduce or eliminate a levy rate when the assessor finds the statutory aggregate dollar rate limit exceeds ~~((five dollars and ninety cents))~~ \$5.90. The aggregate of all regular levy rates of junior taxing districts and senior taxing districts, other than the state and other specifically identified districts, cannot exceed ~~((five dollars and ninety cents per thousand dollars))~~ \$5.90 per \$1,000 of assessed value in accordance with RCW 84.52.043. When the county assessor finds that this limit has been exceeded, the assessor recalculates the levy rates and establishes a new consolidated levy rate as described in RCW 84.52.010. The ~~((five dollar and ninety cents))~~ \$5.90 statutory aggregate dollar rate limit is reviewed before the constitutional one percent limit.

(2) **Levies not subject to statutory aggregate dollar rate limit.** The following levies are not subject to the statutory aggregate dollar rate limit of ~~((five dollars and ninety cents per thousand dollars))~~ \$5.90 per \$1,000 of assessed value:

- (a) Levies by the state;
- (b) Levies by or for port or public utility districts;
- (c) Excess property tax levies authorized in Article VII, section 2 of the state Constitution;
- (d) Levies by or for county ferry districts under RCW 36.54.130;
- (e) Levies for acquiring conservation futures under RCW 84.34.230;
- (f) Levies for emergency medical care or emergency medical services under RCW 84.52.069;
- (g) Levies for financing affordable housing under RCW 84.52.105;
- (h) The portion of metropolitan park district levies protected under RCW 84.52.120;

(i) The portions of levies by fire protection districts and regional fire protection service authorities protected under RCW 84.52.125;

(j) Levies for criminal justice purposes under RCW 84.52.135;

(k) Levies for transit-related purposes by a county under RCW 84.52.140;

(l) The protected portion of the levies imposed under RCW 84.52.816 by flood control zone districts; ~~((and))~~

(m) Levies imposed by a regional transit authority under RCW 81.104.175; and

(n) Levies imposed under RCW 36.69.145, by a park and recreation district located on an island and within a county with a population exceeding 2,000,000, for collection in calendar years 2022 through 2026.

(3) **Consolidated levy rate limitation.** RCW 84.52.010 explains the order in which the regular levies of taxing districts will be reduced or eliminated by the assessor to comply with the statutory aggregate dollar rate limit of ~~((five dollars and ninety cents per thousand dollars))~~ \$5.90 per \$1,000 of assessed value. The order in the statute lists which taxing districts are the first to either reduce or eliminate their levy rate. Taxing districts that are at the same level are grouped together in tiers. Reductions or eliminations in levy rates are made on a pro rata basis within each tier of taxing district levies until the consolidated levy rate no longer exceeds the statutory aggregate dollar rate limit of ~~((five dollars and ninety cents))~~ \$5.90.

As opposed to the order in RCW 84.52.010, which lists the taxing districts that are the first to have their levy rates reduced or eliminated, this rule is written in reverse order; that is, it lists the taxing districts that must be first either fully or partially funded. If the statutory aggregate dollar rate is exceeded, then the levy rates for taxing districts within a particular tier must be reduced or eliminated on a pro rata basis. The proration factor, which is multiplied by each levy rate within the tier, is obtained by dividing the dollar rate remaining available to the taxing districts in that tier as a group by the sum of the levy rates originally certified by or for all of the taxing districts within the tier.

(a) Step one: Total the aggregate regular levy rates requested by all affected taxing districts in the tax code area. If this total is less than ~~((five dollars and ninety cents per thousand dollars))~~ \$5.90 per \$1,000 of assessed value, no levy rate reduction or elimination is necessary. If this total levy rate is more than ~~((five dollars and ninety cents))~~ \$5.90, the assessor must proceed through the following steps until the aggregate dollar rate is brought within that limit.

(b) Step two: Subtract from \$5.90 the levy rates of the county, including the rate of any separate property tax levy as described in RCW 84.55.135, and the county road district if the tax code area includes an unincorporated portion of the county, or the levy rates of the county and the city or town if the tax code area includes an incorporated area, as applicable.

(c) Step three: Subtract from the remaining levy capacity the levy rates, if any, for fire protection districts under RCW 52.16.130, regional fire protection service authorities under RCW 52.26.140 (1)(a), library districts under RCW 27.12.-050 and 27.12.150, the first ~~((fifty cents per thousand dollars))~~ 50 cents per \$1,000 of assessed value for metropolitan

park districts created before January 1, 2002, under RCW 35.61.210, and the first (~~(fifty cents per thousand dollars)~~) 50 cents per \$1,000 of assessed value for public hospital districts under RCW 70.44.060(6).

(i) If the balance is zero, there is no remaining levy capacity for any other junior taxing district at a lower tier and their levies, if any, must be eliminated.

(ii) If the balance is less than zero, then the levies within this tier must be reduced on a pro rata basis until the balance is zero. After prorationing, there is no remaining levy capacity for any other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(iii) If the remaining balance is greater than zero, this amount is available to the remaining junior taxing districts at a lower tier and the assessor should proceed on to step four.

(d) Step four: Subtract from the remaining levy capacity the levy rates, if any, for fire protection districts under RCW 52.16.140 and 52.16.160, and regional fire protection service authorities under RCW 52.26.140 (1)(b) and (c). However, under RCW 84.52.125, a fire protection district or regional fire protection service authority may protect up to (~~(twenty-five cents per thousand dollars)~~) 25 cents per \$1,000 of assessed value of the total levies made under RCW 52.16.140 and 52.16.160, or 52.26.140 (1)(b) and (c) from reduction or elimination.

(i) If the balance is zero, there is no remaining levy capacity for any other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(ii) If the balance is less than zero, then the levies within this tier must be reduced on a pro rata basis until the balance is zero. It is at this point that the provisions of RCW 84.52.125 come into play; that is, a fire protection district or regional fire protection service authority may protect up to (~~(twenty-five cents per thousand dollars)~~) 25 cents per \$1,000 of assessed value of the total levies made under RCW 52.16.140 and 52.16.160, or 52.26.140 (1)(b) and (c) from reduction or elimination under RCW 84.52.043(2), if the total levies would otherwise be reduced or eliminated under RCW 84.52.010 (3)(a)(iii) with respect to the (~~(five dollar and ninety cent per thousand dollars)~~) \$5.90 per \$1,000 of assessed value limit. After prorationing, there is no remaining levy capacity for any other junior taxing district at a lower tier and their levies, if any, must be eliminated.

(iii) If the remaining balance is greater than zero, this amount is available to the remaining junior taxing districts at a lower tier and the assessor should proceed on to step five.

(e) Step five: Subtract from the remaining levy capacity the levy rate, if any, for the first (~~(fifty cents per thousand dollars)~~) 50 cents per \$1,000 of assessed value of metropolitan park districts created on or after January 1, 2002, under RCW 35.61.210.

(i) If the balance is zero, there is no remaining levy capacity for any other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(ii) If the balance is less than zero, then the levies within this tier must be reduced on a pro rata basis until the balance is zero. After prorationing, there is no remaining levy capacity for any other junior taxing district at a lower tier and their levies, if any, must be eliminated.

(iii) If the remaining balance is greater than zero, this amount is available to the remaining junior taxing districts at a lower tier and the assessor should proceed on to step six.

(f) Step six: Subtract from the remaining levy capacity the (~~(twenty-five cent per thousand dollars)~~) 25 cent per \$1,000 of assessed value levy rate for metropolitan park districts if it is not protected under RCW 84.52.120, the (~~(twenty-five cent per thousand dollars)~~) 25 cent per \$1,000 of assessed value levy rate for public hospital districts under RCW 70.44.060(6), and the levy rates, if any, for cemetery districts under RCW 68.52.310 and all other junior taxing districts if those levies are not listed in steps three through five or seven or eight of this subsection.

(i) If the balance is zero, there is no remaining levy capacity for any other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(ii) If the balance is less than zero, then the levies within this tier must be reduced on a pro rata basis until the balance is zero. After prorationing, there is no remaining levy capacity for any other junior taxing district at a lower tier and their levies, if any, must be eliminated.

(iii) If the remaining balance is greater than zero, this amount is available to the remaining junior taxing districts at a lower tier and the assessor should proceed on to step seven.

(g) Step seven: Subtract from the remaining levy capacity the levy rate, if any, for flood control zone districts other than the portion of a levy protected under RCW 84.52.816.

(i) If the balance is zero, there is no remaining levy capacity for any other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(ii) If the balance is less than zero, then the levies within this tier must be reduced on a pro rata basis until the balance is zero. After prorationing, there is no remaining levy capacity for any other junior taxing district at a lower tier and their levies, if any, must be eliminated.

(iii) If the remaining balance is greater than zero, this amount is available to the remaining junior taxing districts at a lower tier and the assessor should proceed on to step eight.

(h) Step eight: Subtract from the remaining levy capacity the levy rates, if any, for city transportation authorities under RCW 35.95A.100, park and recreation service areas under RCW 36.68.525, park and recreation districts under RCW 36.69.145, except a park and recreation district described in subsection (2)(n) of this rule, and cultural arts, stadium, and convention districts under RCW 67.38.130.

(i) If the balance is zero, there is no remaining levy capacity for other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(ii) If the balance is less than zero, then the levies within this tier must be reduced on a pro rata basis until the balance is zero. After prorationing, there is no remaining levy capacity for any other junior taxing district at a lower tier and their levies, if any, must be eliminated.

(iii) If the remaining balance is greater than zero, this amount is available to the remaining junior taxing districts at a lower tier and the assessor should proceed on to step nine.

(i) Step nine: Subtract from the remaining levy capacity the levy imposed, if any, for cultural access programs under RCW 36.160.080 until the remaining levy capacity equals zero.

(4) Example.

DISTRICT	ORIGINAL LEVY RATE	PRORATION FACTOR	FINAL LEVY RATE	REMAINING LEVY CAPACITY
County	1.8000	NONE	1.8000	1.850
County Road	2.2500	NONE	2.2500	
Library	.5000	NONE	.5000	.350
Fire	.5000	NONE	.5000	
Hospital	.5000	NONE	.5000	
Fire	.2000	NONE	.2000	.150
Cemetery	.1125	.4138	.0466	
Hospital	.2500	.4138	.1034	
Totals	6.1125		5.90	

(a) Beginning with the limit of \$5.90, subtract the original certified levy rates for the county and county road taxing districts leaving \$1.85 available for the remaining districts.

(b) Subtract the total of the levy rates for each district within the next tier: The library's \$.50, the fire district's \$.50 and the hospital's \$.50 = \$1.50, which leaves \$.35 available for the remaining districts.

(c) Subtract the fire district's additional \$.20 levy rate, which leaves \$.15 available for the remaining districts.

(d) The remaining \$.15 must be shared by the cemetery and the hospital districts within the next tier of levies. The cemetery district originally sought to levy \$.1125 and the hospital district sought to levy \$.25. The proration factor is arrived at by dividing the amount available (\$.15) by the original levy rates (\$.3625) requested within that tier resulting in a proration factor of .4138. Finally, the original levy rates in this tier of \$.1125 and \$.25 for the cemetery and hospital, respectively, are multiplied by the proration factor.

AMENDATORY SECTION (Amending WSR 20-24-065, filed 11/24/20, effective 12/25/20)

**WAC 458-19-075 Constitutional one percent limit calculation.** (1) **Introduction.** This rule explains how to determine if the constitutional one percent limit is being exceeded and the sequence in which levy rates will be reduced or eliminated in accordance with RCW 84.52.010 if the constitutional one percent limit is exceeded. The constitutional one percent calculation is made after the assessor ensures that the \$5.90 statutory aggregate dollar rate limit is not exceeded. The total amount of all regular property tax levies that can be applied against taxable property is limited to one percent of the true and fair value of the property in money. The one percent limit is stated in Article VII, section 2 of the state Constitution and the enabling statute, RCW 84.52.050. The constitutional one percent limit is based on the amount of taxes actually levied on the true and fair value of the property, not the dollar rate used in calculating property taxes.

(2) **Preliminary calculations.** After reducing or eliminating the levy rates under RCW 84.52.043 (the \$5.90 statutory aggregate dollar rate limit) has occurred, make the following calculations to determine if the constitutional one percent limit is being exceeded:

(a) First, add together all regular levy rates in the tax code area, including the rates for the state levy, but not the rates for port and public utility districts, to arrive at a combined levy rate for that tax code area. "Regular levy rates" in this context means the levy rates that remain after reduction or elimination under RCW 84.52.043 has occurred. The levy rates for port and public utility districts are not included in this calculation because they are not subject to the constitutional one percent limit.

(b) Second, divide (~~ten dollars~~) \$10 by the higher of the real or personal property ratio of the county for the assessment year in which the levy is made to determine the maximum effective levy rate. If the combined levy rate exceeds the maximum effective levy rate, then the individual levy rates must be reduced or eliminated until the combined levy rate is equal to the maximum effective levy rate.

(3) **Constitutional one percent limit.** RCW 84.52.010 provides the order in which levy rates are to be reduced or eliminated when the constitutional one percent limit is exceeded.

As opposed to the order in RCW 84.52.010, which lists the taxing districts that are the first to have their levy rates reduced or eliminated, this rule is written in reverse order; that is, it lists the taxing districts that must be first either fully or partially funded. If the constitutional one percent limit is exceeded, then the levy rates for taxing districts within a particular tier must be reduced or eliminated on a pro rata basis.

If the constitutional one percent limit is exceeded after performing the preliminary calculations described in subsection (2) of this rule, the following levies must be reduced or eliminated until the combined levy rate no longer exceeds the maximum effective levy rate:

(a) Step one: Subtract the aggregate levy rate calculated for the state for the support of common schools from the effective rate limit( $\frac{1}{100}$ ).

(b) Step two: Subtract the levy rates for the county, including the rate of any separate property tax levy as described in RCW 84.55.135, county road district, regional transit authority, and for city or town purposes( $\frac{1}{100}$ ).

(c) Step three: Subtract from the remaining levy capacity the levy rates for fire protection districts under RCW 52.16.130, regional fire protection service authorities under

RCW 52.26.140 (1)(a), library districts under RCW 27.12.-050 and 27.12.150, the first (~~(fifty cents per thousand dollars)~~) 50 cents per \$1,000 of assessed value for metropolitan park districts created before January 1, 2002, under RCW 35.61.210, and the first (~~(fifty cents per thousand dollars)~~) 50 cents per \$1,000 of assessed value for public hospital districts under RCW 70.44.060(6).

(i) If the balance is zero, there is no remaining levy capacity for any other junior taxing district at a lower tier and their levies, if any, must be eliminated.

(ii) If the balance is less than zero, then the levies within this tier must be reduced on a pro rata basis from the remaining balance in step two until the balance is zero. After prorationing, there is no remaining levy capacity for any other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(iii) If the remaining balance is greater than zero, this amount is available to the remaining junior taxing districts at a lower tier and the assessor should proceed on to step four.

(d) Step four: Subtract from the remaining levy capacity the levy rates for fire protection districts under RCW 52.16.-140 and 52.16.160, and regional fire protection service authorities under RCW 52.26.140 (1)(b) and (c).

(i) If the balance is zero, there is no remaining levy capacity for any other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(ii) If the balance is less than zero, then the levies within this tier must be reduced on a pro rata basis from the remaining balance in step three until the balance is zero. After prorationing, there is no remaining levy capacity for any other junior taxing district at a lower tier and their levies, if any, must be eliminated.

(iii) If the remaining balance is greater than zero, this amount is available to the remaining junior taxing districts at a lower tier and the assessor should proceed on to step five.

(e) Step five: Subtract from the remaining levy capacity the levy rate for the first (~~(fifty cents per thousand dollars)~~) 50 cents per \$1,000 of assessed value of metropolitan park districts created on or after January 1, 2002, under RCW 35.61.210.

(i) If the balance is zero, there is no remaining levy capacity for any other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(ii) If the balance is less than zero, then the levy is reduced to the remaining balance (~~(from)~~) in step four. There is no remaining levy capacity for any other junior taxing district at a lower tier and their levies, if any, must be eliminated.

(iii) If the remaining balance is greater than zero, this amount is available to the remaining junior taxing districts at a lower tier and the assessor should proceed on to step six.

(f) Step six: Subtract from the remaining levy capacity the levy rates for all other junior taxing districts if those levies are not listed in steps three through five or steps seven through (~~(seventeen)~~) eighteen of this subsection.

(i) If the balance is zero, there is no remaining levy capacity for any other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(ii) If the balance is less than zero, then the levies within this tier must be reduced on a pro rata basis to the remaining balance in step five until the balance is zero. After proration-

ing, there is no remaining levy capacity for any other junior taxing district at a lower tier and their levies, if any, must be eliminated.

(ii) If the remaining balance is greater than zero, this amount is available to the remaining junior taxing districts at a lower tier and the assessor should proceed on to step seven.

(g) Step seven: Subtract from the remaining levy capacity the levy rate for flood control zone districts other than the portion of a levy protected under RCW 84.52.816.

(i) If the balance is zero, there is no remaining levy capacity for any other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(ii) If the balance is less than zero, then the levy is reduced to the remaining balance in step six. There is no remaining levy capacity for any other junior taxing district at a lower tier and their levies, if any, must be eliminated.

(iii) If the remaining balance is greater than zero, this amount is available to the remaining junior taxing districts at a lower tier and the assessor should proceed on to step eight.

(h) Step eight: Subtract from the remaining levy capacity the levy rates for city transportation authorities under RCW 35.95A.100, park and recreation service areas under RCW 36.68.525, park and recreation districts under RCW 36.69.-145, except a park and recreation district located on an island and within a county with a population exceeding 2,000,000, and cultural arts, stadium, and convention districts under RCW 67.38.130.

(i) If the balance is zero, there is no remaining levy capacity for any other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(ii) If the balance is less than zero, then the levies within this tier must be reduced on a pro rata basis from the remaining balance in step seven until the balance is zero. After prorationing, there is no remaining levy capacity for any other junior taxing district at a lower tier and their levies, if any, must be eliminated.

(iii) If the remaining balance is greater than zero, this amount is available to the remaining junior taxing districts at a lower tier and the assessor should proceed on to step nine.

(i) Step nine: Subtract from the remaining levy capacity the levy imposed, if any, for cultural access programs under RCW 36.160.080.

(i) If the balance is zero, there is no remaining levy capacity from any other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(ii) If the balance is less than zero, the levy is reduced to the remaining balance in step eight. There is no remaining levy capacity for any other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(iii) If the remaining balance is greater than zero, this amount is available to the remaining junior taxing districts at a lower tier and the assessor should proceed to step ten.

(j) Step ten: Subtract from the remaining levy capacity the levy rate for the first (~~(thirty cents per thousand dollars)~~) 30 cents per \$1,000 for emergency medical care or emergency medical services under RCW 84.52.069.

(i) If the balance is zero, there is no remaining levy capacity for any other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(ii) If the balance is less than zero, then the levy is reduced to the remaining balance in step nine. There is no remaining levy capacity for any other junior taxing district at a lower tier and their levies, if any, must be eliminated.

(iii) If the remaining balance is greater than zero, this amount is available to the remaining junior taxing districts at a lower tier and the assessor should proceed on to step eleven.

(k) Step eleven: Subtract from the remaining levy capacity the levy rates for levies used for acquiring conservation futures under RCW 84.34.230, financing affordable housing under RCW 84.52.105, and any portion of a levy rate for emergency medical care or emergency medical services under RCW 84.52.069 in excess of ~~((thirty cents per thousand dollars))~~ 30 cents per \$1,000 of assessed value.

(i) If the balance is zero, there is no remaining levy capacity for any other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(ii) If the balance is less than zero, then the levies within this tier must be reduced on a pro rata basis from the remaining balance in step ten until the balance is zero. After prorationing, there is no remaining levy capacity for any other junior taxing district at a lower tier and their levies, if any, must be eliminated.

(iii) If the remaining balance is greater than zero, this amount is available to the remaining junior taxing districts at a lower tier and the assessor should proceed on to step twelve.

(l) Step twelve: Subtract from the remaining levy capacity the ~~((portion of the levy by a metropolitan park district with a population of one hundred fifty thousand or more that is protected under RCW 84.52.120))~~ levies imposed under RCW 36.69.145 for a park and recreation district located on an island and within a county with a population exceeding 2,000,000.

(i) If the balance is zero, there is no remaining levy capacity for any other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(ii) If the balance is less than zero, then the portion of the levy within this tier must be reduced to the remaining balance in step eleven. There is no remaining levy capacity for any other junior taxing district at a lower tier and their levies, if any, must be eliminated.

(iii) If the remaining balance is greater than zero, this amount is available to the remaining junior taxing districts at a lower tier and the assessor should proceed on to step thirteen.

(m) Step thirteen: Subtract from the remaining levy capacity the portion of the levy by a metropolitan park district with a population of 150,000 or more that is protected under RCW 84.52.120.

(i) If the balance is zero, there is no remaining levy capacity for any other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(ii) If the balance is less than zero, then the portion of the levy within this tier must be reduced to the remaining balance in step twelve. There is no remaining levy capacity for any other junior taxing district at a lower tier and their levies, if any, must be eliminated.

(iii) If the remaining balance is greater than zero, this amount is available to the remaining junior taxing districts at

a lower tier and the assessor should proceed on to step fourteen.

~~((n))~~ Step ((thirteen)) fourteen: Subtract from the remaining levy capacity the levy rates for county ferry districts under RCW 36.54.130.

(i) If the balance is zero, there is no remaining levy capacity for any other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(ii) If the balance is less than zero, then the levy is reduced to the remaining balance in step ~~((twelve))~~ thirteen. There is no remaining levy capacity for any other junior taxing district at a lower tier and their levies, if any, must be eliminated.

(iii) If the remaining balance is greater than zero, this amount is available to the remaining junior taxing districts at a lower tier and the assessor should proceed on to step ~~((fourteen))~~ fifteen.

~~((n))~~ Step ((fourteen)) fifteen: Subtract from the remaining levy capacity the levy rate for criminal justice purposes imposed under RCW 84.52.135.

(i) If the balance is zero, there is no remaining levy capacity for any other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(ii) If the balance is less than zero, then the levy is reduced to the remaining balance in step ~~((thirteen))~~ fourteen. There is no remaining levy capacity for any other junior taxing district at a lower tier and their levies, if any, must be eliminated.

(iii) If the remaining balance is greater than zero, this amount is available to the remaining junior taxing districts at a lower tier and the assessor should proceed on to step ~~((fifteen))~~ sixteen.

~~((o))~~ Step ((fifteen)) sixteen: Subtract from the remaining levy capacity the levy rate for a fire protection district or regional fire protection service authority protected under RCW 84.52.125.

(i) If the balance is zero, there is no remaining levy capacity for any other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(ii) If the balance is less than zero, then the portion of the levy within this tier must be reduced to the remaining balance in step ~~((fourteen))~~ fifteen. There is no remaining levy capacity for any other junior taxing district at a lower tier and their levies, if any, must be eliminated.

(iii) If the remaining balance is greater than zero, this amount is available to the remaining junior taxing districts at a lower tier and the assessor should proceed on to step ~~((sixteen))~~ seventeen.

~~((p))~~ Step ((sixteen)) seventeen: Subtract from the remaining levy capacity the levy rate for transit-related purposes by a county under RCW 84.52.140.

(i) If the balance is zero, there is no remaining levy capacity for any other junior taxing districts at a lower tier and their levies, if any, must be eliminated.

(ii) If the balance is less than zero, then the levy is reduced to the remaining balance in step ~~((fifteen))~~ sixteen. There is no remaining levy capacity for any other junior taxing district at a lower tier and their levies, if any, must be eliminated.



(iii) If the remaining balance is greater than zero, this amount is available to the remaining junior taxing districts at a lower tier and the assessor should proceed on to step (~~seventeen~~) eighteen.

~~((c))~~ (r) Step (~~seventeen~~) eighteen: Subtract from the remaining levy capacity the protected portion of the levy imposed under RCW 84.52.816 by a flood control zone district until the remaining levy capacity equals zero.

**WSR 21-23-086**  
**EXPEDITED RULES**  
**PROFESSIONAL EDUCATOR**  
**STANDARDS BOARD**

[Filed November 16, 2021, 12:08 p.m.]

Title of Rule and Other Identifying Information: WAC 181-78A-232 Teacher, principal, career and technical education administrator, superintendent, and program administrator—Specific program approval domain standard—Candidate knowledge, skills, and cultural responsiveness.

Specifically this nonsubstantive WAC amendment relates to edTPA changes mandated through 2SHB 1028 and other nonsubstantive updates.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: A previous version of the WAC language was inadvertently filed instead of the version most recently adopted. These amendments implement the provisions of 2SHB 1028, eliminating the edTPA as a state level requirement for teacher certification and program completion. Nonsubstantive updating and clarification changes are also included.

Reasons Supporting Proposal: These rule changes are required by legislation in 2SHB 1028 and were previously adopted by our board.

Statutory Authority for Adoption: Chapter 28A.410 RCW.

Statute Being Implemented: Chapter 28A.410 RCW.

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

Name of Proponent: Professional educator standards board, governmental.

Name of Agency Personnel Responsible for Drafting: Sophia Keskey, 600 Washington Street S.E., Olympia, WA 98504, 360-890-5814; Implementation and Enforcement: Alexandra Manuel, 600 Washington Street S.E., Olympia, WA 98504, 360-867-8613.

This notice meets the following criteria to use the expedited adoption process for these rules:

Corrects typographical errors, make address or name changes, or clarify language of a rule without changing its effect.

Content is explicitly and specifically dictated by statute.

Explanation of the Reason the Agency Believes the Expedited Rule-Making Process is Appropriate: This change corrects language without making any substantive changes.

NOTICE

THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO Sophia Keskey, Professional Educator Standards Board, 600 Washington Street S.E., Olympia, WA 98504, phone 360-867-8424, email pesb@k12.wa.us, AND RECEIVED BY January 17, 2022.

November 16, 2021  
Sophia Keskey  
Rules Coordinator

AMENDATORY SECTION (Amending WSR 21-20-052, filed 9/28/21, effective 10/29/21)

**WAC 181-78A-232 Teacher, principal, career and technical education administrator, superintendent, and program administrator—Specific program approval domain standard—Candidate knowledge, skills, and cultural responsiveness.** Knowledge, skills, and cultural responsiveness. Providers prepare candidates who demonstrate the knowledge, skills and cultural responsiveness required for the particular certificate and areas of endorsement, which reflect the state's approved standards.

(1) Providers demonstrate effective, culturally responsive pedagogy using multiple instructional methods, formats, and assessments.

(a) Qualified faculty use multiple instructional strategies, pedagogies, and assessments to address candidates' academic language ability levels and cultural and linguistic backgrounds.

(b) Providers create opportunities for faculty members and program personnel to pursue, apply, and practice ongoing professional learning to improve their knowledge, skill, effectiveness, and cultural responsiveness.

(c) Faculty within the program and the unit collaborate among one another, with content specialists, P-12 schools, members of the broader professional community, and diverse members of local communities for continuous program improvement.

(d) Faculty members and program leaders systematically and comprehensively evaluate faculty's effectiveness in teaching and learning.

(2) Providers ensure that completers demonstrate the necessary subject matter knowledge for success as educators in schools.

(a) Candidates demonstrate knowledge and competence relative to the standards related to the role adopted by the board. Providers ensure that candidates in teacher preparation programs demonstrate the most recently published InTASC Standards, candidates in principal programs demonstrate the most recently published NELP - Building Level Standards, candidates in superintendent programs demonstrate the most recently published NELP - District Level Standards, (~~and~~

~~dates in program administrator programs demonstrate the most recently published NELP Building or District Level Standards,)) candidates in program administrator programs demonstrate the most recently published NELP Building or District Level Standards,~~ candidates in school counselor programs demonstrate the most recently published CACREP standards, candidates in school psychologist programs demonstrate the most recently published NASP standards for graduate preparation of school psychologists, and candidates in career and technical education educator preparation programs demonstrate and document the career and technical education standards approved by the professional educator standards board.

(b) Teacher candidates must take a board approved basic skills assessment prior to program ~~((admission))~~ admission. A provider of a teacher preparation program must assure that all candidates entering the program have successfully met the basic skills requirement under chapter 181-01 WAC at the time of admission. The provider must collect and hold evidence of candidates meeting this requirement.

(c) Teacher candidates must take a content knowledge assessment prior to beginning student teaching. The provider must collect and hold evidence of candidates meeting this requirement. Teacher candidates apply content knowledge as reflected in board approved endorsement competencies. Endorsement assessments are not required for teacher candidates in career and technical education business and industry route programs.

(d) Providers ensure that educator candidates complete ~~((a course) [coursework])~~ coursework on issues of abuse and emotional or behavioral distress in students ~~((under) [as required by])~~ under RCW 28A.410.035 and WAC 181-79A-200.

(e) Under RCW 28A.410.040, a teacher candidate whose only baccalaureate degree is in early childhood education, elementary education, or special education must have completed ~~((thirty))~~ 30 quarter credits, or the equivalent in semester credits or continuing education credit hours, in one academic field in an endorsement area under WAC 181-82A-202.

(f) Candidates for an initial certificate in a career and technical education residency teacher preparation program must complete a minimum of ~~((forty-five))~~ 45 quarter credits, or the equivalent in semester credits or continuing education credit hours, in the specific career and technical education area for which certification is sought.

(3) Providers ensure that candidates demonstrate pedagogical knowledge and skill relative to the professional standards adopted by the board for the role for which candidates are being prepared.

(a) Candidates demonstrate knowledge and competence relative to the standards related to the role, which were adopted by the board. Providers ensure that candidates in teacher preparation programs demonstrate most recently published InTASC Standards, candidates in principal programs demonstrate most recently published NELP - Building Level Standards, candidates in superintendent programs demonstrate most recently published NELP - District Level Standards, ~~((candidates in program administrator programs demonstrate the most recently published NELP Building or~~

~~District Level Standards,))~~ candidates in program administrator programs demonstrate the most recently published NELP Building or District Level Standards, candidates in school counselor programs demonstrate the most recently published CACREP standards, candidates in school psychologist programs demonstrate the most recently published NASP standards for graduate preparation of school psychologists, and candidates in career and technical education educator preparation programs demonstrate and document the career and technical education standards approved by the professional educator standards board.

(b) Faculty and mentors provide regular and ongoing feedback to candidates regarding field based performance that is actionable and leads to improvement in candidates' practice.

(c) Providers demonstrate through structured observation, discussion, surveys, and/or artifacts that program completers effectively apply the professional knowledge, skills, and dispositions that the preparation program was designed to achieve.

(d) Providers ~~((ensure that teacher candidates achieve passing scores on) [may use] the [edTPA]))~~ may use the edTPA teacher performance assessment ~~((, also known as the pedagogy assessment, approved by the board. Teacher preparation program providers shall require that each candidate engage in a performance assessment process approved by the board. The teacher performance assessment is not required for teacher candidates in career and technical education business and industry route programs. Candidates who participated in the teacher performance assessment field trials or took the pedagogy assessment prior to January 1, 2014, may be recommended for certification by the preparation program without a passing score) [as a formative tool as long as notification to candidates is included in all program descriptions under chapter 28A.410 RCW]))~~ as a formative tool as long as notification to candidates is included in all program descriptions under chapter 28A.410 RCW.

(e) Providers of career and technical educator preparation programs provide candidates all necessary guidance to document, demonstrate, and submit for approval the required hours of occupational experience.

(f) In order to ensure that teacher and principal candidates can recognize signs of emotional or behavioral distress in students and appropriately refer students for assistance and support, teacher and principal preparation program providers must incorporate the social emotional standards and benchmarks, and must provide guidance to candidates on related competencies described in RCW 28A.410.270.

(4) Providers ensure that candidates are well prepared to exhibit the knowledge and skills of culturally responsive educators.

(a) Providers offer all candidates meaningful, reflective opportunities to interact with racially and culturally diverse colleagues, faculty, P-12 practitioners, and P-12 students and families.

(b) Providers prepare candidates to adapt their practices based on students' prior experiences, cultural knowledge, and frames of reference to make learning encounters more relevant and effective.

(c) Providers ensure course work explicitly focuses on cultural responsiveness and integrates components of culturally responsive education within and throughout all courses.

(d) Faculty explicitly model equity pedagogy in course work and field experiences in ways that enable candidates to integrate their own cultural and linguistic backgrounds into classroom activities.

(5) Teacher candidates engage with the since time immemorial curriculum focused on history, culture, and government of American Indian peoples as prescribed in RCW 28B.10.710.

(a) There shall be a one quarter or semester course, or the equivalent in continuing education credit hours, in either Washington state history and government, or Pacific Northwest history and government in the curriculum of all teacher preparation programs.

(b) No person shall be completed from any of said programs without completing said course of study, unless otherwise determined by the Washington professional educator standards board.

(c) Any course in Washington state or Pacific Northwest history and government used to fulfill the requirement of this section shall include information on the culture, history, and government of the American Indian peoples who were the first human inhabitants of the state and the region.

(d) Teacher preparation program providers shall ensure that programs meet the requirements of this section by integrating the curriculum developed and made available free of charge by the office of the superintendent of public instruction into existing programs or courses and may modify that curriculum in order to incorporate elements that have a regionally specific focus.

**WSR 21-23-100**  
**EXPEDITED RULES**

**EMPLOYMENT SECURITY DEPARTMENT**

[Filed November 17, 2021, 7:59 a.m.]

Title of Rule and Other Identifying Information: Updating a cross-reference in WAC 192-110-150 May I have an individual with power of attorney or other authorization file an initial or weekly claim for benefits, testify in my place, or otherwise certify on my behalf?

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: WAC 192-110-150 currently references RCW 9A.72.085. Chapter 232, Laws of 2019, (SSB 5017) repealed RCW 9A.72.085, effective July 1, 2021, and replaced all statutory references to RCW 9A.72.085 with references to chapter 5.50 RCW. This proposal would similarly replace the reference to RCW 9A.72.085 with a reference to chapter 5.50 RCW.

Reasons Supporting Proposal: Current rules refer to a now repealed statute. The reference should be corrected statutes that are currently in effect.

Statutory Authority for Adoption: RCW 50.12.010 and 50.12.040 provide general rule-making authority to the employment security department (ESD).

Statute Being Implemented: Chapter 232, Laws of 2019; RCW 50.20.140 (3), (4).

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

Name of Proponent: ESD, governmental.

Name of Agency Personnel Responsible for Drafting: Scott Michael, Olympia, 360-890-3448; Implementation and Enforcement: Julie Lord, Olympia, 360-890-9579.

This notice meets the following criteria to use the expedited adoption process for these rules:

Content is explicitly and specifically dictated by statute.

Explanation of the Reason the Agency Believes the Expedited Rule-Making Process is Appropriate: The expedited rule replaces a reference to a repealed statute with a reference to the set of statutes that replaced the repealed statute.

**NOTICE**

THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO Josh Dye, ESD, P.O. Box 9046, Olympia, WA 98507-9046, phone 360-890-3472, fax 844-652-7096, email rules@esd.wa.gov, TTY relay 711, AND RECEIVED BY January 18, 2022.

November 17, 2021

Dan Zeitlin

Employment System Policy  
and Integrity Director

AMENDATORY SECTION (Amending WSR 10-11-046, filed 5/12/10, effective 6/12/10)

**WAC 192-110-150 May I have an individual with power of attorney or other authorization file an initial or weekly claim for benefits, testify in my place, or otherwise certify on my behalf?** No. (~~RCW 9A.72.085~~) Chapter 5.50 RCW requires that an oath, certification, verification or declaration must be signed or sworn to by the person making it. (Exception: An estate executor or administrator may file a claim for the last completed calendar week prior to a claimant's death.)

(1) You are required to personally certify on your initial application for benefits and weekly claims that the information provided to the department is correct.

(2) An individual with power of attorney may not testify in your place in any adjudicative proceeding. Such individual may file an appeal on your behalf if he or she provides the department with a copy of the document granting him or her power of attorney. Such individual may also be called as a witness on your behalf or assist with the preparation of your case but you must provide sworn testimony in support of your appeal.

(3) An agent with power of attorney may not otherwise act on your behalf when statutes or regulations specifically or implicitly require your signature or personal certification.

**WSR 21-23-111**  
**EXPEDITED RULES**  
**DEPARTMENT OF LICENSING**

[Filed November 17, 2021, 11:23 a.m.]

Title of Rule and Other Identifying Information: SHB 1504 increased the ignition interlock device fee from \$20.00 to \$21.00. This requires an update to WAC 308-107-060, which currently states the fee is \$20.00.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: WAC 308-107-060 (1)(a), (2), and (3) will all be amended to reflect the new fee of \$21.00, which is explicitly dictated by statute.

Reasons Supporting Proposal: SHB 1504 amended RCW 46.20.385, increasing the current fee for an ignition interlock device to \$21.00. The fee had been \$20.00.

Statutory Authority for Adoption: RCW 46.20.385 and 46.01.110.

Statute Being Implemented: SHB 1504.

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

Name of Agency Personnel Responsible for Drafting, Implementation, and Enforcement: Dani Rannow, 1125 Washington Street S.E., Olympia, WA, 360-902-3745.

Agency Comments or Recommendations, if any, as to Statutory Language, Implementation, Enforcement, and Fiscal Matters: Not applicable.

This notice meets the following criteria to use the expedited adoption process for these rules:

Content is explicitly and specifically dictated by statute.

Explanation of the Reason the Agency Believes the Expedited Rule-Making Process is Appropriate: SHB 1504 requires the department to increase the fee for an ignition interlock device from \$20.00 to \$21.00. This fee is in WAC 308-107-050.

**NOTICE**

THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO Ellis Starrett, Department of Licensing, 1125 Washington Street S.E., Olympia, WA 98504, phone 360-902-3846, email rulescoordinator@dol.wa.gov, AND RECEIVED BY January 17, 2022.

November 17, 2021  
 Ellis Starrett  
 Rules and Policy Manager

AMENDATORY SECTION (Amending WSR 12-17-076, filed 8/14/12, effective 9/14/12)

**WAC 308-107-050 Ignition interlock device revolving account.** (1)(a) As required under RCW 46.20.385 (6)(a), unless determined by the department to be indigent under

WAC 308-107-060, a person who is applying for or has been issued an ignition interlock driver's license, or (b) a person who is restricted under RCW 46.20.720, must pay an additional fee of (~~twenty dollars~~) **\$21** per month or partial month for which the ignition interlock driver's license is valid or an ignition interlock device is installed to the manufacturer of the device(s) installed in the motor vehicle(s) driven by the person. Payment may be made directly to the manufacturer, or through the authorized service provider, depending upon the manufacturer's business practices.

(2) A manufacturer providing devices to persons who are required to have an ignition interlock device, either directly or through an authorized service provider, must enter into an agreement with the department for the collection and transmittal of the (~~twenty dollar~~) **\$21** monthly fee required under RCW 46.20.385 (6)(a) or 46.20.720(6). Any agreement made under this section must include appropriate reporting requirements and accounting practices to permit the department to audit the handling of the fees that must be remitted to the department. The department may terminate an agreement with a manufacturer upon a showing of good cause. Good cause may include, but not be limited to;

- (a) Violation of the agreement;
- (b) Violation of the laws and rules governing the installation of devices; or
- (c) Violation of this chapter.

An agreement between the department and a manufacturer will be valid for no more than four years, provided that the department may extend an agreement for up to an additional four years at its discretion.

(3) As provided by RCW 46.20.385 (6)(b) and 46.20.720 (6), the department shall deposit the proceeds of the (~~twenty-dollar~~) **\$21** fee into the ignition interlock device revolving account.