

NO. 69759-5-I

**COURT OF APPEALS, DIVISION I
OF THE STATE OF WASHINGTON**

BOEING COMPANY,

Respondent,

v.

PATRICIA DOSS,

Respondent,

DEPARTMENT OF LABOR AND INDUSTRIES
OF THE STATE OF WASHINGTON,

Appellant.

SUPPLEMENTAL BRIEF OF APPELLANT

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STATE OF WASHINGTON
COURT OF APPEALS
DIVISION I
NO

ORIGINAL

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This brief is submitted in response to the following questions posed by the Court on November 18, 2013:

(1) Does the legislative history regarding the 1977 amendments to RCW 51.16.120 reveal whether the legislature intended post-pension medical treatment costs to be included in the second injury fund relief granted to self-insured employers under RCW 51.16.120(1)?

(2) If a state fund employer is awarded second injury fund relief under RCW 51.16.120(1) and post-pension medical treatment costs are paid under that claim from the medical aid fund, what affect, if any, do the medical costs have on the state fund employer's industrial insurance premiums?

A. The Legislative History From 1977 Does Not Indicate The Legislature Contemplated Post-Pension Medical Costs Would Be Paid From The Second Injury Fund Under RCW 51.16.120(1)

The Court must rely on the plain language of RCW 51.44.040, RCW 51.16.120(1), and the basic premise of the Industrial Insurance Act that a self-insured employer is responsible for directly paying its injured employees' medical benefits. *See Johnson v. Tradewell Stores, Inc.*, 95 Wn.2d 739, 742, 630 P.2d 441 (1981); RCW 51.08.173; RCW 51.14.010; WAC 296-15-330. The legislative history regarding the 1977 amendments does not indicate the legislature intended second injury fund

relief under RCW 51.16.120(1) to extend beyond pension costs. Included in the attached appendix is the legislative history for the 1977 amendments for the Court's reference. Notably, the House of Representatives Committee on Labor's analysis indicates the bill "[c]hanges the second-injury statute to include the self-insured employers who are not presently entitled to relief under this second-injury statute. ... The amendment also authorizes the Department to recompute the experience records of employers to accord second injury relief and as well make cash refunds or credit adjustments to employers entitled to relief under the second-injury statute." House Comm. on Labor, H.B. Summary Analysis of H.B. 604, at 3, 45th Leg. (Wash. 1977); App. at 22. With respect to the addition of the provisions regarding the preferred worker program, the analysis states, "[t]he purpose of this amendment, of course, is to encourage employers to employ workers who are unable to return to their former employment by reason of their injury and the most practical way of encouraging employers to do so is through the method of premium discounts." *Id.* at 22-23. The argument in support of the report notes the changes "should encourage employers to hire injured workers who have not been reemployed." House Comm. on Labor, H.B. Bill Report for H.B. 604, 45th Leg. (Wash. 1977); App. at 17. The analysis from the Senate file notes the bill would, among other things, extend second injury fund relief

to self-insured employers and “[i]f the Department determines a state fund employer is entitled to this relief, their experience record will be recomputed accordingly.” Senate Comm. on Labor, S.B. Analysis of H.B. 604, at 1, 45th Leg. (Wash. 1977); App. at 89. It also requires a self-insured employer to pay a second injury fund assessment. *Id.* at 90. The text of the bills proposed and eventually adopted are included in the appendix at pages 100-101, 123-125, and 148-149.

B. Post-Pension Medical Costs May Hypothetically Affect A State Fund Employer’s Premiums On A Claim For Which It Is Granted Second Injury Fund Relief Under RCW 51.16.120(1)

Whether the provision of post-pension medical treatment affects a state fund employer’s industrial insurance premiums directly through experience rating or retrospective rating depends on when the treatment is paid for by the medical aid fund. Similarly, when the treatment is paid for determines whether such medical costs would affect the medical aid fund base rate for a particular risk classification. Premiums for medical aid costs are borne equally by state fund employers and employees. RCW 51.16.140(1). At a minimum, the payment of post-pension medical treatment costs reduces the assets of the medical aid fund and will, thereby, eventually affect all employers and their employees insured with the state.

1. Experience Factor

State fund employers pay industrial insurance premiums to the Department of Labor and Industries rather than directly paying for the costs of their employees' workers' compensation claims. The rates charged are required to be "[t]he lowest necessary to maintain actuarial solvency of the accident and medical aid funds in accordance with recognized insurance principles[.]" RCW 51.16.035(1)(a). Premiums are calculated by a formula that includes a specific employer's experience rating multiplied by the base rate for a particular type of employment, referred to as a risk classification. WAC 296-17-31010 (factors involved in determining premiums), -31011(1) (base rate calculations), -31024 (calculation of premiums), -850 through -870 (rules governing calculations of experience ratings), -895 (listing current base rates).

The experience factor adjusts an employer's rate based on recent exposure reporting and claims experience. *See* WAC 296-17-850(1). A claim will affect an employer's premium rates for three calendar years following the date of injury or occupational exposure. WAC 296-17-850(2). For each calendar year affected, the impact of a specific claim depends on its valuation as of June 1 of the previous year. WAC 296-17-870(2). Actual losses, such as payments for medical treatment, affect the experience factor during this time period. WAC 296-17-870(1)(a). For

closed claims, which would include cases where a worker is determined to be permanently totally disabled, actual losses include, among other costs, medical aid benefits that are scheduled to be paid and a reserve for any other “medical aid benefits accessible by the worker while the claim is closed.” WAC 296-17-870(1). The valuation of open claims may also include a reserve for future payments. WAC 296-17-870(1). These medical aid costs affect the experience factor, assuming they are incurred during the valuation time period.

The final valuation on a claim occurs between 35 and 47 months after the date of injury or exposure, depending on the time of the year when the initial injury or exposure occurred. Thus, post-pension medical treatment would affect an employer’s premiums through experience rating only if the treatment was paid for or anticipated before the claim was four years old. Most pensions are awarded long after the final experience rating valuation, as a worker’s medical condition must be fixed and stable before he or she is determined to be permanently totally disabled, making it unlikely that post-pension medical treatment would impact a state fund employer’s experience rating. For example, if Patricia Doss’ employer had been insured with the state fund, the employer’s final valuation of the claim would have taken place on June 1, 2003. Doss was not placed on a pension until May 2008.

When a state fund employer is granted second injury fund relief under RCW 51.16.120(1), the employer's premium rates for the years affected by the claim are recalculated. WAC 296-17-870(6). Second injury fund relief is granted at the time a worker is placed on a pension. RCW 51.16.120(1). If at the time this adjustment is made post-pension medical treatment had been provided, these costs would be included in the recalculation of the employer's premium rates. However, by definition, the costs of post-pension medical treatment are not incurred until after a pension is granted, making it unlikely post-pension treatment payments would affect this recalculation. See RCW 51.36.010(4). If medical costs are paid after second injury fund relief is granted, such costs would be used to calculate actual losses for any years remaining within the valuation period. Actual losses affect the experience rating.

2. Retrospective Rating

If the state fund employer participates in a retrospective rating group, the provision of post-pension medical treatment could affect the employer's retrospective rating premiums. Retrospective rating considers the costs of claims for a three-year window similar to that of an experience rating. See WAC 296-17B-400. The final valuation of claims in retrospective rating occurs when a claim is between 33 and 45 months old. See WAC 296-17B-400(3). Based on these valuation dates, like an

experience rating, it is unlikely post-pension medical treatment would be paid prior to the final determination of the employer's retrospective rating premiums.

3. Base rates

The other primary factor in calculating an employer's premiums is the base rate for the risk classification to which a worker is exposed. All types of employment fall within a risk classification. *See* RCW 51.16.035(1). Each year, the Department calculates a base rate for each risk classification. WAC 296-17-31024, -895. Actuaries at the Department adjust base rates for each risk classification based on the costs of claims and employment reported in the specific class. Claims are valued for base rate setting in the same manner that they are valued for experience rating, except the claims may be evaluated over a five year period. *In re Nw. Wall & Ceiling Contractors Assoc.*, No. 09 14561, 2010 WL 3543063 (Wash. Bd. of Indus. Ins. Appeals June 16, 2010). As the time period is longer for calculating base rates, it is more likely that post-pension medical treatment costs could be included in determining a risk classification's base medical aid fund rate. Medical costs on one individual claim would likely not have a detectible impact on the class rate if the class contained numerous employees.

Additionally, the Department is required to set rates at the lowest level necessary to maintain the actuarial solvency of the medical aid fund. RCW 51.16.035(1)(a). To accomplish this, the process of setting annual base rates includes an evaluation of the assets and liabilities of the state fund.

When the Department pays for post-pension medical treatment, the assets of the medical aid fund are reduced by the costs of the treatment. The costs of asthma treatment in a single year for a single worker are infinitesimal in relation to the size of the medical aid, making it unlikely such costs in an isolated case would be significant. However, such costs, especially as they accumulate over time, reduce the assets of the fund and increase the liabilities. These changes must be accounted for in determining rates.

Additionally, when assigning value to its principle liabilities the Department uses data from existing claims to estimate the costs of future claims. The payment of post-pension medical treatment costs would be part of the data the Department would use in estimating the ultimate cost of existing claims, thereby affecting the valuation of future liabilities and the calculation of the amount of assets the fund would need to remain actuarially sound.

In short, the payment of post-pension medical costs by the state fund could affect an employer's and its employees' medical aid premiums.

RESPECTFULLY SUBMITTED this 2nd day of December, 2013.

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chapter 323
SHB 604

1977
SESSION LAWS
OF THE
STATE OF WASHINGTON

REGULAR SESSION
FORTY-FIFTH LEGISLATURE
Convened January 10, 1977. Adjourned March 10, 1977.

1st EXTRAORDINARY SESSION
FORTY-FIFTH LEGISLATURE
Convened March 11, 1977. Adjourned June 22, 1977.



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RICHARD O. WHITE
Code Reviser



schedule an amount heretofore pledged and necessary for the purposes of bond retirement until such time as any such debt has been satisfied.

NEW SECTION. Sec. 16. Sections 3 and 4, and 6 through 8 of this 1977 amendatory act are added to chapter 223, Laws of 1969 ex. sess. and to chapter 28B.15 RCW.

NEW SECTION. Sec. 17. If any provision of this 1977 amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 18. This 1977 amendatory act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House June 18, 1977.

Passed the Senate June 18, 1977.

Approved by the Governor June 30, 1977.

Filed in Office of Secretary of State June 30, 1977.

CHAPTER 323

[Substitute House Bill No. 604]

INDUSTRIAL INSURANCE

AN ACT Relating to industrial insurance; amending section 51.04.040, chapter 23, Laws of 1961 and RCW 51.04.040; amending section 51.04.070, chapter 23, Laws of 1961 and RCW 51.04.070; amending section 15, chapter 289, Laws of 1971 ex. sess. and RCW 51.08.018; amending section 51.08.030, chapter 23, Laws of 1961 as last amended by section 37, chapter 42, Laws of 1975-'76 2nd ex. sess. and RCW 51.08.030; amending section 88, chapter 289, Laws of 1971 ex. sess. as amended by section 5, chapter 43, Laws of 1972 ex. sess. and RCW 51.08.175; amending section 14, chapter 289, Laws of 1971 ex. sess. and RCW 51.08.178; amending section 51.12.020, chapter 23, Laws of 1961 as last amended by section 1, chapter 124, Laws of 1973 and RCW 51.12.020; amending section 51.12.110, chapter 23, Laws of 1961 as amended by section 85, chapter 289, Laws of 1971 ex. sess. and RCW 51.12.110; amending section 27, chapter 289, Laws of 1971 ex. sess. as amended by section 16, chapter 43, Laws of 1972 ex. sess. and RCW 51.14.020; amending section 28, chapter 289, Laws of 1971 ex. sess. and RCW 51.14.030; amending section 51.16.060, chapter 23, Laws of 1961, as amended by section 1, chapter 32, Laws of 1973 1st ex. sess. and RCW 51.16.060; amending section 51.16.110, chapter 23, Laws of 1961 as amended by section 4, chapter 289, Laws of 1971 ex. sess. and RCW 51.16.110; amending section 51.16.120, chapter 23, Laws of 1961 as amended by section 13, chapter 43, Laws of 1972 ex. sess. and RCW 51.16.120; amending section 51.32.030, chapter 23, Laws of 1961 and RCW 51.32.030; amending section 1, chapter 19, Laws of 1975-'76 2nd ex. sess. and RCW 51.32.073; amending section 12, chapter 289, Laws of 1971 ex. sess. as amended by section 23, chapter 43, Laws of 1972 ex. sess. and RCW 51.32.095; amending section 51.32.110, chapter 23, Laws of 1961 as amended by section 13, chapter 289, Laws of 1971 ex. sess. and RCW 51.32.110; amending section 51.32.150, chapter 23, Laws of 1961 and RCW 51.32.150; amending section 3, chapter 286, Laws of 1975 1st ex. sess. and RCW 51.32.220; amending section 51.36.030, chapter 23, Laws of 1961 and RCW 51.36.030; amending section 51.44.040, chapter 23, Laws of 1961 as amended by section 27, chapter 43, Laws of 1972 ex. sess. and RCW 51.44.040; amending section 51.48.020, chapter 23, Laws of 1961 as amended by section 63, chapter 289, Laws of 1971 ex. sess. and RCW 51.48.020; amending section 51.48.050, chapter 23, Laws of 1961 and RCW 51.48.050; amending section 51.48.070, chapter 23, Laws of 1961 and RCW 51.48.070; adding new sections to chapter 23, Laws of 1961 and to chapter 51.04 RCW; adding a new section to chapter 23, Laws of 1961 and to chapter 51.16 RCW; repealing section 51.40.010, chapter 23, Laws of 1961 and RCW 51.40.010; repealing section 51.40.020, chapter 23, Laws of 1961, section 1, chapter 36, Laws of 1965, section 2, chapter 80, Laws of 1965 ex. sess. and RCW 51.40.020; repealing section 51.40.030, chapter 23, Laws of 1961 and RCW 51.40.030; repealing section 51.40.040, chapter 23, Laws of 1961, section 29, chapter 106, Laws of 1973 and RCW 51.40.040; repealing section 51.40.050, chapter 23, Laws of 1961 and

RCW 51.40.050; repealing section 51.40.060, chapter 23, Laws of 1961 and RCW 51.40.060; repealing section 51.40.070, chapter 23, Laws of 1961 and RCW 51.40.070; defining crimes; prescribing penalties; prescribing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 51.04.040, chapter 23, Laws of 1961 and RCW 51.04.040 are each amended to read as follows:

The ~~((superior court))~~ director shall have power to issue subpoenas to enforce ((by proper proceedings)) the attendance and testimony of witnesses and the production and examination of books, papers, photographs, tapes, and records before the department in connection with any claim made to the department, or the assessment or collection of premiums. The superior court shall have the power to enforce any such subpoena by proper proceedings.

Sec. 2. Section 51.04.070, chapter 23, Laws of 1961 and RCW 51.04.070 are each amended to read as follows:

A minor ~~((working at an age legally permitted under the laws of this state))~~ shall be deemed sui juris for the purpose of this title, and no other person shall have any cause of action or right to compensation for an injury to such minor ~~((workman))~~ worker, except as expressly provided in this title, but in the event of ~~((a lump sum payment))~~ any disability payments becoming due under this title to ~~((such))~~ a minor ((workman)) worker, ~~((the management of the sum shall be within the probate jurisdiction of the courts the same as other property of minors and, in the event it is necessary to procure the appointment of a guardian to receive the money to which any minor workman is entitled under the provisions of this title, the director may allow from the accident fund toward the expenses of such guardianship, not to exceed the sum of fifty dollars in any one case. PROVIDED, That in case any such minor is awarded a lump sum payment of not more than seven hundred fifty dollars, the director may make payment direct to such minor without the necessity of the appointment of a guardian))~~ under the age of eighteen, such disability payments shall be paid to his or her parent, guardian or other person having legal custody of his or her person until he or she reaches the age of eighteen. Upon the submission of written authorization by any such parent, guardian, or other person, any such disability payments may be paid directly to such injured worker under the age of eighteen years. If it is necessary to appoint a legal guardian to receive such disability payments, there shall be paid from the accident fund or by the self-insurer, as the case may be, toward the expenses of such guardianship a sum not to exceed three hundred dollars.

Sec. 3. Section 15, chapter 289, Laws of 1971 ex. sess. and RCW 51.08.018 are each amended to read as follows:

For purposes of this ~~((1971 amendatory act))~~ title, the average monthly wage in the state shall be the average annual wage as determined under RCW 50.04.355 as now or hereafter amended divided by twelve.

Sec. 4. Section 51.08.030, chapter 23, Laws of 1961 as last amended by section 37, chapter 42, Laws of 1975-'76 2nd ex. sess. and RCW 51.08.030 are each amended to read as follows:

"Child" means every natural born child, posthumous child, stepchild, child legally adopted prior to the injury, and dependent child in the legal custody and control of the ~~((claimant))~~ worker, all while under the age of eighteen years, or

under the age of ~~((twenty-one))~~ twenty-three years while permanently enrolled at a full time course in an accredited school, and over the age of eighteen years if the child is a dependent invalid child.

Sec. 5. Section 88, chapter 289, Laws of 1971 ex. sess. as amended by section 5, chapter 43, Laws of 1972 ex. sess. and RCW 51.08.175 are each amended to read as follows:

~~((Whenever the term))~~ "State fund" ~~((is used in the provisions of this 1971 amendatory act, it shall))~~ means those funds held by the state or any agency thereof for the purposes of this title. The "state of Washington industrial insurance fund" means the department when acting as the agency to insure the industrial insurance obligation of employers. The terms "state fund" and "state of Washington industrial insurance fund" shall be deemed synonymous when applied to the functions of the department connected with the insuring of employers who secure the payment of industrial insurance benefits through the state. The director shall manage the state fund and the state of Washington industrial insurance fund and shall have such powers as are necessary to carry out its functions and may reinsure any risk insured by the state fund.

Sec. 6. Section 14, chapter 289, Laws of 1971 ex. sess. and RCW 51.08.178 are each amended to read as follows:

(1) For the purposes of this title, the monthly wages the ~~((workman))~~ worker was receiving from all employment at the time of injury shall be the basis upon which compensation is computed unless otherwise provided specifically in the statute concerned. In cases where the ~~((workman's))~~ worker's wages are not fixed by the month, they shall be determined by multiplying the daily wage the ~~((workman))~~ worker was receiving at the time of the injury:

- (a) By five, if the ~~((workman))~~ worker was normally employed one day a week;
- (b) By nine, if the ~~((workman))~~ worker was normally employed two days a week;
- (c) By thirteen, if the ~~((workman))~~ worker was normally employed three days a week;
- (d) By eighteen, if the ~~((workman))~~ worker was normally employed four days a week;
- (e) By twenty-two, if the ~~((workman))~~ worker was normally employed five days a week;
- (f) By twenty-six, if the worker was normally employed six days a week;
- (g) By thirty, if the ~~((workman))~~ worker was normally employed seven days a week.

The term "wages" shall include the reasonable value of board, housing, fuel, or other consideration of like nature received from the employer, but shall not include overtime pay, tips, or gratuities. The daily wage shall be ~~((eight-times))~~ the hourly wage ~~((unless))~~ multiplied by the number of hours the ((workman)) worker is normally employed ((for less than eight hours)).

(2) In cases where a wage has not been fixed or cannot be ~~((reasonable))~~ reasonably and fairly ~~((be))~~ determined, the monthly wage shall be computed on the basis of the usual wage paid other employees engaged in like or similar occupations where the wages are fixed.

Sec. 7. Section 51.12.020, chapter 23, Laws of 1961 as last amended by section 1, chapter 124, Laws of 1973 and RCW 51.12.020 are each amended to read as follows:

The following are the only employments which shall not be included within the mandatory coverage of this title:

(1) Any person employed as a domestic servant in a private home by an employer who has less than two employees regularly employed forty or more hours a week in such employment.

(2) Any person employed to do gardening, maintenance, repair, remodeling, or similar work in or about the private home of the employer which does not exceed ten consecutive work days.

(3) A person whose work is casual and the employment is not in the course of the trade, business, or profession of his employer.

(4) Any person performing services in return for aid or sustenance only, received from any religious or charitable organization.

(5) Sole proprietors and partners.

(6) Any employee, not regularly and continuously employed by the employer in agricultural labor, whose cash remuneration paid by or due from any one employer in that calendar year for agricultural labor is less than one hundred fifty dollars. Employees not regularly and continuously employed in agricultural labor by any one employer but who are employed in agricultural labor on a seasonal basis shall come under the coverage of this title only when their cash remuneration paid or due in that calendar year exceeds one hundred fifty dollars but only as of the occurrence of that event and only as to their work for that employer.

(7) Any child under eighteen years of age employed by his parent or parents in agricultural activities on the family farm.

(8) Jockeys while participating in or preparing horses for race meets licensed by the Washington horse racing commission pursuant to chapter 67.16 RCW.

Sec. 8. Section 51.12.110, chapter 23, Laws of 1961 as amended by section 85, chapter 289, Laws of 1971 ex. sess. and RCW 51.12.110 are each amended to read as follows:

Any employer who has in his or her employment any exempt person may file notice in writing with the director of his or her election to be subject to this title, and shall forthwith display in a conspicuous manner about his or her works and in a sufficient number of places to reasonably inform his ((workmen)) or her workers of the fact, printed notices furnished by the department stating that he or she has so elected ((and stating when)). Said election ((will)) shall become effective upon the filing of said notice in writing. Any ((workman)) worker in the employ of such applicant shall be entitled at any time within five days after the posting of said notice by his or her employer, or within five days after he or she has been employed by an employer who has elected to become subject to this title as herein provided, to give a written notice to such employer and to the department of his or her election not to become subject to this title. ((At the expiration of the time fixed by the notice of the employer.)) The employer and such of his ((workmen)) or her workers as shall not have given such written notice of their election to the contrary shall be subject to all the provisions of this title and entitled to all of the benefits thereof.

PROVIDED, That those who have heretofore complied with the foregoing conditions and are carried and considered by the department as within the purview of this title shall be deemed and considered as having fully complied with its terms and shall be continued by the department as entitled to all of the benefits and subject to all of the liabilities without other or further action. Any employer who has complied with this section may withdraw his or her acceptance of liability under this title by filing written notice with the director of the withdrawal of his or her acceptance. Such withdrawal shall become effective thirty days after the filing of such notice or on the date of the termination of the security for payment of compensation, whichever last occurs. The employer shall, at least thirty days before the effective date of the withdrawal, post reasonable notice of such withdrawal where the affected ~~((workman))~~ worker or ~~((workmen))~~ workers work and shall otherwise notify personally the affected ~~((workmen))~~ workers. Withdrawal of acceptance of this title shall not affect the liability of the department or self-insurer for compensation for any injury occurring during the period of acceptance.

Sec. 9. Section 27, chapter 289, Laws of 1971 ex. sess. as amended by section 16, chapter 43, Laws of 1972 ex. sess. and RCW 51.14.020 are each amended to read as follows:

(1) An employer may qualify as a self-insurer by establishing to the director's satisfaction that he or she has sufficient financial ability to make certain the prompt payment of all compensation under this title and all assessments which may become due from such employer. Each application for certification as a self-insurer submitted by an employer shall be accompanied by payment of a fee of one hundred fifty dollars or such larger sum as the director shall find necessary for the administrative costs of evaluation of the applicant's qualifications. Any employer who has formerly been certified as a self-insurer and thereafter ceases to be so certified may not apply for certification within three years of ceasing to have been so certified.

(2) A self-insurer may ~~((establish-sufficient))~~ be required by the director to supplement existing financial ability by depositing in an escrow account in a depository designated by the director, money and/or corporate or governmental securities approved by the director, or a surety bond written by any company admitted to transact surety business in this state filed with the department. The money, securities, or bond shall be in an amount reasonably sufficient in the director's discretion to insure payment of reasonably foreseeable compensation and assessments but not less than the employer's normal expected annual claim liabilities and in no event less than one hundred thousand dollars. In arriving at the amount of money, securities, or bond required under this subsection, the director shall take into consideration the financial ability of the employer to pay compensation and assessments and his or her probable continuity of operation. The money, securities, or bond so deposited shall be held by the director to secure the payment of compensation by the self-insurer and to secure payment of his or her assessments. The amount of security may be increased or decreased from time to time by the director. The income from any securities deposited may be distributed currently to the self-insurer.

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(3) Securities or money deposited by an employer pursuant to subsection (2) of this section shall be returned to him or her upon his or her written request provided the employer files the bond required by such subsection.

(4) If the employer seeking to qualify as a self-insurer has previously insured with the state fund, the director shall require the employer to make up his or her proper share of any deficit or insufficiency in the state fund as a condition to certification as a self-insurer.

(5) A self-insurer may reinsure a portion of his or her liability under this title with any reinsurer authorized to transact such reinsurance in this state: PROVIDED, That the reinsurer may not participate in the administration of the responsibilities of the self-insurer under this title. Such reinsurance may not exceed eighty percent of the liabilities under this title.

Sec. 10. Section 28, chapter 289, Laws of 1971 ex. sess. and RCW 51.14.030 are each amended to read as follows:

The director may issue a certification that an employer is qualified as a self-insurer when such employer meets the following requirements:

(1) He or she has fulfilled the requirements of RCW 51.14.020.

(2) He or she has submitted to the department a payroll report for the preceding consecutive twelve month period.

(3) He or she has submitted to the department a sworn itemized statement ((indicating)) accompanied by an independent audit of the employer's books demonstrating to the director's satisfaction that the employer has sufficient liquid assets to meet his or her estimated liabilities as a self-insurer.

(4) He or she has ((submitted)) demonstrated to the department ((a description)) the existence of the safety organization maintained by him or her within his or her establishment that indicates a record of accident prevention.

(5) He or she has submitted to the department a description of the administrative organization to be maintained by him or her to manage industrial insurance matters including:

- (a) The reporting of injuries;
- (b) The authorization of medical care;
- (c) The payment of compensation;
- (d) The handling of claims for compensation;
- (e) The name and location of each business location of the employer; and
- (f) The qualifications of the personnel of the employer to perform this service.

Such certification shall remain in effect until withdrawn by the director or surrendered by the employer with the approval of the director. An employer's qualification as a self-insurer shall become effective on the date of certification or any date specified in the certificate after the date of certification.

Sec. 11. Section 51.16.060, chapter 23, Laws of 1961, as amended by section 1, chapter 32, Laws of 1973 1st ex. sess. and RCW 51.16.060 are each amended to read as follows:

Every employer not qualifying as a self-insurer, shall insure with the state and shall, on or before the last day of January, April, July and October of each year thereafter, furnish the department with a true and accurate payroll for the period in which ((workmen)) workers were employed by ((him)) it during the preceding calendar quarter, the total amount paid to such ((workmen)) workers during such

preceding calendar quarter, and a segregation of employment in the different classes established pursuant to this title, and shall pay ((his)) its premium thereon to the appropriate fund. The sufficiency of such statement shall be subject to the approval of the director: PROVIDED, That the director may in his or her discretion and for the effective administration of this title require an employer in individual instances to furnish a supplementary report containing the name of each individual ((workman)) worker, his or her hours worked, his or her rate of pay and the class or classes in which such work was performed: PROVIDED FURTHER, That in the event an employer shall furnish the department with four consecutive quarterly reports wherein each such quarterly report indicates that no premium is due the department may close the account: ((AND;)) PROVIDED FURTHER, That the department may promulgate rules and regulations in accordance with chapter 34.04 RCW to establish other reporting periods and payment due dates in lieu of reports and payments following each calendar quarter, and may also establish terms and conditions for payment of premiums and assessments based on estimated payrolls, with such payments being subject to approval as to sufficiency of the estimated payroll by the department, and also subject to appropriate periodic adjustments made by the department based on actual payroll: AND PROVIDED FURTHER, That a temporary help company which provides workers on a temporary basis to its customers shall be considered the employer for purposes of reporting and paying premiums and assessments under this title according to the appropriate rate classifications as determined by the department: PROVIDED, That the employer shall be liable for paying premiums and assessments, should the temporary help company fail to pay the premiums and assessments under this title.

Sec. 12. Section 51.16.110, chapter 23, Laws of 1961 as amended by section 4, chapter 289, Laws of 1971 ex. sess. and RCW 51.16.110 are each amended to read as follows:

Every employer who shall enter into any business, or who shall resume operations in any work or plant after the final adjustment of his or her payroll in connection therewith, or who was formerly a self-insurer and wishes to continue his or her operations subject to this title, shall, before so commencing or resuming or continuing operations, as the case may be, notify the ((director)) department of such fact, accompanying such notification with a cash deposit in a sum equal to the estimated premiums for the first three full calendar months of his or her proposed operations which shall remain on deposit subject to the other provisions of this section.

The ((director)) department may, in ((his)) its discretion and in lieu of such deposit, accept a bond, in an amount which ((he)) it deems sufficient, to secure payment of premiums due or to become due to the accident fund and medical aid fund. The deposit or posting of a bond shall not relieve the employer from paying premiums subsequently due.

Should the employer acquire sufficient assets to assure the payment of premiums due to the accident fund and the medical aid fund the ((director)) department may, in ((his)) its discretion, refund the deposit or cancel the bond.

If the employer ceases to be an employer under ((RCW 51.08-070)) this title, the ((director)) department shall, upon receipt of all payments due the accident

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fund and medical aid fund, or any other fund under this title, refund to the employer all deposits remaining to the employer's credit and shall cancel any bond given under this section.

Sec. 13. Section 51.16.120, chapter 23, Laws of 1961 as amended by section 13, chapter 43, Laws of 1972 ex. sess. and RCW 51.16.120 are each amended to read as follows:

(1) Whenever a ~~((workman))~~ worker has ~~((sustained))~~ a previous bodily ~~((infirmity or))~~ disability from any previous injury or disease and shall suffer a further disability from injury or occupational disease in employment covered by this title and become totally and permanently disabled from the combined effects thereof or die when death was substantially accelerated by the combined effects thereof, then the experience record of ~~((the))~~ an employer insured with the state fund at the time of said further injury or disease shall be charged and a self-insured employer shall pay directly into the reserve fund only ~~((with))~~ the accident cost which would have resulted solely from said further injury or disease, had there been no preexisting disability, and which accident cost shall be based upon an evaluation of the disability by medical experts. The difference between the charge thus assessed to ~~((the))~~ such employer at the time of said further injury or disease and the total cost of the pension reserve shall be assessed against the second injury fund. The department shall pass upon the application of this section in all cases where benefits are paid for total permanent disability or death and issue an order thereon appealable by the employer. Pending outcome of such appeal the transfer or payment shall be made as required by such order.

(2) The department shall, in cases of claims of workers sustaining injuries or occupational diseases in the employ of state fund employers, recompute the experience record of such employers when the claims of workers injured in their employ have been found to qualify for payments from the second injury fund after the regular time for computation of such experience records and the department may make appropriate adjustments in such cases including cash refunds or credits to such employers.

(3) To encourage employment of injured workers who are not reemployed by the employer at the time of injury, the department may adopt rules providing for the reduction or elimination of premiums or assessments from subsequent employers of such workers and may also adopt rules for the reduction or elimination of charges against such employers in the event of further injury to such workers in their employ.

Sec. 14. Section 51.32.030, chapter 23, Laws of 1961 and RCW 51.32.030 are each amended to read as follows:

Any ~~((individual employer or any member or officer of any corporate employer who is carried upon the payroll at a salary or wage not less than the average salary or wage named in such payroll))~~ sole proprietor, partner, or joint venturer who has requested coverage under this title and who shall thereafter be injured or sustain an occupational disease, shall be entitled to the benefit of this title, as and under the same circumstances and subject to the same obligations as a ~~((workman))~~ worker: PROVIDED, That no such ~~((employer))~~ person or the beneficiaries ~~((of such employer))~~ thereof shall be entitled to benefits under this title unless the ~~((director, prior to the date of the injury,))~~ department has received notice in writing ~~((of the~~

fact that such employer is being carried upon the payroll)) of such request on such forms as the department may provide prior to the date of the injury or occupational disease as the result of which claims ((for a compensation)) are made: PROVIDED, That the department shall have the power to cancel the personal coverage of any such person if any required payments or reports have not been made.

Sec. 15. Section 1, chapter 19, Laws of 1975-'76 2nd ex. sess. and RCW 51-32.073 are each amended to read as follows:

Each employer shall retain from the earnings of each ((workman)) worker that amount as shall be fixed from time to time by the director, the basis for measuring said amount to be determined by the director. The money so retained shall be matched in an equal amount by each employer, and all such moneys shall be remitted to the department in such manner and at such intervals as the department directs and shall be placed in the supplemental pension fund: PROVIDED, That the state apprenticeship council shall pay the entire amount into the supplemental pension fund for registered apprentices or trainees during their participation in supplemental and related instruction classes. The moneys so collected shall be used exclusively for the additional payments from the supplemental pension fund prescribed in this title and for the amount of any increase payable under the provisions of RCW 51.32.075 as now or hereafter amended and shall be no more than necessary to make such payments on a current basis. The department may require a self-insurer to make any additional payments which are payable from the supplemental pension fund and thereafter such self-insurer shall be reimbursed therefrom.

Sec. 16. Section 12, chapter 289, Laws of 1971 ex. sess. as amended by section 23, chapter 43, Laws of 1972 ex. sess. and RCW 51.32.095 are each amended to read as follows:

One of the primary purposes of this title is the restoration of the injured ((workman)) worker to gainful employment. To this end, the department shall utilize the services of individuals whose experience, training, and interests in vocational rehabilitation and retraining qualify them to lend expert assistance to the supervisor of industrial insurance in such programs of vocational rehabilitation or retraining as may be reasonable to qualify the ((workman)) worker for employment consistent with his or her physical and mental status. Where, after evaluation and recommendation by such individuals and prior to final evaluation of the ((workman's)) worker's permanent disability and in the sole opinion of the supervisor, vocational rehabilitation or retraining is both necessary and likely to restore the injured ((workman)) worker to a form of gainful employment, the supervisor may, in his or her sole discretion, pay or, if the employer is a self-insurer, direct the self-insurer to pay the cost of books, tuition, fees, supplies, equipment, and transportation for any such worker in an amount not to exceed one thousand five hundred dollars in any calendar year, and continue the temporary total disability compensation under RCW 51.32.090 while the ((workman)) worker is actively and successfully undergoing a formal program of vocational rehabilitation or retraining: PROVIDED, That such compensation or payment of such vocational rehabilitation or retraining expenses may not be authorized for a period of more than fifty-two weeks: PROVIDED FURTHER, That such period may, in the sole discretion of

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the supervisor after his or her review, be extended for an additional fifty-two weeks or portion thereof by written order of the supervisor.

In cases where the ((workman)) worker is required to reside away from his or her customary residence, the reasonable cost of board and lodging shall also be paid. Said costs shall be chargeable to the employer's cost experience or shall be paid by the self-insurer ((for workmen to whom he is liable for compensation and benefits under the provisions of this title)) as the case may be.

Sec. 17. Section 51.32.110, chapter 23, Laws of 1961 as amended by section 13, chapter 289, Laws of 1971 ex. sess. and RCW 51.32.110 are each amended to read as follows:

Any ((workman)) worker entitled to receive ((compensation)) any benefits or claiming ((compensation)) such under this title shall, if requested by the department or self-insurer, submit himself or herself for medical examination, at a time and from time to time, at a place reasonably convenient for the ((workman)) worker and as may be provided by the rules of the department. If the ((workman)) worker refuses to submit to medical examination, or obstructs the same, or if any injured ((workman)) worker shall persist in unsanitary or injurious practices which tend to imperil or retard his or her recovery, or shall refuse to submit to such medical or surgical treatment as is reasonably essential to his or her recovery or refuse or obstruct evaluation or examination for the purpose of vocational rehabilitation or does not cooperate in reasonable efforts at such rehabilitation, the department or the self-insurer upon approval by the department, with notice to the ((workman)) worker may ((reduce or)) suspend ((the compensation)) any further action on any claim of such ((workman)) worker so long as such refusal, obstruction, noncooperation, or practice continues and reduce, suspend, or deny any compensation for such period: PROVIDED, That the department or the self-insurer shall not suspend any further action on any claim of a worker or reduce, suspend, or deny any compensation if a worker has good cause for refusing to submit to or to obstruct any examination, evaluation, treatment or practice requested by the department or required under this section. If the ((workman)) worker necessarily incurs traveling expenses in attending for examination pursuant to the request of the department, such traveling expenses shall be repaid to him or her out of the accident fund upon proper voucher and audit or shall be repaid by the self-insurer, as the case may be.

If the medical examination required by this section causes the ((workman)) worker to be absent from his or her work without pay he or she shall be paid for such time lost in accordance with the schedule of payments provided in RCW 51.32.090 as amended.

Sec. 18. Section 51.32.150, chapter 23, Laws of 1961 and RCW 51.32.150 are each amended to read as follows:

If a beneficiary shall reside or ((remove)) move out of the state, the department may, with the written consent of the beneficiary, convert any monthly payments provided for such cases into a lump sum payment (not in any case to exceed the value of the annuity then remaining, to be fixed and certified by the state insurance commissioner, but in no case to exceed the sum ((of eighty-five hundred dollars)) provided in RCW 51.32.130 as now or hereafter amended).

Sec. 19. Section 3, chapter 286, Laws of 1975 1st ex. sess. and RCW 51.32.220 are each amended to read as follows:

For persons under the age of sixty-two receiving compensation for temporary or permanent total disability pursuant to the provisions of chapter 51.32 RCW, such compensation shall be reduced by an amount equal to the benefits payable under the federal old-age, survivors and disability insurance act as now or hereafter amended not to exceed the amount of the reduction established pursuant to 42 USC 424a. However, such reduction shall not apply when the combined compensation provided pursuant to chapter 51.32 RCW and the federal old-age, survivors and disability insurance act is less than the total benefits to which the federal reduction would apply, pursuant to 42 USC 424a. Where any person described in this section refuses to authorize the release of information concerning the amount of benefits payable under said federal act the department's estimate of said amount shall be deemed to be correct unless and until the actual amount is established and no adjustment shall be made for any period of time covered by any such refusal.

Sec. 20. Section 51.36.030, chapter 23, Laws of 1961 and RCW 51.36.030 are each amended to read as follows:

Every employer, who employs ~~((less than fifty workmen))~~ workers, shall keep ~~((at his plant))~~ as required by the department's rules a first aid kit or kits equipped as required by ~~((the department))~~ such rules with materials for first aid to his or her injured ~~((workmen))~~ workers. Every employer who employs ~~((within a radius of one-half mile of any plant or establishment))~~ fifty or more ~~((workmen))~~ workers, shall keep one first aid station equipped as required by the department's rules with materials for first aid to his or her injured ~~((workmen))~~ workers, and shall cooperate with the department in training one or more employees in first aid to the injured. The maintenance of such first aid kits and stations shall be deemed to be a part of any ~~((educational))~~ safety and health standards established under Title 49 RCW.

Sec. 21. Section 51.44.040, chapter 23, Laws of 1961 as amended by section 27, chapter 43, Laws of 1972 ex. sess. and RCW 51.44.040 are each amended to read as follows:

(1) There shall be in the office of the state treasurer, a fund to be known and designated as the "second injury fund", which shall be used only for the purpose of defraying charges against it as provided in RCW 51.16.120 as now or hereafter amended. Said fund shall be administered by the director. The state treasurer shall be the custodian of the second injury fund and shall be authorized to disburse moneys from it only upon written order of the director.

(2) Payments to the second injury fund from the accident fund shall be made pursuant to rules and regulations promulgated by the director.

(3) Assessments for the second injury fund shall be imposed on self-insurers pursuant to rules and regulations promulgated by the director to ensure that self-insurers shall pay to such fund in the proportion that the payments made from such fund on account of claims made against self-insurers bears to the total sum of payments from such fund.

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Sec. 22. Section 51.48.020, chapter 23, Laws of 1961 as amended by section 63, chapter 289, Laws of 1971 ex. sess. and RCW 51.48.020 are each amended to read as follows:

(1) Any employer, who misrepresents to the department the amount of his or her payroll upon which the premium under this title is based, shall be liable to the state in ten times the amount of the difference in premiums paid and the amount the employer should have paid and for the reasonable expenses of auditing his or her books and collecting such sums. Such liability may be enforced in the name of the department. Such an employer shall also be guilty of a ~~((misdemeanor))~~ class C felony if such misrepresentations are made knowingly, if the amount of the difference in premiums is five hundred dollars or more and shall be guilty of a gross misdemeanor if such amount is less than five hundred dollars.

(2) Any person claiming benefits under this title, who knowingly gives false information required in any claim or application under this title shall be guilty of a class C felony when such claim or application involves an amount of five hundred dollars or more. When such claim or application involves an amount less than five hundred dollars, the person giving such information shall be guilty of a gross misdemeanor.

Sec. 23. Section 51.48.050, chapter 23, Laws of 1961 and RCW 51.48.050 are each amended to read as follows:

It shall be unlawful for any employer to directly or indirectly demand or collect from any of his ~~((workmen))~~ or her workers any sum of money whatsoever for or on account of medical, surgical, hospital, or other treatment or transportation of injured ~~((workmen))~~ workers, other than as specified in RCW 51.16.140 ~~((and 51-40-040))~~, and any employer who directly or indirectly violates the foregoing provisions of this section shall be liable to the state for the benefit of the medical aid fund in ten times the amount so demanded or collected, and such employer and every officer, agent, or servant of such employer knowingly participating therein shall also be guilty of a misdemeanor.

Sec. 24. Section 51.48.070, chapter 23, Laws of 1961 and RCW 51.48.070 are each amended to read as follows:

If any ~~((workman))~~ worker is injured because of the absence of any safeguard or protection required to be provided or maintained by, or pursuant to, any statute or ordinance, or any departmental regulation under any statute, or is, at the time of the injury, of less than the maximum age prescribed by law for the employment of a minor in the occupation in which he or she is engaged when injured, or when a minor is injured when engaged in work not authorized by any required work permit issued for his or her employment or where no such permit has been issued, the employer shall, within ten days after the demand therefor by the department, pay into the ~~((accident))~~ supplemental pension fund in addition to all other payments required by law:

(1) In case ~~((the))~~ any consequent payment ~~((to the workman out of the accident fund))~~ is ~~((a lump sum))~~ for any permanent partial disability or temporary disability, a sum equal to fifty percent of ((that)) the amount so paid.

(2) In case ~~((the))~~ any consequent payment ~~((to the workman))~~ is payable in monthly payments or otherwise for permanent total disability or death, a sum equal

to fifty percent of the lump value of such monthly payment, estimated in accordance with the rule stated in RCW 51.32.130.

The foregoing provisions shall not apply to the employer if the absence of such guard or protection is due to the removal thereof by the injured ((workman)) worker himself or herself or with his or her knowledge by any of his or her fellow ((workmen)) workers, unless such removal is by order or direction of the employer or superintendent or foreman of the employer, or anyone placed by the employer in control or direction of such ((workman)) worker. If the removal of such guard or protection is by the ((workman)) worker himself or herself or with his or her consent by any of his or her fellow ((workmen)) workers, unless by order or direction of the employer or the superintendent or foreman of the employer, or anyone placed by the employer in control or direction of such ((workman)) worker, the schedule of compensation provided in chapter 51.32 RCW shall be reduced ten percent for the individual case of such ((workman)) worker.

NEW SECTION. Sec. 25. There is added to chapter 23, Laws of 1961 and to chapter 51.04 RCW a new section to read as follows:

The obligations of all medical aid contracts approved by the supervisor prior to the repeal of any section of this title pertaining to medical aid contracts shall continue until the expiration of such contracts notwithstanding any such repeal and all provisions of this title pertaining to the operation of medical aid contracts and the control and supervision of such contracts which were in effect at the time of such approval shall, notwithstanding any other provision of law, remain in full force and effect.

NEW SECTION. Sec. 26. There is added to chapter 23, Laws of 1961 and to chapter 51.04 RCW a new section to read as follows:

The department may, at any time, on receipt of written authorization, transmit amounts payable to a claimant, beneficiary, or any supplier of goods or services to the account of such person in a bank or other financial institution regulated by state or federal authority.

NEW SECTION. Sec. 27. There is added to chapter 23, Laws of 1961 and to chapter 51.16 RCW a new section to read as follows:

(1) Any action, other than in cases of fraud, to collect any delinquent premium, assessment, contribution, penalty, or other sum due to the department from any employer subject to this title shall be brought within three years of the date any such sum became due.

(2) Any claim by an employer for adjustment, recomputation, or alteration of any premium, assessment, contribution, penalty, or other sum thereto collected or claimed by the department shall be deemed waived if not made in writing to the supervisor of industrial insurance within three years of the date any such sum became due.

NEW SECTION. Sec. 28. The following acts or parts of acts are each repealed:

- (1) Section 51.40.010, chapter 23, Laws of 1961 and RCW 51.40.010;
- (2) Section 51.40.020, chapter 23, Laws of 1961, section 1, chapter 36, Laws of 1965, section 2, chapter 80, Laws of 1965 ex. sess. and RCW 51.40.020;
- (3) Section 51.40.030, chapter 23, Laws of 1961 and RCW 51.40.030;

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(4) Section 51.40.040, chapter 23, Laws of 1961, section 29, chapter 106, Laws of 1973 and RCW 51.40.040;

(5) Section 51.40.050, chapter 23, Laws of 1961 and RCW 51.40.050;

(6) Section 51.40.060, chapter 23, Laws of 1961 and RCW 51.40.060; and

(7) Section 51.40.070, chapter 23, Laws of 1961 and RCW 51.40.070.

NEW SECTION. Sec. 29. If any provision of this 1977 amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 30. This 1977 amendatory act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect on July 1, 1977.

Passed the House June 21, 1977.

Passed the Senate June 19, 1977.

Approved by the Governor June 30, 1977.

Filed in Office of Secretary of State June 30, 1977.

CHAPTER 324

[Substitute House Bill No. 1009]

B&O, SALES, AND USE TAXES—TEMPORARY INCREASE EXTENSION

AN ACT Relating to revenue and taxation; amending section 3, chapter 130, Laws of 1975-'76 2nd ex. sess. and RCW 82.04.2901; amending section 82.08.020, chapter 15, Laws of 1961 as last amended by section 1, chapter 130, Laws of 1975-'76 2nd ex. sess. and RCW 82.08.020; amending section 82.12.020, chapter 15, Laws of 1961 as last amended by section 2, chapter 130, Laws of 1975-'76 2nd ex. sess. and RCW 82.12.020; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 3, chapter 130, Laws of 1975-'76 2nd ex. sess. and RCW 82.04.2901 are each amended to read as follows:

From and after the first day of June, 1976, until the thirtieth day of June, ((1977)) 1979, there is levied and shall be collected from every person for the act or privilege of engaging in business activities, as a part of the tax imposed by the provisions of RCW 82.04.220 through 82.04.290, inclusive, an additional tax in the amount of six percent of the tax payable under the provisions of RCW 82.04.220 through 82.04.290, inclusive. To facilitate collection of this additional tax, the department of revenue is authorized to adjust the basic rates of persons to which this section applies in such manner as to reflect the amount to the nearest one-thousandth of one percent of the additional tax hereby imposed.

Sec. 2. Section 82.08.020, chapter 15, Laws of 1961 as last amended by section 1, chapter 130, Laws of 1975-'76 2nd ex. sess. and RCW 82.08.020 are each amended to read as follows:

There is levied and there shall be collected a tax on each retail sale in this state equal to four and one-half percent of the selling price: PROVIDED, That from and after the first day of June, 1976, until the thirtieth day of June, ((1977)) 1979, such tax shall be levied and collected in an amount equal to four and six-tenths

ARCHIVES INFORMATION RE:

1977 House Bill 604

HOUSE FILE

Committee: House

Committee on Labor

BILL REPORT

HOUSE OF REPRESENTATIVES
Olympia, Washington

Bill No.:

HB 604

Ind. ins. revisions
Brief Title (From Status of Bills)

Companion Measure
No. SB 2367

Reps. Lux, Pearsall, Fischer and Pruitt (Dept. request)
Sponsor (Note if Agency or Executive Request)

March 21, 1977

Reported by Committee on Labor

Date
Michele Jankanish 3-1217
Staff Contact-
Name & Phone No.

Committee Recommendation: Majority SDP(6) Minority DNP(2)
(If a Minority Report is filed, list last names below)

Majority Report Signed By: Fischer, King, Nelson(D.), Pearsall, Pruitt, Lux

Minority Report Signed By: Bond, Clayton

PURPOSE OF BILL AND EFFECT ON EXISTING LAW: The purpose of HB 604 is to improve the clarity and consistency of the industrial insurance law and to enable the department of labor and industries to administer the law more effectively. Present law is amended to include changes regarding the department's subpoena power, payments to a and definition of child, requirements on self-insurers, the applicability of the second injury fund, penalties for fraud, and other provisions.

EFFECT OF ~~EXISTING PROVISIONS~~ SUBSTITUTE BILL: Incorporates amendments adopted by the committee, most of which are technical, including one which allows an injured worker to refuse certain examinations and medical treatment for good cause.

ARGUMENTS FOR:

1. The department presently encounters problems with trying to administer and enforce several provisions of present law.
2. The provisions in this bill were considered by the Workers' Compensation Advisory Committee with agreement on most of the provisions.
3. Changes in second injury provisions should encourage employers to hire injured workers who have not been reemployed.

PRINCIPAL PROPONENTS:

Joe Davis, Wn. St. Labor Council
John Martin, Dept. of L & I
Tom Owens, Scott Wetzel Services, Inc.

ARGUMENTS AGAINST:

Opposition was expressed to the proposed changes to the second injury fund and the inclusion of self-insurers under its provisions.

PRINCIPAL OPPONENTS:

Gary Matthews, AWB, (?), didn't state a position - was opposed to second injury fund provision.

Fiscal Impact: None. FN stated some sections had minor impact - couldn't be calculated.
Attachments:

Additional Comments: (Continue on Reverse)

SB 2367

SPONSORS: Senators Ridder and Grant
(By Department of Labor and Industries Request)

COMMITTEE: Labor

Revising the state industrial insurance laws.

ANALYSIS AS OF FEBRUARY 11, 1977

ISSUE:

The Department of Labor and Industries is proposing changes in the industrial insurance law to improve clarity and consistency and to enable the Department to administer the statute more effectively.

SUMMARY:

Minors

This bill provides that disability payments shall be paid directly to minors over 18. Also, such payments may be made to minors under 18 with the consent of the person who has custody. Further, should such payments be made to a guardian of a minor under 18, the Department will pay up to \$300 for those expenses.

Self-insurers

The bill requires that an application for self-insurance must be accompanied by a minimum payment of \$150.00. An applicant may also be required to deposit money, stock, or a surety bond with the Department to supplement their existing financial ability. Further, an employer will not be certified as a self-insurer unless there is submitted to the Department an independent audit of the employer's books and a demonstration of the existence of a safety organization with a satisfactory record.

Second Injury Fund

The second injury fund statute is changed to include self-insured employers. The bill also brings fatal injuries within the coverage of the second injury fund. The Department is required in cases where benefits are awarded for total permanent disability or death to determine whether any second injury relief is available and this determination is appealable. If the Department determines a state fund employer is entitled to this relief, their experience record will be recomputed accordingly. The bill also provides for an incentive in the form of a reduction or elimination of premiums to hire injured workmen who are not rehired by their prior employer.

Other

This bill also accomplishes the following:

gives the Department the power to subpoena testimony and documents;

defines child as under the age of 23 if enrolled in full time study at an accredited school;

provides that a monthly wage for a person working 6 days a week be computed by multiplying the worker's daily wage times 26;

provides that the election by an employer of exempt employees to be covered by Title 51 as well as that of an exempt employer is effective upon filing a notice with the Department;

requires the Department or self-insurer to pay up to \$1,500 during a year for vocational rehabilitation costs with a possible extension for an additional year;

allows the Department to reduce, suspend or deny compensation to a worker who refuses to submit to or obstructs his medical examination;

or who does not cooperate with vocational rehabilitation;

allows the Department to estimate the amount of social security received by a recipient if the worker will not provide that information to the Department for the purposes of offset against industrial insurance payments;

requires self-insurers to pay assessments to the second injury fund;

changes the penalty for an employer's misrepresenting their payroll to the Department from a misdemeanor to a felony;

adds a penalty of a gross misdemeanor for a person knowingly providing false information;

provides for the repeal of Chapter 51.40 RCW entitled Medical Aid Contracts;

provides that all existing medical aid contracts shall continue until their expiration;

adds a three-year statute of limitations on actions brought by the Department or employer.

This bill contains an emergency clause.

SUMMARY ANALYSIS OF
PROPOSED INDUSTRIAL INSURANCE LEGISLATION

SECTION 1 --

This section would authorize the Director of the Department of Labor and Industries to issue subpoenas for the attendance of witnesses and the production and examination of books and records of both employers in connection with payment of premiums, or in the cases of injured workers, to obtain the necessary evidence in the aid of the adjudication process.

The Department presently has the authority to obtain by order of the superior court the books and records of employers and other papers and documents and the testimony of witnesses relating to employer coverage in the payment of premiums as well as matters relating to the adjudication of the claims of injured workers in proper court proceedings. The court procedures for obtaining superior court orders requires the giving of notice of the application for the court order to the affected parties and a hearing on whether or not an order should be issued. More often than not a considerable amount of delay is encountered in this process in obtaining an appropriate court order. In many cases involving both employers, claimants and, in some cases, medical vendors, especially where fraud of the Department is involved, the court procedures are useless because of the delays involved and the opportunity which is presented to destroy or alter records. The Department encounters a considerable number of instances in which employers refuse to allow field auditors to inspect their books and records for the purpose of auditing whether or not they are paying their premiums and assessments in accordance with the law, which necessitates the utilization of an enforcement mechanism in this respect.

The necessity for an authority to take more expeditious action in cases of non-cooperation is made even more imperative from the recommendation in section 25 which imposes a 3 year statute of limitations on premium collections.

SECTION 2 --

The changes in this section are to liberalize the ability to make payments in the case of minors to other than a guardianship and to have the ability to pay not only to a guardian, but also to a parent having legal custody of a minor child or, with written authorization, to pay directly to the injured minor worker.

SECTION 3 --

The amendment here is purely housekeeping and technical and makes no substantial change in the section.

SECTION 4 --

The amendment here is to change the age at which benefits can be paid on the account of a dependent child of an injured

SUMMARY ANALYSIS OF
PROPOSED INDUSTRIAL INSURANCE LEGISLATION

(Page 2)

worker up until 23 years of age while permanently enrolled in a full-time course of study. At the last session of the legislature, an amendment was made to RCW 51.32.050 increasing the age from 18 to 23, enabling the payment of benefits for dependents to the survivor in the event of a fatal injury where such dependent child is enrolled in a full-time course of study. The amendment to this section is to correct this oversight in the definition of child in this section.

SECTION 5 --

This amendment is merely to clarify the terms "state fund" and the "state of Washington industrial insurance fund" as distinguished from the funds in the custody of the Department.

SECTION 6 --

The amendment to this section is primarily of a house-keeping nature and to correct an oversight in this original provision at sub-division F of the section in which the draftsman apparently over-looked the computation when the injured worker is employed six days a week.

SECTION 7 --

The amendment here is to clarify the ambiguity as to when coverage commences for employees of an employer who are exempt from the mandatory coverage provisions of the Act. The procedure in this section sets forth the manner in which notice is to be given to employees who are exempt from coverage and the coverage becomes effective when the notice is filed with the Department.

SECTION 8 --

The amendment here would require an employer who applies to be certified as a self-insurer to make payment of a fee of \$150.00 or such a larger sum as the Director finds necessary for the payment of the administrative costs in connection with the evaluation of the applicant's eligibility. Presently, there is no fee assessed for self-insurers who apply and the Department does not recover such costs from the administrative assessments paid by self-insured employers. Many employers make several applications and this amendment is not only designed to provide funds for the administrative costs, but to perhaps cut down the practice of employers making numerous applications. The amendment to this section also provides that once a self-insurer ceases to be certified as a self-insurer, he must stay with the state fund for at least 3 years before application can again be made for certification. This is to prevent what has been happening from time to time and that is employers withdrawing from self-insurance,

SUMMARY ANALYSIS OF
PROPOSED INDUSTRIAL INSURANCE LEGISLATION
(Page 3)

coming back to the state fund for a brief period of time, and then applying again to be recertified. This section changes the existing language to provide that the surety bond or securities that a self-insurer must deposit be a supplement to his financial ability, rather than a manner of establishing financial ability to self-insure.

SECTION 9 --

This amendment to the law relating to self-insurance requires that the applicant must provide the Department with an independent audit of his books and records that he has sufficient liquid assets to meet his estimated liabilities. The law now only requires the applying employer to submit an itemized sworn statement concerning his assets. The amendment to this section also strengthens the requirement that an employer have a safety organization that has a satisfactory record of accident prevention.

SECTION 10 --

The amendment to this section merely corrects the provisions of the law concerning the opening up of an account with the state fund where a self-insurer returns to the state fund for his insurance coverage, which is merely a housekeeping amendment. The changes in the balance of this section are merely housekeeping changes and do not make any substantial changes in the law.

SECTION 11 --

Changes the second-injury statute to include the self-insured employers who are not presently entitled to relief under this second-injury statute. The amendment also brings within the second-injury statute cases involving fatal injuries. The amendment also requires the Department to enter orders on each case in which benefits are to be paid for total permanent disability or death and issue a determinative order as to whether or not any second injury relief to an employer is available in the particular case. Of course, all such orders are appealable by the affected parties to the Board of Industrial Insurance Appeals. The amendment also authorizes the Department to recompute the experience records of employers to accord second injury relief and as well make cash refunds or credit adjustments to employers entitled to relief under the second-injury statute. The amendment to subsection 3 of the statute authorizes the Department to adopt rules to give to employers premium discounts in cases in which the employer employs an injured worker who has not been re-employed by the employer at the time of injury and as well to enable the Department to promulgate rules for premium discounts in the event of second injury to such workers.

The purpose of this amendment, of course, is to encourage employers to employ workers who are unable to return to their

SUMMARY ANALYSIS OF
PROPOSED INDUSTRIAL INSURANCE LEGISLATION
(Page 4)

former employment by reason of their injury and the most practical way of encouraging employers to do so is through the method of premium discounts.

SECTION 12 --

The amendment to this section changes the employer coverage part of the Industrial Insurance Law to provide for coverage of exempt employees upon application, but deletes the corporate officer which is not exempt under the exemption provisions found in RCW 51.12.020. The amendment also clarifies the language as to the effective date of coverage for the specified employers and as well gives the Department the authority to cancel coverage for employers if they fail to make their premium payments or quarterly reports.

SECTION 13 --

The amendment here merely authorizes the Department to require self-insured employers to make additional payments to injured workers, which are otherwise required to be made from the supplemental pension fund, and the Department thereafter repays the self-insured employer. This procedure is presently being utilized with the cooperation of self-insured employers and this amendment is merely to make the procedure a matter of law.

SECTION 14 --

This section deals with vocational rehabilitation and retraining of injured workers and authorizes the Department to extend the payment of time loss compensation during the period of retraining for one year and plus an additional year upon order of the Department. However, the section does not authorize the Department to make payment of the retraining costs for tuition, books, supplies and miscellaneous expenses. This amendment is merely to give the Department the authority to expend for this purpose a sum not to exceed \$1,500.00 in any calendar year.

SECTION 15 --

The amendment to this section would authorize the Department in cases of injured workers who refuse or obstruct the Department in obtaining an evaluation or a vocational assessment for the purpose of vocational rehabilitation to suspend action on the workers claim during the period of non-cooperation or reduce or suspend his compensation. The Department is increasingly encountering resistance from injured workers to cooperate in their own rehabilitation or in assisting the Department's rehabilitation efforts, either at the Rehabilitation Center or in conjunction with the vocational rehabilitation counselors.

SUMMARY ANALYSIS OF
PROPOSED INDUSTRIAL INSURANCE LEGISLATION
(Page 5)

SECTION 16 --

This section merely provides that lump sum settlements in the cases of beneficiaries who move out of state is to be the amount set forth in RCW 51.32.130, which is presently a maximum of \$8,500.00.

SECTION 17 --

During the last session of the Legislature, there was created the so-called "social security offset", which permits the Department to reduce payments of time loss compensation or awards for permanent total disability when the combined amounts of social security and industrial insurance payments exceeds 80 percent of the worker's average earnings. In order to determine the appropriate amount to be set off against industrial insurance payments, it is necessary to obtain information from the federal social security administration as to the amount of the award being paid to the injured worker as well as earnings information in their records. The amendment here is to enable the Department, when a claimant refuses to cooperate by giving a written authorization for the release of such information from the social security agency, to estimate the amount of the set off from any available information until such time as the non-cooperating claimant gives a written authorization for the release of the information from the federal agency.

SECTION 18 --

The amendment to this section is merely to transfer the statutory authority concerning rule making on first aid matters to the Division of Industrial Safety and Health under their safety and health standards adopted under the Washington Industrial Safety and Health Act.

SECTION 19 --

The amendment to this section is supplemental to the changes in the second-injury statute to enable the Department to adopt rules and regulations for assessments against self-insurers to require payments for their proportionate share of the second-injury fund costs.

SECTION 20 --

This amendment changes the present criminal statutes concerning fraud by employers and changes the crime to a felony when the difference in the amount of premiums due to the Department by the employer on quarterly reports as a result of fraudulent misrepresentation exceeds \$500.00 and in amounts less than that, the crime is a gross misdemeanor. As well the amendment adds a sub-section 2 which involves fraudulent obtaining of benefits by claimant and equalizes the crime with that of the employer. When the amount received by

SUMMARY ANALYSIS OF
PROPOSED INDUSTRIAL INSURANCE LEGISLATION
(Page 6)

reason of misrepresentation exceeds \$500.00, the crime is a felony and amounts less than \$500.00, the crime is a gross misdemeanor.

SECTION 21 --

The amendment to this section merely strikes the reference to RCW 51.40.040, which is repealed in Section 26.

SECTION 22 --

This section concerns penalties to employers in the case of injuries to minor workers. Presently, the law is unclear as to whether the penalty applies when the minor worker is engaged in work not authorized with a work permit or when a work permit has not been issued. The amendment also clarifies the instances in which penalty payments by employers are to be made and also includes the instances in which the injury results in death, which previously this section was silent on.

SECTION 23 --

The operative effect of this amendment is merely to allow medical aid contracts, which are in effect at the present time to continue until their expiration following the effective date of the repealing clause which repeals the entire chapter 51.40. RCW.

SECTION 24 --

Would authorize the Department to make payments to claimants or beneficiaries or other vendors from the Industrial Insurance Division directly to a bank regulated by state or federal law upon authorization of the person entitled to the payment.

SECTION 25 --

Creates a statute of limitations of three years in which to commence action to collect from employers, other than when fraud is involved, any delinquent premiums or assessments or penalties to the Department. Additionally, the section creates a statute of limitations of three years in which an employer must make claim to the Department for any premium adjustment.

SECTION 26 --

Is the repealer section which repeals all of Chapter 51.40 RCW, which is the medical aid contract provision of the Industrial Insurance Act which is relatively inactive. We presently only have six medical aid contracts.

SECTION 27 --

Is a savings clause in the event of a finding of invalidity.

SUMMARY ANALYSIS OF
PROPOSED INDUSTRIAL INSURANCE LEGISLATION
(Page 7)

SECTION 28 --

Would make the legislation effective on July 1, 1977.

Check with Martin -
Dipl. -
Leon

COMMENTS RE. H.B. 604 AMENDMENT

Move consideration of amendments together — all relate to correction of a single problem, e.g. - defining status of contractors and subcontractors under the coverage and premium payment provisions of the act.

One section of the act says that individual proprietors and partners are exempt from mandatory coverage—51.12.020—but the Department has ruled that the proprietor becomes subject to coverage, under 51.08.180, if he subcontracts and works with his men on the job. This requires the prime contractor to carry the subcontractor as a employee which is not only cumbersome but changes other relationships, insurance responsibilities, etc. This amendment would return the individual contractor to his elective coverage status.

The other part of the amendment strikes a costly and cumbersome provision in 51.12.070 which made the owner and various levels of contractors all responsible, individually and collectively for payment of premiums and even made it the responsibility of city and county permit agencies to see that premium payment arrangements have been made before building permits can be issued. This amendment simply returns the responsibility for premiums to the employer for his own men and makes the owner responsible for the payment of industrial insurance premiums as he is responsible for payment for materials and labor under the other lien laws.

Floor Questions: It has been suggested that intent should be declared by questions and responses on the floor.

Question: Rep. Bauer, is it intention that these amendments in any way relieve a contractor or subcontractor from responsibility for paying premiums on his own employees?

Answer: No, that responsibility is not affected at all.

- Def. of employer?

Question: Is it your intention that the deletion of language in RCW 51.12.070 would create any new obligation for the homeowner?

Answer: No. This leaves the owner and employer just where they would otherwise be under our labor lien laws. It actually relieves the owner from a continuing lien and takes it back to the reasonable period of 60 days under the labor and material lien statutes.

Confusing of what liability of contractor or subcontractor is

*Martin's
General
Contract
no longer
for sub. employe
set for
over
Bauer
argued
back
questionable*

*Create some problems -
serious doubts - off target*

*Appears
eliminating liability
of the contractor and
subcontractor*

Pace, John O'Brien

OFFICE OF PROGRAM RESEARCH
HOUSE OF REPRESENTATIVES
STATE OF WASHINGTON
March 7, 1977



MEMORANDUM

TO: Representative Gene Lux, Chairman, and Members of the House Labor Committee

FROM: Michele Jankanish, ^{mf} Research Analyst

RE: HB 39 and HB 604

This memorandum provides a brief explanation of the amendments proposed to the same sections of law by HB 39 and HB 604.

1. Sec. 2 of HB 39 and Sec. 4 of HB 604 amend RCW 51.04.040, the definition of "child". HB 604 amends the definition of child to be a child under the age of 23 instead of 21 if the child is a full-time student. HB 39 amends the definition of child to age 25 for full-time students. In addition, in HB 39 "claimant" is changed to "worker" because a "claimant" might be a surviving spouse, orphaned child, or dependent, and the purpose of the section is to state who shall be considered the child of an injured worker. This change was suggested by the department of labor and industries in their 1975 request legislation. However, the change is not now proposed in HB 604.

2. Sec. 4 of HB 39 and Sec. 11 of HB 604 amend RCW 51.16.120, second injury fund provisions. Self-insurers are included under the second injury statute, coverage is extended to death cases, the department is to pass upon the application of the second injury provisions and are allowed to recompute an employer's experience rating if it is found an injured worker's claim qualifies for payments from the second injury fund. The most significant difference between the bills is a provision in HB 604 which allows the department to provide for the reduction or elimination of premiums or assessments from employers who hire injured workers who were not reemployed by their employer at the time of the injury. There is also different wording regarding the coverage of self-insurers under second injury provisions.

3. Sec. 7 of HB 39 and Sec. 13 of HB 604 amend RCW 51.32.073 in the same way: To allow the department to require self-insured employers to make additional payments to workers that are due out of the supplemental pension fund and then be reimbursed by the department. This is present practice by the department.

4. Sec. 9 of HB 39 and Sec. 14 of HB 604 both would authorize the department to pay, or direct a self-insurer to pay, costs of books, tuition, fees, etc. for a worker in vocational rehabilitation or training. However, HB 604 would limit the amount to \$1,500 a year. HB 604 also has clearer language regarding payment of such costs by a self-insurer.

5. Sec. 10 of HB 39 and Sec. 15 of HB 604 both provide a penalty on a worker who refuses or obstructs medical treatment or evaluation for and participation in vocational rehabilitation. However, HB 39 would allow a worker to refuse medical examination and medical or surgical treatment for good cause. HB 604 is worded slightly differently regarding the suspension of action on a worker's claim and also adds that when a self-insurer is involved, the self-insurer will pay for travel expenses incurred by a worker going for an examination requested by the department.

6. Sec. 12 of HB 39 and Sec. 19 of HB 604 amend RCW 51.44.040 in the same way. Assessments on self-insurers for the second injury fund are provided for since an earlier section covers them under the second injury fund provisions.

7. Sec. 13 of HB 39 and Sec. 21 of HB 604 amend RCW 51.44.040 in the same way. A reference to a section of law regarding medical aid contracts is deleted since the entire medical aid contract chapter is deleted by the bills.

8. Sec. 14 of HB 39 and Sec. 26 of HB 604 each repeal chapter 51.40 RCW, the medical aid contract chapter.

MJ/clg



OFFICE OF PROGRAM RESEARCH
HOUSE OF REPRESENTATIVES
STATE OF WASHINGTON

Amendments to ESHB 604

By

On page 7, section 8, line 5 after "certified." insert:

"An association of employers whose operations are of a similar nature which was not formed for purposes of obtaining insurance may act as a single employer and may qualify as a self-insurer subject to all existing qualifications contained in chapter 51.14 RCW.

1. Doesn't say whether the association is acting as a single employer for just their own employees or also the employees of the member employers.
2. Doesn't specify, as HB 1364 does, that the work performed by employees of member employers is similar in nature.
3. Doesn't specify a minimum amount of time the association has to have been in effect to apply as a self-insurer.
4. The amendment has a broad application - "associations of employers" and its impact has not been studied. Contract loggers, agriculture associations and co-ops, contractors etc. could be included.
5. It is not clear for what purposes the association would be considered the employer. Who will be responsible for safety?

The self-insurance law says the employer seeking certification as a self-insurer must maintain a safety organization within their establishment - is that broad enough to mean that the association would have to make sure that each individual member employer had a safety organization or would the association service the employers?

Will the association take responsibility for an individual employer's failure to provide a required safeguard or protection? The law requires first aid kits and stations, obviously to be on the premise where work is performed. Is the association considered the employer for this purpose?

and

On page 7, section 8, line 24 after "self-insurer" insert:

"An association of employers which qualifies as a self-insurer may establish financial responsibility by depositing with a qualified reinsurer sufficient funds to provide for prompt payment of all claims under this title. Disbursement of any excess funds so deposited shall be at the discretion of the governing body of the association."

1. Does this mean that the rest of the provisions of sub(2) do not apply to associations of employers? If not, the criteria for establishing sufficient financial ability would be different for associations than for other employers seeking self-insurance.
 - a. The minimum \$100,000 would not apply.
 - b. The deposit would be made with a reinsurer rather than depositing in an escrow account in a depository designated by the director.
 - c. The deposit required by the amendment would be funds sufficient to provide for prompt payment of all claims. The law as it applies to other applicants for self-insurance requires showing of sufficient financial ability through money, securities or a surety bond. The amount is to be reasonably sufficient to cover foreseeable compensation and assessments but not less than expected annual claim liabilities nor less than \$100,000 and the Department in determining the amount is to consider the financial ability of the employer and probable continuity of operation.
2. What are "excess funds"? The deposit, supposedly is to be held as security to insure the payment of compensation if the employer defaults. What exactly is at the discretion of the governing body?
3. Does the Department determine the amount of the deposit for the association of employers seeking certification as a self-insurer?
4. If the association defaults on payments etc. can individual employer members be held liable?
5. What, if any, responsibilities would member employers of an association have under the industrial insurance law?
6. What exactly is the purpose of the amendment? To have an association be responsible for the entire costs of on-the-job injuries - time-loss, medical, pensions, etc. - and have a lower cost to each member employer than what their present industrial insurance rate is? To provide an additional coverage option to employers who would not individually qualify as a self-insurer?

BILL DIGEST

1st Sub. H. B. 604 By Labor

Revising the state industrial insurance laws.

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Grants the director the power to issue subpoenas in connection with claims, enforceable by the superior court.

Permits disability payments to be paid to minor workmen with written permission of parents. Authorizes payment by the department of up to three hundred dollars for guardianship costs. Increases the age for school students to twenty-three years of age.

Imposes a fee for an application for certification as a self-insurer. Requires such application to be accompanied by an independent audit of the employer's books.

Permits recomputation of employers' experience records when any of their workers qualify for payments from the second injury fund after the regular time for computation of such experience records and make appropriate adjustments.

Permits reduction or elimination of premiums assessments from subsequent employers of previously injured workers.

Permits coverage of a sole proprietor, partner, or joint venturer.

Requires payment of cost of books, tuition and transportation for up to \$1500 per year for vocational rehabilitation. Requires the worker to agree to a medical examination for vocational rehabilitation purposes. Permits a worker to refuse any medical examination for good cause.

Requires self-insurers' assessment for the second injury fund to be made on a proportionate basis.

Increases the penalty for payroll misrepresentation from a gross misdemeanor to a felony when the premium is five hundred dollars or more.

BILL DIGEST

1st Sub. H. B. 604 - 2

Makes false claims for over five hundred dollars a felony.

Continues the obligation of medical aid contracts after the underlying authorization is repealed until the contract expires.

Permits direct transmittal of payments to a claimant's bank.

Requires actions on claims to be brought within three years from the date the sum became due.

Repeals the medical aid contract chapter.

--1ST EXTRAORDINARY SESSION--

Mar 23 Committee report; majority, substitute bill be substituted do pass; minority, do not pass.

FISCAL NOTE

REQUEST NO. 55 Sub.
Enacted

BILL NO. Sub. HB 604 (enacted)	Note Requested by	Date
TITLE Industrial Insurance: Various changes; exempt jockeys from coverage.	Responding Agency Labor & Industries	
Amended by: <input type="checkbox"/> Senate <input type="checkbox"/> House	Prepared by <i>John C. Hewitt</i>	Date 6-27-77
<input type="checkbox"/> Committee (Title) (Date)	Title Director	Scan 234-6307
Bill Requested by	Reviewed by OPP&FM	Date

Impact of the above legislation on the fiscal affairs of Washington State government is estimated to be:

NONE AS SHOWN BELOW

REVENUE TO:

First Biennium, 19 77-79

FUND	CODE	SOURCE TITLE	CODE	1st Year	2nd Year	Total	FIRST SIX YEARS
GENERAL FUND - STATE	001						
GENERAL FUND - FEDERAL	001						
OTHER*							
Accident Fund	608	Workmens	610	210,800	225,556	436,356	1,507,914
Medical Aid Fund	609	Comp.	610	111,600	122,760	234,360	861,063
Supple. Pension Fund	881	Contrib.	610	400	440	840	3,086
		TOTALS		322,800	348,756	671,556	2,372,063

EXPENDITURES FROM

FUND	CODE	1st Year	2nd Year	Total	FIRST SIX YEARS
GENERAL FUND - STATE	001				
GENERAL FUND - FEDERAL	001				
OTHER*					
Accident Fund	608	210,800	225,556	436,356	1,507,914
Medical Aid Fund	609	111,600	122,760	234,360	861,063
Supple. Pension Fund	881	400	440	840	3,086
	TOTALS	322,800	348,756	671,556	2,372,063

*Itemize all other, including non-appropriated funds and/or accounts within the general fund.

(Any impact on local government is not to be shown here but may be included for reference on attached form FN-2.)

EXPENDITURES BY OBJECT OR PURPOSE

FTE STAFF YEARS	The enacted version of Substitute HB 604 amends RCW 51.12.020 to exempt jockeys from mandatory coverage while "participating in or preparing horses for race meets." The fiscal impact on industrial insurance premiums and expenditures is shown above in terms of the premium rates required to sustain anticipated losses. The fiscal effect of other aspects of this legislation is negligible (See Fiscal Notes #55 dated 2-24-77 and 3-28-77 covering, respectively, the original version of the bill and the first substitute version). There is no administrative impact.
Salaries and Wages	
Personal Service Contracts	
Goods and Services	
Travel	
Equipment	
Employee Benefits	
Grants and Subsidies	
Interagency Reimbursement	
CAPITAL OUTLAY	
TOTALS	

TOTAL EXPENDITURES	671,556	2,372,063
(less) TOTAL REVENUES	671,556	2,372,063
NET IMPACT	- 0 -	- 0 -

Figures in parentheses represent reductions.
Detail supporting these estimates is contained in Form FN-2.

BILL NO. SB 2367 & HB 604	Note Requested by _____ Date _____
TITLE Industrial Insurance: Various changes (departmental request).	Responding Agency Labor & Industries
Amended by: <input type="checkbox"/> Senate <input type="checkbox"/> House	Prepared by <i>John C. Hewitt</i> Date 2-24-77
<input type="checkbox"/> Committee (Title) _____ (Date) _____	Title Director Scan 234-6307
Bill Requested by _____	Reviewed by <i>P</i> Date _____ OPP&FM

Impact of the above legislation on the fiscal affairs of Washington State government is estimated to be:

NONE AS SHOWN BELOW

REVENUE TO: First Biennium, 19 77-79 See Remarks, Attached

FUND	CODE	SOURCE TITLE	CODE	1st Year	2nd Year	Total	FIRST SIX YEARS
GENERAL FUND - STATE	001						
GENERAL FUND - FEDERAL	001						
OTHER*							
TOTALS							

FILED - OPP & FM

EXPENDITURES FROM FUND	CODE	SOURCE TITLE	CODE	1st Year	2nd Year	Total	FIRST SIX YEARS
GENERAL FUND - STATE	001						
GENERAL FUND - FEDERAL	001						
OTHER*							
TOTALS							

*Itemize all other, including non-appropriated funds and/or accounts within the general fund.

(Any impact on local government is not to be shown here but may be included for reference on attached form FN-2.)

EXPENDITURES BY OBJECT OR PURPOSE

FTE STAFF YEARS	1st Year	2nd Year	Total	FIRST SIX YEARS
Salaries and Wages				
Personal Service Contracts				
Goods and Services				
Travel				
Equipment				
Employee Benefits				
Grants and Subsidies				
Interagency Reimbursement				
CAPITAL OUTLAY				
TOTALS				

Figures in parentheses represent reductions.
Detail supporting these estimates is contained in Form FN-2.

TOTAL EXPENDITURES	
(less) TOTAL REVENUES	
NET IMPACT	

FISCAL NOTE

Labor & Industries
Responding Agency Title235
Code No.REQUEST NUMBER 55
Concerning 2367
SB NO. 604
HB NO.February 24, 1977
Date Submitted

REMARKS

<u>RCW/Section</u>	<u>Nature of Change</u>	<u>Fiscal Impact</u>
51.04.040	Attendance of witnesses by compulsion: Director to have power to issue subpoenas.	None
51.04.070	Minor workman is <i>sui juris</i> : Disability payments to persons having legal custody of minors under the age of eighteen.	None
51.08.018	Average monthly wage.	None
51.08.030	Child: Increase from 21 to 23 the school enrollment age.	Minor
51.08.175	State Fund: Clarification of definition.	None
51.08.178	Monthly wages as basis of compensation: Additional conversion factors.	None
51.12.110	Elective adoption: Filing of notice.	None
51.14.020	Qualifications of self-insurer: Application for certification--fee of \$150.	Minor
51.14.030	Certification of employer as self-insurer: Independent audit of books; safety organization.	None
51.16.110	New business or resumed operations: Self-insurer included within deposit requirements of this section.	None
51.16.120	Second-injury: Death "substantially accelerated" by combined effects of injury; recomputation of employer experience record; second-injury relief for self-insurers.	Cannot be mathematically evaluated
51.32.030	Compensation payable to employer or member of corporate employer: Delete "member or officer of any corporation"; confine coverage to sole proprietor, partner or joint venturer.	Minor

FISCAL NOTE

Labor & Industries
Responding Agency Title

235
Code No.

REQUEST NUMBER 55
Concerning 2367 604
SB NO. HB NO.

February 24, 1977
Date Submitted

<u>RCW/Section</u>	<u>Nature of Change</u>	<u>Fiscal Impact</u>
51.32.073	Supplemental Pension Fund: Reimbursement of payments made by self-insurer.	None
51.32.095	Continuation of benefits during vocational rehabilitation: Self-insurer to pay costs of tuition, books, etc.	None
51.32.110	Medical examination: Reduction, suspension or denial of benefits where worker refuses or obstructs.	Minor
51.32.150	Lump sum to beneficiary outside state: Payment to be made on basis of 51.32.130.	None
51.32.220	Reduction in compensation (Social Security Offset): Refusal of claimant to authorize release of information concerning amount of social security benefits.	Minor
51.36.030	First aid: Employer first-aid kit to be governed by safety and health standards (Title 49 RCW).	None
51.44.040	Second-injury fund: Rules for assessment of self-insurer to be promulgated by director.	None (See FN #1, HB 39, pg. 8)
51.48.020	Employer's misrepresentation: Misrepresentation deemed felony if \$500 or more and gross misdemeanor if less than \$500. New paragraph extends same penalties to claimant who knowingly gives false information.	Minor
51.48.050	Liability for illegal collections of medical aid: Delete reference to 51.40.040.	None
51.48.070	Employer's responsibility for safeguard: Penalties where minor is injured when engaged in work not authorized by work permit.	Minor

FISCAL NOTE

Labor & Industries
 Responding Agency Title

235
 Code No.

Concerning

REQUEST NUMBER 55

2367
 SB NO.

604
 HB NO.

February 24, 1977

Date Submitted

<u>RCW/Section</u>	<u>Nature of Change</u>	<u>Fiscal Impact</u>
New	Obligations of medical aid contracts to continue until expiration, repeal of any section of Title 51 RCW notwithstanding.	None
New	Transmit payments to bank account of claimant, beneficiary, or supplier of goods or services on receipt of written authorization.	None
New	Action by department to collect delinquent premium from employers to be brought within three years of date amount became due. Claim for adjustment of premium, assessment or penalty by employer deemed waived if not made within three years.	None

House Amendment to House Bill No. 604
By Representative Pardini

On page 8, following section 9, insert a new section as follows:

"Sec. 10. Section 51.16.060, chapter 23, Laws of 1961, as amended by section 1, chapter 32, Laws of 1973 1st ex. sess. and RCW 51.16.060 are each amended to read as follows:

Every employer not qualifying as a self-insurer, shall insure with the state and shall, on or before the last day of January, April, July and October of each year thereafter, furnish the department with a true and accurate payroll for the period in which ~~workers~~ ^(workers) were employed by him, during the preceding calendar quarter, the total amount paid to such ~~(workers)~~ ^(workers) during such preceding calendar quarter, and a segregation of employment in the different classes established pursuant to this title, and shall pay his ^{or her} premium thereon to the appropriate fund. The sufficiency of such statement shall be subject to the approval of the director: PROVIDED, That the director may in his ^{or her} discretion and for the effective administration of this title require an employer in individual instances to furnish a supplementary report containing the name of each individual ^(worker), his ^{or her} hours worked, his ^{or her} rate of pay and the class or classes in which such work was performed: PROVIDED FURTHER, That in the event an employer shall furnish the department with four consecutive quarterly reports wherein each such quarterly report indicates that no premium is due the department may close the account: ((ANB;)) PROVIDED FURTHER, That the department may promulgate rules and regulations in accordance with chapter 34.04 RCW to establish other reporting periods and payment due dates in lieu of reports and payments following each calendar quarter, and may also establish terms and conditions for payment of premiums and assessments based on estimated payrolls, with such payments being subject to approval as to sufficiency of the estimated payroll by the department, and also subject to appropriate periodic adjustments made by the department based on actual payroll: AND PROVIDED FURTHER, That a temporary help company which provides workers on a temporary basis to other employers shall be considered the employer for purposes of reporting and paying premiums and assessments under this title."

Renumber remaining sections consecutively.

House Amendment to House Bill No. 604
By Representative Pardini

On page 1, beginning on line 16 of the title, after "RCW 51.14-.030;" insert "amending section 51.16.060, chapter 23, Laws of 1961, as amended by section 1, chapter 32, Laws of 1973 1st ex. sess. and RCW 51.16.060;"

according to the appropriate rate classifications for sub other employer

*Or premise - if the employer
3rd party - someone legal beyond
employee
not allow
"system"
with held
responsible
for safety etc.
Not
who safety
can get
not use
provided on
a temporary
basis
TEMP.*

Portion of John Martin's testimony presented to the House Labor Committee on March 7, 1977, regarding HB 604.

Section 12. "Basically provides that corporate officers will no longer be exempt -- will be covered now, but that sole proprietors, partners, and joint venturers, who are presently exempt unless they meet the requirements, would still have the right to bring themselves under the act."

(on p. 8)

House Amendment to the Pardini Amendment to House Bill 604
By Representative Lux

On the second to the last line of the amendment, after
"employer" insert "only"

On the last line of the amendment, after "title" insert
"according to the appropriate rate classifications for
such other employers"

House Floor Amendment to Substitute House Bill No. 604
By Representative Lux

On page 15, line 36, after "((misdemeanor))" insert "class C"

House Floor Amendment to Substitute House Bill No. 604
By Representative Lux

On page 16, line 6, after "a" insert "class C"

Amendments to ESHB 604

By

On page 7, section 8, line 5 after "certified." insert:

"An association of employers whose operations are of a similar nature which was not formed for purposes of obtaining insurance may act as a single employer and may qualify as a self-insurer subject to all existing qualifications contained in chapter 51.14 RCW.

and

On page 7, section 8, line 24 after "self-insurer" insert:

"An association of employers which qualifies as a self-insurer may establish financial responsibility by depositing with a qualified reinsurer sufficient funds to provide for prompt payment of all claims under this title. Disbursement of any excess funds so deposited shall be at the discretion of the governing body of the association."

Not offered

1 House Amendment to Substitute House Bill No. 604 3
2 By Representative Bauer 4

3 On page 5, beginning on line 20, add sections as 5
4 follows: 5
5 "Sec. 7. Section 51.08.180, chapter 23, 7
6 Laws of 1961 and RCW 51.08.180 are each amended to 8
7 read as follows: 8
8 "Workman" means every person in this state 10
9 who is engaged in the employment of an employer 10
10 under this title, whether by way of manual labor 11
11 or otherwise in the course of his employment; also 12
12 every person in this state who is engaged in the 13
13 employment of or who is working under an 13
14 independent contract, the essence of which is his 14
15 personal labor for an employer under this title, 15
16 whether by way of manual labor or otherwise, in 16
17 the course of his employment, subject in all 16
18 respects to the exemptions contained in RCW 16
19 51.12.020. 16
20 Sec. 8. Section 51.12.070, chapter 23, 18
21 Laws of 1961 as last amended by section 81, 18
22 chapter 289, Laws of 1971 ex. sess. and RCW 19
23 51.12.070 are each amended to read as follows: 20
24 The provisions of this title shall apply to 22
25 all work done by contract; the person, firm, or 22
26 corporation who lets a contract for such work 23
27 shall be responsible primarily and directly for 23
28 all premiums upon the work. (The contractor and 24
29 any subcontractor shall be subject to the 25
30 provisions of this title and the person, firm, or 25
31 corporation letting the contract shall be entitled 26
32 to collect from the contractor the full amount 27
33 payable in premiums and the contractor in turn 27
34 shall be entitled to collect from the 28
35 subcontractor his proportionate amount of the 28
36 payment. 28
37 It shall be unlawful for any county, city 29
38 or town to issue a construction building permit to 30
39 any person who has not submitted to the department 31
40 an estimate of payroll and paid premium thereon as 32
41 provided by chapter 51.46 RCW of this title or 32
42 proof that such person has qualified as a self- 33

1	insert:))"	2
2	Renumber the remaining sections accordingly	34
3	House Amendment to Substitute House Bill No. 604	35
4	By Representative Bauer	36
5	On page 17, beginning on line 36, add a section,	37
6	numbered consecutively, as follows:	37
7	"NEW SECTION. Sec. _____. There is added to	38
8	chapter 23, Laws of 1961 and to chapter 51.08 RCW	38
9	a new section to read as follows:	39
10	"Let" or "letting" means the act of the	40
11	owner in awarding a contract directly to a	40
12	contractor or through a contractor or other	41
13	contractors."	41
14	Renumber the remaining sections accordingly	42
15	House Amendments to Substitute House Bill No. 604	43
16	By Representative Bauer	44
17	On page 1, line 11 of the title, after	45
18	"51.08.178;" insert "amending section 51.08.180,	45
19	chapter 23, Laws of 1961 and RCW 51.08.180;	46
20	amending section 51.12.070, chapter 23, Laws of	46
21	1961 as last amended by section 81, chapter 289,	47
22	Laws of 1971 ex. sess. and RCW 51.12.070;"	47

- 1 On page 2, line 10 of the title, after "51.04 48
- 2 RCW;" and before "adding" insert "adding a new 48
- 3 section to chapter 23, Laws of 1961 and to chapter 49
- 4 51.08 RCW;" 49

Filed in HB604
for INFO. ONLY

COMPARISON

OF

HOUSE BILL NO. 39

TO

RECOMMENDATIONS OF THE NATIONAL COMMISSION ON
STATE WORKMEN'S COMPENSATION LAWS

HOUSE LABOR COMMITTEE
MJ/clg
12/28/76

C O M P A R I S O N

HOUSE BILL NO. 39

RELATED NATIONAL COMMISSION RECOMMENDATIONS

SEC. 1. Though the bill repeals the use of medical aid contracts, this section allows contracts approved prior to the passage of the act to continue until they expire.

SEC. 2. Changes the definition of child from a person under the age of 21 to one under 25 if the person is a full-time student.

SEC. 3. Removes exemption for agricultural employees who earn less than \$150 in a calendar year for each employer, for domestics if earnings exceed \$50 cash in a calendar quarter.

SEC. 4. Extends second injury fund application to all disabilities and death cases. Department is to pass on application of the section and issue appealable order and may recompute employers experience if an employee qualifies for second injury funds. Also applies section to self-insurers.

SEC. 5. Makes changes regarding death benefits.

1. Substitutes statutory schedule of benefits and dollar minimums with a rate of 66 2/3% of worker's wages plus 2% for children but not less than 50% of the state's average wage.

*R3.25 - Benefits for a dependent child should be continued at least until the child reaches 18, or beyond such age if actually dependent, or at least until age 25 as a full-time student in any accredited educational institution.

*R2.4 - As of July 1, 1975, farmworkers should be covered on the same basis as all other employees.

*R2.5 - As of July 1, 1975, household workers and all casual workers should be covered at least to the extent they are covered by social security.

R4.10, 4.11, & 4.12 - States should have second injury funds with broad coverage of pre-existing impairments, such funds should be financed by charges against all carriers, they should be well-publicized and eligibility interpreted liberally to encourage hiring of handicapped.

R3.26 - Minimum weekly benefits for death cases should be at least 50% of the state's average weekly wage.

C O M P A R I S O N

HOUSE BILL NO. 39

RELATED NATIONAL COMMISSION RECOMMENDATIONS

2. Increases maximum death benefits from 75% of the average monthly wage to 200% of the average wage.

3. Increases immediate payment to survivor of deceased worker from \$800 to \$1,000 or the worker's wage, whichever is greater.

4. No change made in lump sum payment to spouse who remarries. Present amount is the lesser of \$7,500 or 50% of the remaining annuity value of the pension.

SEC. 6. Makes changes regarding permanent total disability benefits.

1. Statutory benefit schedules based on family status of injured worker are replaced with a rate of 66 2/3% of the worker's wages but not less than 50% of the state's average wage or 100% of the worker's wage, whichever is less. 3 1/3% for spouse and 2% for each child not to exceed five children.

R3.20 - Death benefits should be at least 80% of the worker's spendable weekly earnings and this formula should be used as soon as possible but at least as soon as maximum exceeds 100% of average wage.

As transition a less desirable formula may be used of:

R3.21 - At least 66 2/3% of the worker's gross weekly wage.

*R3.23 - As of July 1, 1975, the maximum weekly death benefit should be at least 100% of the state's average weekly wage.

R3.24 - As of July 1, 1977, the maximum weekly death benefit should be at least 133 1/3% of the state's average wage; as of July 1, 1979, 166 2/3% and on and after July 1, 1981, 200%.

*R3.25 - Death benefits should be paid to a widow or widower for life or until remarriage, and in the event of remarriage two years' benefits should be paid in a lump sum to the widow or widower.

*R3.12 - Subject to the state's maximum weekly benefit, permanent total disability should be at least 66 2/3% of the worker's gross weekly wage.

After a transition period their preferred formula is:

COMPARISON

HOUSE BILL NO. 39

RELATED NATIONAL COMMISSION RECOMMENDATIONS

2. When an injured worker has custody of his or her children at the time of injury but the legal custody passes to another, payments are to be made to person with legal custody in the amount of 5% of the worker's wages for each child up to a maximum of 25%. This amount is subtracted from the amount to which the injured worker would be entitled if he or she had legal custody of all the children.

3. The maximum for permanent total disability payments is increased from 75% of the state's average monthly wage to 200%.

SEC. 7. Allows the department to require self-insurers to pay increases due from the supplemental pension fund to injured workers and be reimbursed from the department out of the supplemental pension fund.

SEC. 8. Changes temporary total disability.

1. Increases the maximum monthly payment for temporary total disability from 75% of the state's average monthly wage to 200%.

R3.13 - Permanent total disability benefits should be at least 80% of the worker's spendable weekly earnings and this formula should be used as soon as possible but at least as soon as maximum exceeds 100% of the state's average wage.

*R3.15 - As of July 1, 1975, the maximum for permanent total disability should be at least 100% of the state's average weekly wage.

R3.16 - As of July 1, 1977, the maximum weekly benefit for permanent total disability should be at least 133 1/3% of the state's average weekly wage; as of July 1, 1979, 166 2/3%; and on and after July 1, 1981, 200%.

*R3.8 - As of July 1, 1975, the maximum for temporary total disability should be at least 100% of the state's average weekly wage.

R3.9 - As of July 1, 1977, maximum should be 133 1/3% of the state's average weekly wage; as of July 1, 1979, 166 2/3%; on and after July 1, 1981, 200%.

C O M P A R I S O N

HOUSE BILL NO. 39

RELATED NATIONAL COMMISSION RECOMMENDATIONS

2. Benefits are same as for permanent total disability - Section 6.

R3.6 - Temporary total disability benefits should be at least 80% of worker's spendable earnings. This formula should be used as soon as possible but at least as soon as maximum exceeds 100% of state's average wage.

On interim basis:

*R3.7 - Temporary total disability benefits should be at least 66 2/3% of worker's gross wages.

SEC. 9. Allows the supervisor of industrial insurance to authorize payments for books, tuition, fees and expenses for an injured worker participating in a program of retraining or vocational rehabilitation.

R4.9 - Workers' compensation agency should be authorized to provide special maintenance benefits for a worker during the period of rehabilitation in addition to worker's other benefits.

SEC. 10. Provides that an injured worker who refuses or obstructs evaluation or examination for the purpose of vocational rehabilitation may be penalized by the suspension of action on his or her claim. Allows worker to refuse to submit to medical exam or treatment for good cause.

SEC. 11. Department must make temporary disability payments within 14 days of claim when such compensation is, or may be payable.

SEC. 12. Provides that assessments for the second injury fund will be imposed on self-insurers.

SEC. 13. Deletes RCW reference to medical aid contracts section repealed by the act.

C O M P A R I S O N

HOUSE BILL NO. 39

RELATED NATIONAL COMMISSION RECOMMENDATIONS

SEC. 14. Repeals medical aid contracts chapter.

SEC. 15. Severability clause.

SEC. 16. Provides effective date of July 1, 1977.

* - Essential recommendation in the Report of the National Commission on State Workmen's Compensation Laws, Washington, D.C., July, 1972.

HOUSE LABOR COMMITTEE
MJ/clb
12/28/76

Phyllis Dean
Washington W.I.F.E.
P.O. Box 661
Warden, Washington 98857
October 3, 1977

Representative Eugene Iux: Chairman
House Labor Committee
11675 Beacon Ave. S.
Seattle, Washington 98178

Dear Representative Iux:

Washington State W.I.F.E. (Women Involved in Farm Economics) is greatly concerned over the economic repercussions resulting from the recently passed H.B. 604.

Everyone we have spoken with agrees that this is a bad law. This law requires participation by family corporation farm officers in a State Industrial Insurance Program at prohibitive cost and without collectable benefits. The estimated cost of \$ 240 per month per officer is ten times the cost of the similar coverage from a private carrier. Since any loss-time accident would require a forfeiture of all benefits from the corporation, a family farm corporation officer could never benefit from the program.

Many of the most efficient farmers in our area face immediate forced sales and bankruptcy as soon as this fall. The farm carry-over loans are enormous from the past two years. Our farm and living expenses are financed on borrowed money at an average of 11% interest. How can we justify this type of additional expense to our loan institutions? The present nightmare of being denied new production loans is immediate and very real to all our farmers. Denial of a new loan or the re-financing of our carry-over debts means forced liquidation and unemployment to family farmers in Washington. The difficulties farmers face from weather; crop diseases, inflated input costs, and below cost of production prices are so severe that we despair of being able to continue farming next year. The very last thing we need are unnecessary financial burdens such as H.B. 604 creates.

We understand Governor Ray has been asked to issue an order setting aside the premiums paid into a special account so they may be refunded if and when this section is repealed. However to our knowledge Governor Ray has not yet acted on this request. W.I.F.E. and the farmers in Washington State urge your support and help now to have these requirements set aside until the next legislative session when hopefully a change can correct the unfair provisions in this law.

Sincerely yours,

Phyllis Dean

Phyllis Dean
Corresponding Secretary
Washington W.I.F.E.,

Governor Dixie Lee Ray

cc: Senator Ruthe Ridder Representative Flammagan
Senator Donohue
Senator Washington
Representative Amen
Representative Hansen

COMPLIANCE WITH FEDERAL NATIONAL COMMISSION RECOMMENDATIONS 1/1/76
STATE - WASHINGTON

Recommendation	Yes	No
R2.1 Compulsory Coverage.....	X	
R2.2 No Numerical Exemptions.....	X	
R2.4 Agricultural Employers Payroll exemption -- \$1,000 annually..... No exemptions 7/1/75.....		X \$150 wages X
R2.5 Household and Casual Workers Payroll exemption - \$50 calendar quarter 7/1/75		Numerical X exclusion - two
R2.6 Government Employees Mandatory.....	X	
R2.7 No Exemptions by Class.....	X	
R2.11 Claim in State of Injury, Employment or Hire....	X	
R2.13 Full Occupational Disease.....	X	
R3.7 Temporary Total 66 2/3% of Wages.....		X 60% - 75%
R3.8 Maximum Temporary Total 66 2/3% State Average Weekly Wage..... 100% 7/1/75.....	X	X
R3.11 Definition Permanent Total that used in most states.....	X	
R3.12 Permanent Total 66 2/3% of wages.....		X 60% - 75%
R3.15 Maximum Permanent Total 66 2/3% State Average Weekly Wage..... 100% 7/1/75.....	X	X
R3.17 Unlimited Total Disability.....	X	
R3.21 Death 66 2/3% of Wages.....		X 60% - 70%
R3.23 Maximum Death 66 2/3% of State Average Weekly Wage..... 100% 7/1/75.....	X	X
R3.25 Death Benefits For Life or Remarriage..... 2 Year Dowry..... Child Until 18..... While Dependent..... Until 25 if student.....	X X X X	X \$7500 or 50% of Pension X to 21
R4.2 Unlimited Medical.....	X	
R4.4 No Time Limit Subsequent Medical.....	X	



OFFICE OF PROGRAM RESEARCH
HOUSE OF REPRESENTATIVES
STATE OF WASHINGTON

HOUSE LABOR COMMITTEE
REPRESENTATIVE EUGENE LUX, CHAIRMAN

March 21, 1977
9:30 a.m.
HOB 431

1. Call to Order - Chairman Lux.
2. Work & Executive Session
 - HB 429 - RR Safety inspections, L & I
 - HB 39 - Industrial insurance, revisions
 - HB 604 - Ind. ins. revisions (Dept. request)
 - HB 715 - School district labor contracts
 - HB 901 - Wage claim trust fund
3. Public Hearing & Possible Executive Session
 - SB 2080 - Local government volunteers
4. Other Committee Business.
5. Adjournment.

cls

Amendments to ESHB 604

By

Doesn't provide a min. amt. of time the assoc. had to be in existence

On page 7, section 8, line 5 after "certified." insert:

"An association of employers whose operations are of a similar nature which was not formed for purposes of obtaining insurance may act as a single employer and may qualify as a self-insurer subject to all existing qualifications contained in chapter 51.14 RCW.

*Doesn't say single employer for employees of member employers
Doesn't say work performed by employees of member employers must be similar*

and

On page 7, section 8, line 24 after "self-insurer" insert:

"An association of employers which qualifies as a self-insurer may establish financial responsibility by depositing with a qualified reinsurer sufficient funds to provide for prompt payment of all claims under this title. Disbursement of any excess funds so deposited shall be at the discretion of the governing body of the association."

if we want to make sure we have enough funds

How this mean that the rest of the provisions of act (2) - do not apply to assoc. which have self-insurers? The criteria for establishing sufficient financial ability would be different for assoc. than for other employers which self-insure. The min. 100,000 would not apply. The dept. would be made of a reinsurer rather than in an annual accident in a depository directed by designated by the director. Rather than using securities or bond only way would be deposit of funds.

Will the individual members of the association cooperate with the department in giving info. etc. so the dept. can estimate claim liability etc. Or will they have to rely on the assoc? (The individual employers will have had a record the dept. could look at) who will be responsible for safety etc.?

House Committee Amendment House Bill No. 604
By Representative Pardini

Amending 51.08.070

On page 4, line 5, add a new section as follows:

"NEW SECTION. Sec. 5. "Employer" means any person, body of persons, corporate or otherwise, and the legal representatives of a deceased employer, all while engaged in this state in any work covered by the provisions of this title, by way of trade or business, or who contracts with one or more workmen, the essence of which is the personal labor of such workman or workmen; PROVIDED, however that temporary help companies which provide temporary workers on a temporary basis to other employers shall be the only employer for purposes of this title."

reporting + paying premium

Renumber remaining sections consecutively.

Title amendment on page 1, line 7, after RCW 51.08.030; insert:
"amending section 51.08.070, chapter 23, Laws of 1961, as last amended by Laws of 1971, ex. sess. and RCW 51.08.070;"

Nancy - or Cass

These are all okay for your committee use - except the last one (since you are supposed to strike everything first and then insert new words). For your committee meeting, if you think it would be easier for the members to understand you could substitute the one I have attached over the last amendment, but if adopted, it should be written as two amendments because it is on a different page, like I have done on the separate sheet. Weird, isn't it?

Lucile

House Committee Amendment to House Bill No. 604
By Committee on Labor

On page 6, line 36, strike "may" and on page 7, line 1, strike "~~((establish-sufficient))~~" and insert "~~(may-establish sufficient)~~ shall"



OFFICE OF PROGRAM RESEARCH
 HOUSE OF REPRESENTATIVES
 STATE OF WASHINGTON

SECTIONS OF HOUSE BILLS 39 and 604 WHICH AMEND THE SAME SECTIONS OF LAW

HB 39

SUB. HB 604

1. Sec. 2.
 Age of child in school - 25

Sec. 4
 Age of child in school - 23

✓ 2. Sec. 4

Sec. 11

Second injury provisions - SHB 604 is worded differently regarding application of second injury provisions to self-insurers and the issue by the department of appealable orders on second injury application.

p. 10, line 25, subsection 3
 Contains provision not in HB 39 which allows the department to provide for the reduction or elimination of premiums or assessments from employers who hire injured workers who were not re-employed by their employer at the time of injury.

3. Sec. 7

Sec. 13

Same

Same

✓ 4. Sec. 9

Sec. 14

Allows department to pay costs of books, tuitions, fees etc. for a worker in vocational rehabilitation or training.

Same, but limits payments to \$1500 a year.

✓ 5. Sec. 10

Sec. 15

Provides penalty on worker who refuses to submit to treatment etc. but allows certain refusals for good cause.

Broader clause for refusals for good cause - p. 13, lines 22-27 Also differs on lines 16-17, line 21 and line 22.

6. Sec. 12

Sec. 19

Same

Same

7. Sec. 13

Sec. 21

Same

Same

8. Sec. 14 - Same

Sec. 26 - Same

House Amendment to Substitute House Bill No. 604
By Representatives Bau and Zimmerman

On page 5, beginning on line 20, add sections as follows:

"Sec. 7. Section 51.08.180, chapter 23, Laws of 1961 and RCW 51.08.180 are each amended to read as follows:

"Workman" means every person in this state who is engaged in the employment of an employer under this title, whether by way of manual labor or otherwise in the course of his employment; also every person in this state who is engaged in the employment of or who is working under an independent contract, the essence of which is his personal labor for an employer under this title, whether by way of manual labor or otherwise, in the course of his employment, subject in all respects to the exemptions contained in RCW 51.12.020.

Sec. 8. Section 51.12.070, chapter 23, Laws of 1961 as last amended by section 81, chapter 289, Laws of 1971 ex. sess. and RCW 51.12.070 are each amended to read as follows:

The provisions of this title shall apply to all work done by contract; the person, firm, or corporation who lets a contract for such work shall be responsible primarily and directly for all premiums upon the work. The contractor and any subcontractor shall be subject to the provisions of this title as separate employers. The contractor and any subcontractor shall be subject to the provisions of this title and the person, firm, or corporation letting the contract shall be entitled to collect from the contractor the full amount payable in premiums and the contractor in turn shall be entitled to collect from the subcontractor his proportionate amount of the payment.

It shall be unlawful for any county, city or town to issue a construction building permit to any person who has not submitted to the department an estimate of payroll and paid premium thereon as provided by chapter 51.16 RCW of this title or proof that such person has qualified as a self-insurer."

Renumber the remaining sections consecutively.

Does not add to parties already mentioned except
Takes care of partners + sole proprietors

- Responsible for their own employees

On page 5, beginning on line 22, add a section following section 5 as follows:
 "Sec. 7. Section 51.12.020, chapter 23, Laws of 1961 as last amended by section 1, chapter 124, Laws of 1973 and RCW 51.12.020 are each amended to read as follows:

The following are the only employments which shall not be included within the mandatory coverage of this title:

(1) Any person employed as a domestic servant in a private home by an employer who has less than two employees regularly employed forty or more hours a week in such employment.

(2) Any person employed to do gardening, maintenance, repair, remodeling, or similar work in or about the private home of the employer which does not exceed ten consecutive work days.

(3) A person whose work is casual and the employment is not in the course of the trade, business, or profession of his employer.

(4) Any person performing services in return for aid or sustenance only, received from any religious or charitable organization.

(5) Sole proprietors and partners.

(6) Any employee, not regularly and continuously employed by the employer in agricultural labor, whose cash remuneration paid by or due from any one employer in that calendar year for agricultural labor is less than one hundred fifty dollars. Employees not regularly and continuously employed in agricultural labor by any one employer but who are employed in agricultural labor on a seasonal basis shall come under the coverage of this title only when their cash remuneration paid or due in that calendar year exceeds one hundred fifty dollars but only as to the occurrence of that event and only as to their work for that employer.

(7) Any child under eighteen years of age employed by his parent or parents in agricultural activities on the family farm.

(8) Jockeys while participating in or preparing horses for race meets licensed by the Washington horse racing commission pursuant to chapter 67.16 RCW.

Jockeys

Renumber the remaining sections accordingly

On page 7, line 6 after "may" delete "established sufficient" and insert "((established-sufficient)) be required by the director to supplement existing"

restored intent of dept. to be able to require a supplement to financial ability by drafting it the way they did. There will not necessarily be a min. of \$100,000 required. It will now read that the dept. may require a net worth to supplement asset personal ability. The net worth amount, or paid shall be at least \$100,000

On page 8, line 21, after "a" delete "satisfactory"

self-insurer must demonstrate the existence of a policy regardless of what indicates a record of accident prevention by company & part in satisfactory & indicate it led to a positive one

On page 9, line 34, strike "other employers" and insert "its customers"

On page 9, line 34, after "employer" strike "only"

On page 9, line 36, through line 1 on page 10, strike "for such other employers" and insert: "as determined by the department: PROVIDED, That the employer shall be liable for paying premiums and assessments, should the temporary help company fail to pay the premiums and assessments under this title"

Present law requires a self-insurer to have sufficient financial ability. It may be at least \$100,000 & the amt. of security may increase or decrease from time to time & the dept. says they would have to require a net worth.

On page 10, line 36, strike "((previous-injury-or-disease)) cause whatsoever" and insert "previous-injury or disease"

Limits application of second injury fund

On page 11, line 19, after "department" strike "may" and insert "shall"

also compute an employee's experience record when there's a second injury

On page 15, line 5, after "or" strike "remove" and insert "((remove)) move technical"

On page 1, line 11 of the title, after "RCW 51.08.178;" and before "amending" insert "amending section 51.12.020, chapter 23, Laws of 1961 as last amended by section 1, chapter 124, Laws of 1973 and RCW 51.12.020;"

title amendment



Message From the Senate

HOUSE MINUTE CLERK

SENATE CHAMBER

Olympia, Wash. June 19, 1977

MR. SPEAKER:

The Senate has passed and passed Substitute House Bill No. 604
with the following amendments:

(over)

and the same is herewith transmitted.

W/AMENDMENT

Bill Hovson
by *D. W.* Secretary

House Committee Amendment to House Bill No. 604
By Committee on Labor

On page 3, line 23, after "paid" insert "from the accident fund or by the self-insurer, as the case may be,"

John Martin,
AG, L & I

EXPLANATION: Designates from where guardianship payments will be made, as present law does, and provides payment by a self-insurer, if a self-insurer is involved.

On page 3, line 36, strike "claimant" and insert "((claimant))
workman"

EXPLANATION: Makes change that was suggested by the department in earlier drafts and one that is also included in HB 39. The purpose of the section is to define "child" of an injured worker and a "claimant" may be a spouse, dependent or someone other than the worker.

House Committee Amendment to House Bill No. 604
By Committee on Labor

On page 5, line 27, strike "and stating when" and insert "((and stating-when))"

EXPLANATION: Strikes unneeded language because of proposed new language.

House Committee Amendment to House Bill No. 604
By Committee on Labor

On page 6, line 36, strike "may"

House Committee Amendment to House Bill No. 604
By Committee on Labor

On page 7, line 1, strike "((establish-sufficient))" and insert "((may-establish-sufficient)) shall"

EXPLANATION: Would clarify that at least a \$100,000 bond would be required by an employer to qualify as a self-insured.

House Committee Amendme. to House Bill No. 604
By Committee on Labor

Page 5

On page 1, line 1 of the title, after "insurance;" strike everything through "51.04.040;" on line 2

On page 1, line 19 of the title, after "RCW 51.16.110;" strike everything through "RCW 51.16.120;" on line 21

House Committee Amendments to House Bill No. 604
By Committee on Labor

On page 2, line 2 of the title, after "51.36.030;" strike everything through "RCW 51.44.040;" on line 4 and insert "amending section 18, chapter 289, Laws of 1971 ex. sess. as amended by section 16, chapter 224, Laws of 1975 1st ex. sess. and RCW 51.44.033;"

On page 2, line 11 of the title, after "51.16 RCW;" insert "repealing section 51.16.120, chapter 23, Laws of 1961, section 13, chapter 43, Laws of 1972 ex. sess. and RCW 51.16.120;"

On page 2, line 22 of the title, after "51.40.070;" insert "repealing section 51.44.040, chapter 23, Laws of 1961 as amended by section 27, chapter 43, Laws of 1972 ex. sess. and RCW 51.44.040;"

House Committee Amendment to House Bill No. 604
By Committee on Labor

Submitted by Gary Matthews,
AWB

On page 2, line 25, strike section 1 and renumber the remaining sections accordingly.

House Committee Amendment to House Bill No. 604
By Committee on Labor

On page 6, beginning on line 36, strike everything after "(2)" through "existing" on page 7, line 2 and insert: "A self-insurer may establish sufficient"

House Committee Amendment to House Bill No. 604
By Committee on Labor

On page 9, line 26, strike all of section 11 and renumber the remaining sections accordingly.

House Committee Amendment to House Bill No. 604
By Committee on Labor

On page 11, line 17, after "director" insert "and said amount to be the same per workman hour for employees in all employments!"

On page 11, line 28, after "51.32.075" insert "and the payments from the subsequent account described in section of this 1977 amendatory act"

House Committee Amendment to House Bill No. 604
By Committee on Labor

On page 14, following line 29, insert a new section to read as follows:

"Sec. ____ . Section 18, chapter 289, Laws of 1971 ex. sess. as last amended by section 16, chapter 224, Laws of 1975 1st ex. sess. and RCW 51.44.033 are each amended to read as follows:
There shall be, in the office of the state treasurer, a fund to be known and designated as the 'supplemental pension fund.' The director shall be the administrator thereof. Said fund shall be used for the sole purpose of making the additional payments therefrom prescribed in this title and the payment described in section _____ of this 1977 amendatory act."

Renumber the remaining sections accordingly.

On page 14, line 30, strike all of section 19 and renumber the remaining sections accordingly.

House Committee Amendment to House Bill No. 604
By Committee on Labor

On page 18, following line 1, insert two new sections to read as follows:

NEW SECTION. Section 18. There is added to Title 51 RCW a new section to read as follows:

(1) An effective subsequent injury program is necessary in order to enhance the hiring and retention of workmen who have previous impairments, and rehabilitation of injured workmen, to distribute fairly among employers the costs of industrial insurance and to reduce litigation and delays in the administration of the industrial insurance system.

(2) As used in this section:

(a) "Previous impairment" shall mean any permanent, abnormal condition of a workman, whether congenital or due to injury or disease, producing a substantial risk that such workman will suffer more extensive temporary or permanent disability from a subsequent industrial injury or occupational disease than would otherwise occur in the absence of such condition;

(b) "Subsequent injury" shall mean an industrial injury or occupational disease incurred by a workman who had at the time a previous impairment; and

(c) "Subsequent employer" shall mean the employer of a workman at the time such workman incurs a subsequent injury.

(3) If an employee with a previous impairment suffers a subsequent injury which results in (a) temporary or permanent partial disability that is substantially greater, by reason of the combined effects of the previous impairment and subsequent injury or by reason of aggravation of the previous impairment, than would have resulted had there been no previous impairment, or (b) total permanent disability or death which occurs as a result of the combined effects of the subsequent injury and the previous impairment, or (c) an injury which would not have occurred except for a preexisting impairment, the subsequent employer shall be liable for benefits otherwise payable in respect of such subsequent injury up to an aggregate of temporary total, permanent total, and permanent partial disability benefits, and survivors' benefits, equal in dollar amount to eighteen months' total temporary disability payments. All further payments of compensation in respect of such a subsequent injury shall be assessed against the subsequent injury account.

(4) Where the cost of a subsequent injury is to be allocated between a subsequent employer and the subsequent injury account pursuant to the preceding section, the following shall apply:

(a) If the employer is insured with the state fund, the department shall effect appropriate credits or charges to such employer's cost experience and the subsequent injury account. The department may recompute the experience record of such an employer when the claim resulting from the injury or death of a workman injured in its employ has been found to qualify for payments from the subsequent injury account after the regular time for computation of such experience record and shall make appropriate adjustment in such a case:

(b) If the employer is self-insured, where the subsequent injury results in temporary total disability or permanent partial disability, such employer shall make payment of all further benefits and shall be reimbursed out of the subsequent injury account; where such an injury results in death or permanent total disability, a self-insurer shall pay into the reserve fund, pursuant to RCW 51.44.070 a sum of money computed as set forth in such section sufficient to cover its liability for compensation as set forth in subsection (3) of this section, and the balance of funds necessary to provide for further monthly payments shall be transferred to the reserve fund from the subsequent injury account.

NEW SECTION. Sec. 4. There is added to Title 51 RCW a new section to read as follows:

There shall be within the supplemental pension fund, a special account to be known and designated as the "Subsequent Injury Account", which shall be used only to defray charges against it as provided in section 5 of this 1977 amendatory act.

HB 604

- 4 -

Renumber remaining sections accordingly

On page 18, line 3, after "repealed:" insert: "(1) Section 51.16.120, chapter 23, Laws of 1961, section 13, chapter 43, Laws of 1972 ex. sess. and RCW 51.16.120;"

Renumber the remaining subsections accordingly.

On page 18, line 18, before the period insert: "; (9) Section 51.44.040, chapter 23, Laws of 1961, section 27, chapter 43, Laws of 1972 ex. sess. and RCW 51.44.040."

House Committee Amendment to House Bill No. 604
By Committee on Labor

SUBMITTED BY:
Joe Davis

On page 8, line 17, after "(5)" strike everything through "him" on line 18 and insert "He has ((submitted)) demonstrated to the department ((a description)) the existence of the administrative organization maintained by him within his establishment"

House Committee Amendment to House Bill No. 604
By Committee on Labor

On page 13, line 16, after "period" insert "PROVIDED, That the department or the self-insurer shall not suspend any further action on any claim of a workman or reduce, suspend, or deny any compensation if a workman has good cause for refusing to submit to or to obstruct any examination, evaluation, treatment or practice requested by the department or required under this section."

OR

On page 13, line 5, after "examination" insert "without good cause" and after "same" insert "without good cause"

On page 13, line 8, after "treatment" insert "without good cause"

On page 13, line 11, after "rehabilitation" insert "without good cause"

House Committee Amendment to House Bill No. 604
By Committee on Labor

John Martin,
AG, Labor & Industries

On page 3, line 23, after "paid" insert "from the accident fund or by the self-insurer, as the case may be,"

EXPLANATION: Designates from where guardianship payments will be made, as present law does, and provides payment by a self-insurer, if a self-insurer is involved.

On page 3, line 36, strike "claimant" and insert "((claimant))
workman"

EXPLANATION: Makes change that was suggested by the department in earlier drafts and one that is also included in HB 39. The purpose of the section is to define "child" of an injured worker and a "claimant" may be a spouse, dependent or someone other than the worker.

House Committee Amendment to House Bill No. 604
By Committee on Labor

On page 5, line 27, strike "and stating when" and insert "((and stating-when))"

EXPLANATION: Strikes unneeded language because of proposed new language.

House Committee Amendment to House Bill No. 604
By Committee on Labor

On page 6, line 36, and page 7, line 1, strike "may (" and insert "shall ((may"

EXPLANATION: Would clarify that at least a \$100,000 bond would be required by an employer to qualify as a self-insurer.

House Committee Amendment to House Bill No. 604
By Committee on Labor

On page 11, line 28, after "RCW 51.32.075" insert "as now or here-
after amended"

House Committee Amendment to House Bill No. 604
By Committee on Labor

On page 2, line 22 of the title after "51.40.070;" insert "pre-
scribing penalties;"

House Floor Amendment to Substitute House Bill No. 604
By Representative Lux

On page 15, line 36, after "(misdemeanor)" insert "class C"

House Floor Amendment to Substitute House Bill No. 604
By Representative Lux

On page 16, line 6, after "a" insert "class C"



OFFICE OF PROGRAM RESEARCH
 HOUSE OF REPRESENTATIVES
 STATE OF WASHINGTON
 March 20, 1976

MEMORANDUM

*Include amendments
 Sub. bill
 sub. bill Do. Pass*

TO: Representative Gene Lux, Chairman
 House Labor Committee

FROM: Michele Jankovich, Research Analyst

RE: Suggested Amendments to House Bill 604

This memorandum contains the amendments that have been submitted for consideration in relation to HB 604. They are ordered by section in the event the committee wishes to work the bill by section.

SECTION 1.

(1) - Submitted by Gary Matthews, AWB.

*Clayton moved
 Defeated*

On page 2, line 25, strike section 1 and renumber the remaining sections accordingly.

Proposes to strike new language and return to present law regarding enforcing the attendance and testimony of witnesses and the production and examination of records, thus the first section would no longer be needed.

SECTION 2.

A (2) - Submitted by John Martin, AG, Labor & Industries

*Nelson moved
 adopted*

On page 3, line 23, after "paid" insert "from the accident fund or by the self-insurer, as the case may be."

Clarifies that guardianship expense payments will be paid from the accident fund or by the self-insurer if a self-insurer is the employer.

SECTION 3.- NONE

SECTION 4.

A (3) - Technical - Agreed by John Martin, L & I

adopted

On page 3, line 36, strike "claimant" and insert "((claimant))

~~workman~~
 worker

The purpose of the section is to define "child" of an injured worker, not child of a claimant. A "claimant" may be a spouse, dependent or someone other than the worker. This change was suggested in earlier proposals of the department and is included in HB 39.

NOTE: This same section of law is also amended by HB 39 but differently. It proposes defining "child" as one up to age 25 if a full time student, instead of to 23 as in this bill.

SECTION 5. - NONE

Bond amend. Discussion

SECTION 6. - NONE

SECTION 7. -

A (4) - Submitted by John Martin, L & I

Smith moved adopted

On page 5, line 27, strike "and stating when" and insert "((and stating-when))"

Strikes unneeded language. Present law provides that if an exempt employer elects coverage a notice must be posted accordingly "and stating when" the election of coverage becomes effective. The new language provides the coverage becomes effective with the filing of notice of election.

SECTION 8.

(5) - Submitted by John Martin, L & I

Nelson moved Lost adopted Smith

On page 6, line 36, strike "may"

On page 7, line 1, strike "((establish-sufficient))" and insert "((may-establish-sufficient)) shall"

By striking "may" and inserting "shall", an applicant for certification as a self-insurer would be required by the director to supplement existing financial ability by depositing securities or a surety bond worth no less than one hundred thousand dollars.

Present law provides that an applicant for self insurance must establish sufficient financial ability to make payments of compensation due under the law and any assessments that may be due. The minimum for present showing of financial ability is money, securities, or bond in an amount not less than one hundred thousand dollars.

The change that the department is proposing in the bill would not require a minimum for establishing sufficient financial ability, but would allow the director to require an applicant for self insurance to supplement their existing financial ability. If required to do so it must be in an amount of \$100,000 or more.

A (6) - Submitted by Gary Matthews, AWB

On page 6, beginning on line 36, strike everything after "(2)" through "existing" on page 7, line 2 and insert "A self-insurer may establish sufficient"

Adopted

Puts subsection (2) back to present language. The effect is to retain the present requirement that an applicant for self insurance would have to show sufficient financial ability by depositing money, securities, or bond in an amount of at least \$100,000.

SECTION 9.

(7) - Submitted by Joe Davis, Pres., Wash. State Labor Council, AFL-CIO

On page 8, line 17, after "(5)" strike everything through "him" on line 18 and insert "He has ((submitted)) demonstrated to the department ((a description)) the existence of the administrative organization maintained by him within his establishment"

Nelson moved w/drawn

*110 - DeWitt Co.
53 - Admin
over*

An applicant for self insurance would have to demonstrate the existence of an administrative organization within his or her establishment.

make sub (5) agree w/ (4) + (F)

SECTION 10. - NONE

SECTION 11.

(8) - Submitted by Gary Matthews, AWB

w/drawn

On page 9, line 26, strike all of section 11 and renumber the remaining sections accordingly.

Strikes this section of the bill which describes the extent of coverage under the second injury fund and in a later amendment (#16) proposes to repeal the section of the law. This amendment and amendments 9, 11 through 17 (remainder of the Matthew amendments) would strike the present second injury provisions and replace them with second injury provisions proposed in HB 485 of last session.

NOTE: This same section of law is amended by HB 39, section 4.

SECTION 12. - NONE

SECTION 13.

(9) - Submitted by Gary Matthews, AWB

w/drawn

On page 11, line 17, after "director" insert "and said amount to be the same per workman hour for employees in all employments"

Provides that the supplemental pension fund assessments will be the same in all employments.

(10) - Technical

A

Key moved

On page 11, line 28, after "RCW 51.32.075" insert "as now or hereafter amended"

adopted

Matches same amendment adopted to this section when committee passed out HB 46. Same amendment proposed to this section of law in HB 39.

NOTE: Section 7 of HB 39 amends same section of law in the same way.

w/drawn

(11) - Submitted by Gary Matthews, AWB

On page 11, line 28, after "51.32.075" insert "and the payments from the subsequent account described in section of this 1977 amendatory act".

Provides that the supplemental pension fund will also provide payments for second injuries. A later Matthews amendment (#15) would establish a subsequent injury account within the supplemental pension fund and would repeal the present second injury fund.

SECTION 14. - NONE

NOTE: Section 9 of HB 39 also amends this section of the law.

SECTION 15.

(12) - Submitted by Joe Davis, WSLC

Smith - moved

On page 13, line 16, after "period" insert

Adopted

Allows a worker to refuse to submit for examinations or treatment if the worker has good cause for doing so.

shifts burden to dept.

NOTE: Sec. 10 of HB 39 also amends this section of the law.

SECTION 16. - NONE

SECTION 17. - NONE

SECTION 18. - NONE

FOLLOWING SECTION 18.

(13) - Submitted by Gary Matthews, AWB

On page 14, following line 29, insert a new section to read as follows:

"Sec. ____ . Section 18, chapter 289, Laws of 1971 ex. sess. as last amended by section 16, chapter 224, Laws of 1975 1st ex. sess. and RCW 51.44.033 are each amended to read as follows:

There shall be, in the office of the state treasurer, a fund to be known and designated as the 'supplemental pension fund.' The director shall be the administrator thereof. Said fund shall be used for the sole purpose of making the additional payments therefrom prescribed in this title and the payment described in section of this 1977 amendatory act."

Renumber the remaining sections accordingly.

SECTION 19.

(14) - Submitted by Gary Matthews, AWB *w/drawn*

On page 14, line 30, strike all of section 19 and renumber the remaining sections accordingly.

Strikes the second injury fund. Other Matthews amendments propose to establish a subsequent injury account within the supplemental pension fund.

NOTE: Section 12 of HB 39 amends the same section of the law in the same way as HB 604.

SECTION 20. - NONE

SECTION 21. - NONE

NOTE: Section 13 of HB 39 amends this section of the law in the same way.

SECTION 22. - NONE

SECTION 23. - NONE

SECTION 24. - NONE

SECTION 25. - NONE

FOLLOWING SECTION 25.

(15) - Submitted by Gary Matthews, AWB *w/drawn*

On page 18, following line 1, insert two new sections to read as follows:

NEW SECTION. Section There is added to Title 51 RCW a new section to read as follows:

(1) An effective subsequent injury program is necessary in order to enhance the hiring and retention of workmen who have previous impairments, and rehabilitation of injured workmen, to distribute fairly among employers the costs of industrial insurance and to reduce litigation and delays in the administration of the industrial insurance system.

(2) As used in this section:

(a) "Previous impairment" shall mean any permanent, abnormal condition of a workman, whether congenital or due to injury or disease, producing a substantial risk that such workman will suffer more extensive temporary or permanent disability from a subsequent industrial injury or occupational disease than would otherwise occur in the absence of such condition;

(b) "Subsequent injury" shall mean an industrial injury or occupational disease incurred by a workman who had at the time a previous impairment; and

(c) "Subsequent employer" shall mean the employer of a workman at the time such workman incurs a subsequent injury.

(3) If an employee with a previous impairment suffers a subsequent injury which results in (a) temporary or permanent partial disability that is substantially greater, by reason of the combined effects of the previous impairment and subsequent injury or by reason of aggravation of the previous impairment, than would have resulted had there been no previous impairment, or (b) total permanent disability or death which occurs as a result of the combined effects of the subsequent injury and the previous impairment, or (c) an injury which would not have occurred except for a preexisting impairment, the subsequent employer shall be liable for benefits otherwise payable in respect of such subsequent injury up to an aggregate of temporary total, permanent total, and permanent partial disability benefits, and survivors' benefits, equal in dollar amount to eighteen months' total temporary disability payments. All further payments of compensation in respect of such a subsequent injury shall be assessed against the subsequent injury account.

(4) Where the cost of a subsequent injury is to be allocated between a subsequent employer and the subsequent injury account pursuant to the preceding section, the following shall apply:

(a) If the employer is insured with the state fund, the department shall effect appropriate credits or charges to such employer's cost experience and the subsequent injury account. The department may recompute the experience record of such an employer when the claim resulting from the injury or death of a workman injured in its employ has been found to qualify for payments from the subsequent injury account after the regular time for computation of such experience record and shall make appropriate adjustment in such a case;

(b) If the employer is self-insured, where the subsequent injury results in temporary total disability or permanent partial disability, such employer shall make payment of all further benefits and shall be reimbursed out of the subsequent injury account; where such an injury results in death or permanent total disability, a self-insurer shall pay into the reserve fund, pursuant to RCW 51.44.070 a sum of money computed as set forth in such section sufficient to cover its liability for compensation as set forth in subsection (3) of this section, and the balance of funds necessary to provide for further monthly payments shall be transferred to the reserve fund from the subsequent injury account.

NEW SECTION. Sec. . There is added to Title 51 RCW a new section to read as follows:

There shall be within the supplemental pension fund, a special account to be known and designated as the "Subsequent Injury Account", which shall be used only to defray charges against it as provided in section of this 197 amendatory act.

Renumber remaining sections accordingly

SECTION 26.

(16) - Submitted by Gary Matthews, AWB

On page 18, line 3, after "repealed:" insert: "(1) Section 51.16.120, chapter 23, Laws of 1961, section 13, chapter 43, Laws of 1972 ex. sess. and RCW 51.16.120;"

Renumber the remaining subsections accordingly.

Repeals section of law describing second injury fund coverage.

(17) - Submitted by Gary Matthews, AWB

On page 18, line 18, before the period insert: "; (9) Section 51.44.040, chapter 23, Laws of 1961, section 27, chapter 43, Laws of 1972 ex. sess. and RCW 51.44.040."

Repeals second injury fund section of law.

SECTION 27. - NONE

SECTION 28. - NONE

TITLE AMENDMENTS

(1) - Technical

On page 2, line 22 of the title after "51.40.070;" insert "prescribing penalties;"

adopted

~~(2) - If Matthews amendments are adopted the following title amendments will be necessary.~~

House Committee Amendments to House Bill No. 604
By Committee on Labor

Page 8

On page 1, line 1 of the title, after "insurance;" strike everything through "51.04.040;" on line 2

On page 1, line 19 of the title, after "RCW 51.16.110;" strike everything through "RCW 51.16.120;" on line 21

House Committee Amendments to House Bill No. 604
By Committee on Labor

On page 2, line 2 of the title, after "51.36.030;" strike everything through "RCW 51.44.040;" on line 4 and insert "amending section 18, chapter 289, Laws of 1971 ex. sess. as amended by section 16, chapter 224, Laws of 1975 1st ex. sess. and RCW 51.44.033;"

On page 2, line 11 of the title, after "51.16 RCW;" insert "repealing section 51.16.120, chapter 23, Laws of 1961, section 13, chapter 43, Laws of 1972 ex. sess. and RCW 51.16.120;"

On page 2, line 22 of the title, after "51.40.070;" insert "repealing section 51.44.040, chapter 23, Laws of 1961 as amended by section 27, chapter 43, Laws of 1972 ex. sess. and RCW 51.44.040;"

HOUSE LABOR COMMITTEE

DATE: 3/21/77

BILL NO. 604

MOTION: Do Pass

Do Pass As Amended

Sub. Do Pass

Do Not Pass

Amendment _____

Other _____

	<u>YEA</u>	<u>NAY</u>	<u>ABSENT/NOT VOTING</u>
BOND	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CLAYTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FISCHER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
KING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NELSON (D.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PEARSALL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PRUITT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SANDERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CHAIRMAN LUX	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



OFFICE OF PROGRAM RESEARCH

HOUSE OF REPRESENTATIVES

STATE OF WASHINGTON

March 14, 1977

MEMORANDUM

TO: Members of the House Labor Committee

FROM: Gene Lux, Chairman

RE: SUGGESTED AMENDMENTS TO HB 39 and HB 604

Enclosed is a copy of all the amendments that have been suggested to the committee regarding House Bills 39 and 604.

We will consider the amendments which are presented by members in work and executive session during our meeting on Wednesday, March 16, 1977.

GL/clc
Encls.

New Floor Amendments
& SHB 604

On p. 7, line 4, strike

"a self-insurer may establish
sufficient" and insert:

"An applicant for certification
as a self-insurer (~~may~~
~~establish sufficient~~) shall
be required by the director
to supplement existing

An applicant for certification
as a self-insurer, in
addition to establishing
sufficient financial ability,
which in no event shall
be less than one hundred
thousand dollars, may
be required by the
director to supplement
existing financial ability.

House of Representatives
STATE OF WASHINGTON
OLYMPIA



A. J. "BUD" PARDINI

SIXTH DISTRICT

- E. 1625 20th
- SPOKANE 99203
- RES. TEL: 534-8669
- LEG. TEL: 753-7820

March 30, 1977

Representative Gene Lux, Chairman
Labor Committee
338 House Office Building
Olympia, Washington 98504

Dear Gene:

Attached is the final draft of the amendment to House Bill 604, which should take care of the temporary help employers. I have had the department look it over and I think it overcomes previous objections.

I am sending a copy of this letter and the amendment to Mr. Davis, as he was the one to call to my attention what I might have been inadvertently doing.

I would hope that you could co-sponsor the amendment with me. Please let me know.

Best regards,



A. J. Pardini

AJP:rk

cc: Mr. Joe Davis

Enclosure

Senate Amendment to Engrossed Substitute House Bill No. 604
By Senator Grant

On page 7, line 6, after "~~may~~" delete "~~established sufficient~~"
and insert "((established-sufficient)) be required by the
director to supplement existing"

JUNE 19, 1977 ADOPTED

Senate Amendment to Engrossed Substitute House Bill No. 604
By Senator Morrison

On page 8, line 21, after "a" delete "satisfactory"

JUNE 19, 1977 ADOPTED

Senate Amendments to Engrossed Substitute House Bill No. 604
By Senators Lewis, Morrison and Ridder

On page 9, line 34, strike "other employers" and insert
"its customers"

JUNE 19, 1977 ADOPTED

On page 9, line 34, after "employer" strike "only"

JUNE 19, 1977 ADOPTED

On page 9, line 36, through line 1 on page 10, strike
"for such other employers" and insert: "as determined
by the department: PROVIDED, That the employer shall be
liable for paying premiums and assessments, should the
temporary help company fail to pay the premiums and assessments
under this title"

JUNE 19, 1977 ADOPTED

Senate Amendment to Engrossed Substitute House Bill No. 604
By Senator Morrison

On page 10, line 36, strike "~~((previous-injury-or-disease))~~ cause
whatsoever" and insert "previous injury or disease"

JUNE 19, 1977 ADOPTED

Senate Amendment to Engrossed Substitute House Bill No. 604
By Senator Morrison

On page 11, line 19, after "department" strike "may" and insert
"shall"

JUNE 19, 1977 ADOPTED

Senate Amendment to Engrossed Substitute House Bill No. 604
By Senator Morrison

On page 15, line 5, after "or" strike "remove" and insert
~~"((remove))~~ move

JUNE 19, 1977 ADOPTED

Senate Amendment to Engrossed Substitute House Bill No. 604
By Senators Keefe, Morrison and Donohue

On page 1, line 11 of the title, after "RCW
51.08.178;" and before "amending" insert "amending
section 51.12.020, chapter 23, Laws of 1961 as
last amended by section 1, chapter 124, Laws of
1973 and RCW 51.12.020;"

JUN 19 1977 ADOPTED

Senate Amendment to Engrossed Substitute House Bill No. 604
By Senators Keefe, Morrison and Donohue

On page 5, beginning on line 22, add a section following section 6 as follows:

"Sec. 7. Section 51.12.020, chapter 23, Laws of 1961 as last amended by section 1, chapter 124, Laws of 1973 and RCW 51.12.020 are each amended to read as follows:

The following are the only employments which shall not be included within the mandatory coverage of this title:

- (1) Any person employed as a domestic servant in a private home by an employer who has less than two employees regularly employed forty or more hours a week in such employment.
- (2) Any person employed to do gardening, maintenance, repair, remodeling, or similar work in or about the private home of the employer which does not exceed ten consecutive work days.
- (3) A person whose work is casual and the employment is not in the course of the trade, business, or profession of his employer.
- (4) Any person performing services in return for aid or sustenance only, received from any religious or charitable organization.
- (5) Sole proprietors and partners.
- (6) Any employee, not regularly and continuously employed by the employer in agricultural labor, whose cash remuneration paid by or due from any one employer in that calendar year for agricultural labor is less than one hundred fifty dollars. Employees not regularly and continuously employed in agricultural labor by any one employer but who are employed in agricultural labor on a seasonal basis shall come under the coverage of this title only when their cash remuneration paid or due in that calendar year exceeds one hundred fifty dollars but only as of the occurrence of that event and only as to their work for that employer.
- (7) Any child under eighteen years of age employed by his parent or parents in agricultural activities on the family farm.
- (8) Jockeys while participating in or preparing horses for race meets licensed by the Washington horse racing commission pursuant to chapter 67.16 RCW.

Renumber the remaining sections accordingly

JUNE 19, 1977

ADOPTED

Michele —

Do you want these?

N.

ARCHIVES INFORMATION RE:

1977 House Bill 604

SENATE FILE

Committee: Labor

H.B. 604

SPONSORS: Senators Ridder and Grant
(By Department of Labor and Industries Request)

COMMITTEE: Labor

Revising the state industrial insurance laws.

ANALYSIS AS OF FEBRUARY 11, 1977

ISSUE:

The Department of Labor and Industries is proposing changes in the industrial insurance law to improve clarity and consistency and to enable the Department to administer the statute more effectively.

SUMMARY:

Minors

This bill provides that disability payments shall be paid directly to minors over 18. Also, such payments may be made to minors under 18 with the consent of the person who has custody. Further, should such payments be made to a guardian of a minor under 18, the Department will pay up to \$300 for those expenses.

Self-insurers

The bill requires that an application for self-insurance must be accompanied by a minimum payment of \$150.00. An applicant may also be required to deposit money, stock, or a surety bond with the Department to supplement their existing financial ability. Further, an employer will not be certified as a self-insurer unless there is submitted to the Department an independent audit of the employer's books and a demonstration of the existence of a safety organization with a satisfactory record.

Second Injury Fund

The second injury fund statute is changed to include self-insured employers. The bill also brings fatal injuries within the coverage of the second injury fund. The Department is required in cases where benefits are awarded for total permanent disability or death to determine whether any second injury relief is available and this determination is appealable. If the Department determines a state fund employer is entitled to this relief, their experience record will be recomputed accordingly. The bill also provides for an incentive in the form of a reduction or elimination of premiums to hire injured workmen who are not rehired by their prior employer.

Other

This bill also accomplishes the following:

gives the Department the power to subpoena testimony and documents;

defines child as under the age of 23 if enrolled in full time study at an accredited school;

provides that a monthly wage for a person working 6 days a week be computed by multiplying the worker's daily wage times 26;

provides that the election by an employer of exempt employees to be covered by Title 51 as well as that of an exempt employer is effective upon filing a notice with the Department;

requires the Department or self-insurer to pay up to \$1,500 during a year for vocational rehabilitation costs with a possible extension for an additional year;

allows the Department to reduce, suspend or deny compensation to a worker who refuses to submit to or obstructs his medical examination;

or who does not cooperate with vocational rehabilitation;

allows the Department to estimate the amount of social security received by a recipient if the worker will not provide that information to the Department for the purposes of offset against industrial insurance payments;

requires self-insurers to pay assessments to the second injury fund;

changes the penalty for an employer's misrepresentating their payroll to the Department from a misdemeanor to a felony;

adds a penalty of a gross misdemeanor for a person knowingly providing false information;

provides for the repeal of Chapter 51.40 RCW entitled "Medical Aid Contracts";

provides that all existing medical aid contracts shall continue until their expiration;

adds a three-year statute of limitations on actions brought by the Department or employer.

This bill contains an emergency clause.

(House Bill
604)

State of Washington
Printed Bills
Of the
Legislature
Forty-Fifth Session

HOUSE

[Bill numbers]: 601-715

1977

Regular
And
Extraordinary
Sessions

Bill Texts:

- House Bill 604
 - Substitute HB 604
 - Engrossed SHB 604
 - Enrolled enactment
- } includes amendments

HOUSE BILL NO. 604

State of Washington
45th Legislature
Regular Session

by Representatives Lux, Pearsall, Fischer and
Pruitt (by Department of Labor and Industries
request).

Read first time February 4, 1977, and referred to Committee on LABOR.

1 AN ACT Relating to industrial insurance; amending section 51.04.040,
2 chapter 23, Laws of 1961 and RCW 51.04.040; amending section
3 51.04.070, chapter 23, Laws of 1961 and RCW 51.04.070;
4 amending section 15, chapter 289, Laws of 1971 ex. sess. and
5 RCW 51.08.018; amending section 51.08.030, chapter 23, Laws of
6 1961 as last amended by section 37, chapter 42, Laws of 1975-
7 '76 2nd ex. sess. and RCW 51.08.030; amending section 88,
8 chapter 289, Laws of 1971 ex. sess. as amended by section 5,
9 chapter 43, Laws of 1972 ex. sess. and RCW 51.08.175; amending
10 section 14, chapter 289, Laws of 1971 ex. sess. and RCW
11 51.08.178; amending section 51.12.110, chapter 23, Laws of
12 1961 as amended by section 85, chapter 289, Laws of 1971 ex.
13 sess. and RCW 51.12.110; amending section 27, chapter 289,
14 Laws of 1971 ex. sess. as amended by section 16, chapter 43,
15 Laws of 1972 ex. sess. and RCW 51.14.020; amending section 28,
16 chapter 289, Laws of 1971 ex. sess. and RCW 51.14.030;
17 amending section 51.16.110, chapter 23, Laws of 1961 as
18 amended by section 4, chapter 289, Laws of 1971 ex. sess. and
19 RCW 51.16.110; amending section 51.16.120, chapter 23, Laws of
20 1961 as amended by section 13, chapter 43, Laws of 1972 ex.
21 sess. and RCW 51.16.120; amending section 51.32.030, chapter
22 23, Laws of 1961 and RCW 51.32.030; amending section 1,
23 chapter 19, Laws of 1975-'76 2nd ex. sess. and RCW 51.32.073;
24 amending section 12, chapter 289, Laws of 1971 ex. sess. as
25 amended by section 23, chapter 43, Laws of 1972 ex. sess. and
26 RCW 51.32.095; amending section 51.32.110, chapter 23, Laws of
27 1961 as amended by section 13, chapter 289, Laws of 1971 ex.
28 sess. and RCW 51.32.110; amending section 51.32.150, chapter
29 23, Laws of 1961 and RCW 51.32.150; amending section 3,
30 chapter 286, Laws of 1975 1st ex. sess. and RCW 51.32.220;

1 amending section 51.36.030, chapter 23, Laws of 1961 and RCW
2 51.36.030; amending section 51.44.040, chapter 23, Laws of
3 1961 as amended by section 27, chapter 43, Laws of 1972 ex.
4 sess. and RCW 51.44.040; amending section 51.48.020, chapter
5 23, Laws of 1961 as amended by section 63, chapter 289, Laws
6 of 1971 ex. sess. and RCW 51.48.020; amending section
7 51.48.050, chapter 23, Laws of 1961 and RCW 51.48.050;
8 amending section 51.48.070, chapter 23, Laws of 1961 and RCW
9 51.48.070; adding new sections to chapter 23, Laws of 1961 and
10 to chapter 51.04 RCW; adding a new section to chapter 23, Laws
11 of 1961 and to chapter 51.16 RCW; repealing section 51.40.010,
12 chapter 23, Laws of 1961 and RCW 51.40.010; repealing section
13 51.40.020, chapter 23, Laws of 1961, section 1, chapter 36,
14 Laws of 1965, section 2, chapter 80, Laws of 1965 ex. sess.
15 and RCW 51.40.020; repealing section 51.40.030, chapter 23,
16 Laws of 1961 and RCW 51.40.030; repealing section 51.40.040,
17 chapter 23, Laws of 1961, section 29, chapter 106, Laws of
18 1973 and RCW 51.40.040; repealing section 51.40.050, chapter
19 23, Laws of 1961 and RCW 51.40.050; repealing section
20 51.40.060, chapter 23, Laws of 1961 and RCW 51.40.060;
21 repealing section 51.40.070, chapter 23, Laws of 1961 and RCW
22 51.40.070; prescribing an effective date; and declaring an
23 emergency.

24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

25 Section 1. Section 51.04.040, chapter 23, Laws of 1961 and
26 RCW 51.04.040 are each amended to read as follows:

27 The ((superior court)) director shall have power to issue
28 subpoenas to enforce ((by proper proceedings)) the attendance and
29 testimony of witnesses and the production and examination of books,
30 papers, photographs, tapes, and records before the department in
31 connection with any claim made to the department, or the assessment
32 or collection of premiums. The superior court shall have the power
33 to enforce any such subpoena by proper proceedings.

34 Sec. 2. Section 51.04.070, chapter 23, Laws of 1961 and RCW
35 51.04.070 are each amended to read as follows:

36 A minor ((working at an age legally permitted under the laws

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1 of this state)) shall be deemed sui juris for the purpose of this
2 title, and no other person shall have any cause of action or right to
3 compensation for an injury to such minor workman, except as expressly
4 provided in this title, but in the event of ((a lump sum payment))
5 any disability payments becoming due under this title to ((such) a
6 minor workman, ((the management of the sum shall be within the
7 probate jurisdiction of the courts the same as other property of
8 minors and; in the event it is necessary to procure the appointment
9 of a guardian to receive the money to which any minor workman is
10 entitled under the provisions of this title, the director may allow
11 from the accident fund toward the expenses of such guardianship, not
12 to exceed the sum of fifty dollars in any one case: PROVIDED, that
13 in case any such minor is awarded a lump sum payment of not more than
14 seven hundred fifty dollars, the director may make payment direct to
15 such minor without the necessity of the appointment of a guardian))
16 under the age of eighteen, such disability payments shall be paid to
17 his parent, guardian or other person having legal custody of his
18 person until he reaches the age of eighteen. Upon the submission of
19 written authorization by any such parent, guardian, or other person,
20 any such disability payments may be paid directly to such injured
21 workman under the age of eighteen years. If it is necessary to
22 appoint a legal guardian to receive such disability payments, there
23 shall be paid toward the expenses of such guardianship a sum not to
24 exceed three hundred dollars.

25 Sec. 3. Section 15, chapter 289, Laws of 1971 ex. sess. and
26 RCW 51.08.018 are each amended to read as follows:

27 For purposes of this ((1974 amendatory act)) title, the
28 average monthly wage in the state shall be the average annual wage as
29 determined under RCW 50.04.355 as now or hereafter amended divided by
30 twelve.

31 Sec. 4. Section 51.08.030, chapter 23, Laws of 1961 as last
32 amended by section 37, chapter 42, Laws of 1975-76 2nd ex. sess. and
33 RCW 51.08.030 are each amended to read as follows:

34 "Child" means every natural born child, posthumous child,
35 stepchild, child legally adopted prior to the injury, and dependent
36 child in the legal custody and control of the claimant, - all while

1 under the age of eighteen years, or under the age of ((twenty-one))
2 twenty-three years while permanently enrolled at a full time course
3 in an accredited school, and over the age of eighteen years if the
4 child is a dependent invalid child.

5 Sec. 5. Section 88, chapter 289, Laws of 1971 ex. sess. as
6 amended by section 5, chapter 43, Laws of 1972 ex. sess. and RCW
7 51.08.175 are each amended to read as follows:

8 ((Whenever the term)) "state fund" ((is used in the provisions
9 of this 1971 amendatory act; it shall)) means those funds held by the
10 state or any agency thereof for the purposes of this title. The
11 "state of Washington industrial insurance fund" means the department
12 when acting as the agency to insure the industrial insurance
13 obligation of employers. The terms "state fund" and "state of
14 Washington industrial insurance fund" shall be deemed synonymous when
15 applied to the functions of the department connected with the
16 insuring of employers who secure the payment of industrial insurance
17 benefits through the state. The director shall manage the state fund
18 and the state of Washington industrial insurance fund and shall have
19 such powers as are necessary to carry out its functions and may
20 reinsure any risk insured by the state fund.

21 Sec. 6. Section 14, chapter 289, Laws of 1971 ex. sess. and
22 RCW 51.08.178 are each amended to read as follows:

23 (1) For the purposes of this title, the monthly wages the
24 workman was receiving from all employment at the time of injury shall
25 be the basis upon which compensation is computed unless otherwise
26 provided specifically in the statute concerned. In cases where the
27 workman's wages are not fixed by the month, they shall be determined
28 by multiplying the daily wage the workman was receiving at the time
29 of the injury:

30 (a) By five, if the workman was normally employed one day a
31 week;

32 (b) By nine, if the workman was normally employed two days a
33 week;

34 (c) By thirteen, if the workman was normally employed three
35 days a week;

36 (d) By eighteen, if the workman was normally employed four

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1 days a week;
2 (e) By twenty-two, if the workman was normally employed five
3 days a week;
4 (f) By twenty-six, if the workman was normally employed six
5 days a week;
6 (g) By thirty, if the workman was normally employed seven days
7 a week.
8 The term "wages" shall include the reasonable value of board,
9 housing, fuel, or other consideration of like nature received from
10 the employer, but shall not include overtime pay, tips, or
11 gratuities. The daily wage shall be ((eight times)) the hourly wage
12 ((unless)) multiplied by the number of hours the workman is normally
13 employed ((for less than eight hours)).
14 (2) In cases where a wage has not been fixed or cannot be
15 ((reasonable)) reasonably and fairly ((be)) determined, the monthly
16 wage shall be computed on the basis of the usual wage paid other
17 employees engaged in like or similar occupations where the wages are
18 fixed.
19 Sec. 7. Section 51.12.110, chapter 23, Laws of 1961 as
20 amended by section 85, chapter 289, Laws of 1971 ex. Sess. and RCW
21 51.12.110 are each amended to read as follows:
22 Any employer who has in his employment any exempt person may
23 file notice in writing with the director of his election to be
24 subject to this title, and shall forthwith display in a conspicuous
25 manner about his works and in a sufficient number of places to
26 reasonably inform his workmen of the fact, printed notices furnished
27 by the department stating that he has so elected and stating when
28 said election ((with)) shall become effective upon the filing of said
29 notice in writing. Any workman in the employ of such applicant shall
30 be entitled at any time within five days after the posting of said
31 notice by his employer, or within five days after he has been
32 employed by an employer who has elected to become subject to this
33 title as herein provided, to give a written notice to such employer
34 and to the department of his election not to become subject to this
35 title. ((At the expiration of the time fixed by the notice of the
36 employer,)) The employer and such of his workmen as shall not have

1 given such written notice of their election to the contrary shall be
2 subject to all the provisions of this title and entitled to all of
3 the benefits thereof. PROVIDED, That those who have heretofore
4 complied with the foregoing conditions and are carried and considered
5 by the department as within the purview of this title shall be deemed
6 and considered as having fully complied with its terms and shall be
7 continued by the department as entitled to all of the benefits and
8 subject to all of the liabilities without other or further action.
9 Any employer who has complied with this section may withdraw his
10 acceptance of liability under this title by filing written notice
11 with the director of the withdrawal of his acceptance. Such
12 withdrawal shall become effective thirty days after the filing of
13 such notice or on the date of the termination of the security for
14 payment of compensation, whichever last occurs. The employer shall,
15 at least thirty days before the effective date of the withdrawal,
16 post reasonable notice of such withdrawal where the affected workmen
17 or workmen work and shall otherwise notify personally the affected
18 workmen. Withdrawal of acceptance of this title shall not affect the
19 liability of the department or self-insurer for compensation for any
20 injury occurring during the period of acceptance.

21 Sec. 8. Section 27, chapter 289, Laws of 1971 ex. sess. as
22 amended by section 16, chapter 43, Laws of 1972 ex. sess. and RCW
23 51.14.020 are each amended to read as follows:

24 (1) An employer may qualify as a self-insurer by establishing
25 to the director's satisfaction that he has sufficient financial
26 ability to make certain the prompt payment of all compensation under
27 this title and all assessments which may become due from such
28 employer. Each application for certification as a self-insurer
29 submitted by an employer shall be accompanied by payment of a fee of
30 one hundred fifty dollars or such larger sum as the director shall
31 find necessary for the administrative costs of evaluation of the
32 applicant's qualifications. Any employer who has formerly been
33 certified as a self-insurer and thereafter ceases to be so certified
34 may not apply for certification within three years of ceasing to have
35 been so certified.

36 (2) An applicant for certification as a self-insurer may

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1 ((establish sufficient)) be required by the director to supplement
2 existing financial ability by depositing in an escrow account in a
3 depository designated by the director, money and/or corporate or
4 governmental securities approved by the director, or a surety bond
5 written by any company admitted to transact surety business in this
6 state filed with the department. The money, securities, or bond
7 shall be in an amount reasonably sufficient in the director's
8 discretion to insure payment of reasonably foreseeable compensation,
9 and assessments but not less than the employer's normal expected
10 annual claim liabilities and in no event less than one hundred
11 thousand dollars. In arriving at the amount of money, securities, or
12 bond required under this subsection, the director shall take into
13 consideration the financial ability of the employer to pay
14 compensation and assessments and his probable continuity of
15 operation. The money, securities, or bond so deposited shall be held
16 by the director to secure the payment of compensation by the self-
17 insurer and to secure payment of his assessments. The amount of
18 security may be increased or decreased from time to time by the
19 director. The income from any securities deposited may be
20 distributed currently to the self-insurer.

21 (3) Securities or money deposited by an employer pursuant to
22 subsection (2) of this section shall be returned to him upon his
23 written request provided the employer files the bond required by such
24 subsection.

25 (4) If the employer seeking to qualify as a self-insurer has
26 previously insured with the state fund, the director shall require
27 the employer to make up his proper share of any deficit or
28 insufficiency in the state fund as a condition to certification as a
29 self-insurer.

30 (5) A self-insurer may reinsure a portion of his liability
31 under this title with any reinsurer authorized to transact such
32 reinsurance in this state: PROVIDED, That the reinsurer may not
33 participate in the administration of the responsibilities of the
34 self-insurer under this title. Such reinsurance may not exceed
35 eighty percent of the liabilities under this title.

36 Sec. 9. Section 28, chapter 289, Laws of 1971 ex. sess. and

1. RCW 51.14.030 are each amended to read as follows:

2. The director may issue a certification that an employer is
3 qualified as a self-insurer when such employer meets the following
4 requirements:

5 (1) He has fulfilled the requirements of RCW 51.14.020.

6 (2) He has submitted to the department a payroll report for
7 the preceding consecutive twelve month period.

8 (3) He has submitted to the department a sworn itemized
9 statement ((indicating)) accompanied by an independent audit of the
10 employer's books demonstrating to the director's satisfaction that
11 the employer has sufficient liquid assets to meet his estimated
12 liabilities as a self-insurer.

13 (4) He has ((submitted)) demonstrated to the department ((a
14 description)) the existence of the safety organization maintained by
15 him within his establishment that indicates a satisfactory record of
16 accident prevention.

17 (5) He has submitted to the department a description of the
18 administrative organization to be maintained by him to manage
19 industrial insurance matters including:

20 (a) The reporting of injuries;

21 (b) The authorization of medical care;

22 (c) The payment of compensation;

23 (d) The handling of claims for compensation;

24 (e) The name and location of each business location of the
25 employer; and

26 (f) The qualifications of the personnel of the employer to
27 perform this service.

28 Such certification shall remain in effect until withdrawn by
29 the director or surrendered by the employer with the approval of the
30 director. An employer's qualification as a self-insurer shall become
31 effective on the date of certification or any date specified in the
32 certificate after the date of certification.

33 Sec. 10. Section 51.16.110, chapter 23, Laws of 1961 as
34 amended by section 4, chapter 289, Laws of 1971 ex. sess. and RCW
35 51.16.110 are each amended to read as follows:

36 Every employer who shall enter into any business, or who shall

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1 resume operations in any work or plant after the final adjustment of
2 his payroll in connection therewith, or who was formerly a self-
3 insurer and wishes to continue his operations subject to this title,
4 shall, before so commencing or resuming or continuing operations, as
5 the case may be, notify the ((director)) department of such fact,
6 accompanying such notification with a cash deposit in a sum equal to
7 the estimated premiums for the first three full calendar months of
8 his proposed operations which shall remain on deposit subject to the
9 other provisions of this section.

10 The ((director)) department may, in ((his)) its discretion and
11 in lieu of such deposit, accept a bond, in an amount which ((he)) it
12 deems sufficient, to secure payment of premiums due or to become due
13 to the accident fund and medical aid fund. The deposit or posting of
14 a bond shall not relieve the employer from paying premiums
15 subsequently due.

16 Should the employer acquire sufficient assets to assure the
17 payment of premiums due to the accident fund and the medical aid fund
18 the ((director)) department may, in ((his)) its discretion, refund
19 the deposit or cancel the bond.

20 If the employer ceases to be an employer under ((REV
21 54-98-870)) this title, the ((director)) department shall, upon
22 receipt of all payments due the accident fund and medical aid fund,
23 or any other fund under this title, refund to the employer all
24 deposits remaining to the employer's credit and shall cancel any bond
25 given under this section.

26 Sec. 11. Section 51.16.120, chapter 23, Laws of 1961 as
27 amended by section 13, chapter 43, Laws of 1972 ex. sess. and RCW
28 51.16.120 are each amended to read as follows:

29 (1) Whenever a workman has ((sustained)) a previous bodily
30 ((infirmary or)) disability from any ((previous injury or disease))
31 cause whatsoever and shall suffer a further disability from injury or
32 occupational disease in employment covered by this title and become
33 totally and permanently disabled from the combined effects thereof or
34 die when death was substantially accelerated by the combined effects
35 thereof, then the experience record of ((the)) an employer insured
36 with the state fund at the time of said further injury or disease

1 shall be charged and a self-insured employer shall pay directly into
2 the reserve fund only ((with)) the accident cost which would have
3 resulted solely from said further injury or disease, had there been
4 no preexisting disability, and which accident cost shall be based
5 upon an evaluation of the disability by medical experts. The
6 difference between the charge thus assessed to ((the)) such employer
7 at the time of said further injury or disease and the total cost of
8 the pension reserve shall be assessed against the second injury fund.
9 The department shall pass upon the application of this section in all
10 cases where benefits are paid for total permanent disability or death
11 and issue an order thereon appealable by the employer. Pending
12 outcome of such appeal the transfer or payment shall be made as
13 required by such order.

14 (2) The department may, in cases of claims of workmen
15 sustaining injuries or occupational diseases in the employ of state
16 fund employers, recalculate the experience record of such employers
17 when the claims of workmen injured in their employ have been found to
18 qualify for payments from the second injury fund after the regular
19 time for computation of such experience records and the department
20 may make appropriate adjustments in such cases including cash refund
21 or credits to such employers.

22 (3) To encourage employment of injured workmen who are not
23 reemployed by the employer at the time of injury, the department may
24 adopt rules providing for the reduction or elimination of premiums or
25 assessments from subsequent employers of such workmen, and may also
26 adopt rules for the reduction or elimination of charges against such
27 employers in the event of further injury to such workmen in their
28 employ.

29 Sec. 12. Section 51.32.030, chapter 23, Laws of 1961 and RCW
30 51.32.030 are each amended to read as follows:

31 Any ((individual employer or any member or officer of any
32 corporate employer who is carried upon the payroll at a salary or
33 wage not less than the average salary or wage ased in such payroll))
34 sole proprietor, partner, or joint venturer who has requested
35 coverage under this title and who shall thereafter be injured or
36 sustain an occupational disease, shall be entitled to the benefit of

1 this title, as and under the same circumstances and subject to the
2 same obligations as a workman: PROVIDED, That no such ((employer))
3 person or the beneficiaries ((of such employer)) thereof shall be
4 entitled to benefits under this title unless the ((director, prior to
5 the date of the injury)) department has received notice in writing
6 ((of the fact that such employer is being carried upon the payroll))
7 of such request on such forms as the department may provide prior to
8 the date of the injury or occupational disease as the result of which
9 claims ((for a compensation)) are made; PROVIDED, That the
10 department shall have the power to cancel the personal coverage of
11 any such person if any required payments or reports have not been
12 made.

13 Sec. 13. Section 1, chapter 19, Laws of 1975-'76 2nd ex.
14 sess. and RCW 51.32.073 are each amended to read as follows:

15 Each employer shall retain from the earnings of each workman
16 that amount as shall be fixed from time to time by the director, the
17 basis for measuring said amount to be determined by the director.
18 The money so retained shall be matched in an equal amount by each
19 employer, and all such moneys shall be remitted to the department in
20 such manner and at such intervals as the department directs and shall
21 be placed in the supplemental pension fund: PROVIDED, That the state
22 apprenticeship council shall pay the entire amount into the
23 supplemental pension fund for registered apprentices or trainees
24 during their participation in supplemental and related instruction
25 classes. The moneys so collected shall be used exclusively for the
26 additional payments from the supplemental pension fund prescribed in
27 this title and for the amount of any increase payable under the
28 provisions of RCW 51.32.075 and shall be no more than necessary to
29 make such payments on a current basis. The department may require a
30 self-insurer to make any additional payments which are payable from
31 the supplemental pension fund and thereafter such self-insurer shall
32 be reimbursed therefrom.

33 Sec. 14. Section 12, chapter 289, Laws of 1971 ex. sess. as
34 amended by section 23, chapter 43, Laws of 1972 ex. sess. and RCW
35 51.32.095 are each amended to read as follows:

36 One of the primary purposes of this title is the restoration

1 of the injured workman to gainful employment. To this end, the
2 department shall utilize the services of individuals whose
3 experience, training, and interests in vocational rehabilitation and
4 retraining qualify them to lend expert assistance to the supervisor
5 of industrial insurance in such programs of vocational rehabilitation
6 or retraining as may be reasonable to qualify the workman for
7 employment consistent with his physical and mental status. Where,
8 after evaluation and recommendation by such individuals and prior to
9 final evaluation of the workman's permanent disability and in the
10 sole opinion of the supervisor, vocational rehabilitation or
11 retraining is both necessary and likely to restore the injured
12 workman to a form of gainful employment, the supervisor may, in his
13 sole discretion, pay or, if the employer is a self-insurer, direct
14 the self-insurer to pay the cost of books, tuition, fees, supplies,
15 equipment, and transportation for any such workman in an amount not
16 to exceed one thousand five hundred dollars in any calendar year, and
17 continue the temporary total disability compensation under RCW
18 51.32.090 while the workman is actively and successfully undergoing a
19 formal program of vocational rehabilitation or retraining: PROVIDED,
20 That such compensation or payment of such vocational rehabilitation
21 or retraining expenses may not be authorized for a period of more
22 than fifty-two weeks: PROVIDED FURTHER, That such period may, in the
23 sole discretion of the supervisor after his review, be extended for
24 an additional fifty-two weeks or portion thereof by written order of
25 the supervisor.

26 In cases where the workman is required to reside away from his
27 customary residence, the reasonable cost of board and lodging shall
28 also be paid. Said costs shall be chargeable to the employer's cost
29 experience or shall be paid by the self-insurer ((for workmen to whom
30 he is liable for compensation and benefits under the provisions of
31 this title)) as the case may be.

32 Sec. 15. Section 51.32.110, chapter 23, Laws of 1961 as
33 amended by section 13, chapter 289, Laws of 1971 ex. sess. and RCW
34 51.32.110 are each amended to read as follows:

35 Any workman entitled to receive ((compensation)) any benefits
36 or claiming ((compensation)) such under this title shall, if

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1 requested by the department or self-insurer, submit himself for
2 medical examination, at a time and from time to time, at a place
3 reasonably convenient for the workman and as may be provided by the
4 rules of the department. If the workman refuses to submit to medical
5 examination, or obstructs the same, or, if any injured workman shall
6 persist in unsanitary or injurious practices which tend to imperil or
7 retard his recovery, or shall refuse to submit to such medical or
8 surgical treatment as is reasonably essential to his recovery or
9 refuse or obstruct evaluation or examination for the purpose of
10 vocational rehabilitation or does not cooperate in reasonable efforts
11 at such rehabilitation, the department or the self-insurer upon
12 approval by the department, with notice to the workman may ((reduce
13 or)) suspend ((the compensation)) any further action on any claim of
14 such workman so long as such refusal, obstruction, noncooperation, or
15 practice continues and reduce, suspend, or deny any compensation for
16 such period. If the workman necessarily incurs traveling expenses in
17 attending for examination pursuant to the request of the department,
18 such traveling expenses shall be repaid to him out of the accident
19 fund upon proper voucher and audit or shall be repaid by the self-
20 insurer, as the case may be.

21 If the medical examination required by this section causes the
22 workman to be absent from his work without pay he shall be paid for
23 such time lost in accordance with the schedule of payments provided
24 in RCW 51.32.090 as amended.

25 Sec. 16. Section 51.32.150, chapter 23, Laws of 1961 and RCW
26 51.32.150 are each amended to read as follows:

27 If a beneficiary shall reside or remove out of the state, the
28 department may, with the written consent of the beneficiary, convert
29 any monthly payments provided for such cases into a lump sum payment
30 (not in any case to exceed the value of the annuity then remaining,
31 to be fixed and certified by the state insurance commissioner, but in
32 no case to exceed the sum ((of eighty-five hundred dollars)) provided
33 in RCW 51.32.130 as now or hereafter amended).

34 Sec. 17. Section 3, chapter 286, Laws of 1975 1st ex. sess.
35 and RCW 51.32.220 are each amended to read as follows:

36 For persons under the age of sixty-two receiving compensation

1 for temporary or permanent total disability pursuant to the
2 provisions of chapter 51.32 RCW, such compensation shall be reduced
3 by an amount equal to the benefits payable under the federal old-age,
4 survivors and disability insurance act as now or hereafter amended
5 not to exceed the amount of the reduction established pursuant to 42
6 USC 424a. However, such reduction shall not apply when the combined
7 compensation provided pursuant to chapter 51.32 RCW and the federal
8 old-age, survivors and disability insurance act is less than the
9 total benefits to which the federal reduction would apply, pursuant
10 to 42 USC 424a. Where any person described in this section refuses
11 to authorize the release of information concerning the amount of
12 benefits payable under said federal act the department's estimate of
13 said amount shall be deemed to be correct unless and until the actual
14 amount is established and no adjustment shall be made for any period
15 of time covered by any such refusal.

16 Sec. 18. Section 51.36.030, chapter 23, Laws of 1961 and RCW
17 51.36.030 are each amended to read as follows:

18 Every employer, who employs ((less than fifty)) workmen, shall
19 keep ((at his plant)) as required by the department's rules a first
20 aid kit or kits equipped as required by ((the department)) such rules
21 with materials for first aid to his injured workmen. Every employer
22 who employs ((within a radius of one-half mile of any plant or
23 establishment)) fifty or more workmen, shall keep one first aid
24 station equipped as required by the department's rules with materials
25 for first aid to his injured workmen, and shall cooperate with the
26 department in training one or more employees in first aid to the
27 injured. The maintenance of such first aid kits and stations shall
28 be deemed to be a part of any ((educational)) safety and health
29 standards established under Title 49 RCW.

30 Sec. 19. Section 51.44.040, chapter 23, Laws of 1961 as
31 amended by section 27, chapter 43, Laws of 1972 ex. sess. and RCW
32 51.44.040 are each amended to read as follows:

33 (1) There shall be in the office of the state treasurer, a
34 fund to be known and designated as the "second injury fund", which
35 shall be used only for the purpose of defraying charges against it as
36 provided in RCW 51.16.120 as now or hereafter amended. Said fund

1 shall be administered by the director. The state treasurer shall be
2 the custodian of the second injury fund and shall be authorized to
3 disburse moneys from it only upon written order of the director.

4 (2) Payments to the second injury fund from the accident fund
5 shall be made pursuant to rules and regulations promulgated by the
6 director.

7 (3) Assessments for the second injury fund shall be imposed
8 on self-insurers pursuant to rules and regulations promulgated by the
9 director to ensure that self-insurers shall pay to such fund in the
10 proportion that the payments made from such fund on account of claims
11 made against self-insurers bears to the total sum of payments from
12 such fund.

13 Sec. 20. Section 51.48.020, chapter 23, Laws of 1961 as
14 amended by section 63, chapter 289, Laws of 1971 ex. sess. and RCW
15 51.48.020 are each amended to read as follows:

16 (1) Any employer, who misrepresents to the department the
17 amount of his payroll upon which the premium under this title is
18 based, shall be liable to the state in ten times the amount of the
19 difference in premiums paid and the amount the employer should have
20 paid and for the reasonable expenses of auditing his books and
21 collecting such sums. Such liability may be enforced in the name of
22 the department. Such an employer shall also be guilty of a
23 ~~((misdemeanor))~~ felony if such misrepresentations are made knowingly,
24 if the amount of the difference in premiums is five hundred dollars
25 or more and shall be guilty of a gross misdemeanor if such amount is
26 less than five hundred dollars.

27 (2) Any person claiming benefits under this title, who
28 knowingly gives false information required in any claim or
29 application under this title shall be guilty of a felony when such
30 claim or application involves an amount of five hundred dollars or
31 more. When such claim or application involves an amount less than
32 five hundred dollars, the person giving such information shall be
33 guilty of a gross misdemeanor.

34 Sec. 21. Section 51.48.050, chapter 23, Laws of 1961 and RCW
35 51.48.050 are each amended to read as follows:

36 It shall be unlawful for any employer to directly or

1 indirectly demand or collect from any of his workmen any sum of money
2 whatsoever for or on account of medical, surgical, hospital, or other
3 treatment or transportation of injured workmen, other than as
4 specified in RCW 51.16.140 ((and 51.46:040)), and any employer who
5 directly or indirectly violates the foregoing provisions of this
6 section shall be liable to the state for the benefit of the medical
7 aid fund in ten times the amount so demanded or collected, and such
8 employer and every officer, agent, or servant of such employer
9 knowingly participating therein shall also be guilty of a
10 misdemeanor.

11 Sec. 22. Section 51.48.070, chapter 23, Laws of 1961 and RCW
12 51.48.070 are each amended to read as follows:

13 If any workman is injured because of the absence of any
14 safeguard or protection required to be provided or maintained by, or
15 pursuant to, any statute or ordinance, or any departmental regulation
16 under any statute, or is, at the time of the injury, of less than the
17 maximum age prescribed by law for the employment of a minor in the
18 occupation in which he is engaged when injured, or when a minor is
19 injured when engaged in work not authorized by any required work
20 permit issued for his employment or where no such permit has been
21 issued, the employer shall, within ten days after the demand therefor
22 by the department, pay into the ((accident)) supplemental pension
23 fund in addition to all other payments required by law:

24 (1) In case ((the)) any consequent payment ((to the workman
25 out of the accident fund)) is ((a lump sum)) for any permanent
26 partial disability or temporary disability, a sum equal to fifty
27 percent of ((that)) the amount so paid.

28 (2) In case ((the)) any consequent payment ((to the workman))
29 is payable in monthly payments or otherwise for permanent total
30 disability or death, a sum equal to fifty percent of the lump value
31 of such monthly payment, estimated in accordance with the rule stated
32 in RCW 51.32.130.

33 The foregoing provisions shall not apply to the employer if
34 the absence of such guard or protection is due to the removal thereof
35 by the injured workman himself or with his knowledge by any of his
36 fellow workmen, unless such removal is by order or direction of the

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1 employer or superintendent or foreman of the employer, or anyone
2 placed by the employer in control or direction of such workman. If
3 the removal of such guard or protection is by the workman himself or
4 with his consent by any of his fellow workmen, unless by order or
5 direction of the employer or the superintendent or foreman of the
6 employer, or anyone placed by the employer in control or direction of
7 such workman, the schedule of compensation provided in chapter 51.32
8 RCW shall be reduced ten percent for the individual case of such
9 workman.

10 NEW SECTION. Sec. 23. There is added to chapter 23, Laws of
11 1961 and to chapter 51.04 RCW a new section to read as follows:

12 The obligations of all medical aid contracts approved by the
13 supervisor prior to the repeal of any section of this title
14 pertaining to medical aid contracts shall continue until the
15 expiration of such contracts notwithstanding any such repeal and all
16 provisions of this title pertaining to the operation of medical aid
17 contracts and the control and supervision of such contracts which
18 were in effect at the time of such approval shall, notwithstanding
19 any other provision of law, remain in full force and effect.

20 NEW SECTION. Sec. 24. There is added to chapter 23, Laws of
21 1961 and to chapter 51.04 RCW a new section to read as follows:

22 The department may, at any time, on receipt of written
23 authorization, transmit amounts payable to a claimant, beneficiary,
24 or any supplier of goods or services to the account of such person in
25 a bank or other financial institution regulated by state or federal
26 authority.

27 NEW SECTION. Sec. 25. There is added to chapter 23, Laws of
28 1961 and to chapter 51.16 RCW a new section to read as follows:

29 (1) Any action, other than in cases of fraud, to collect any
30 delinquent premium, assessment, contribution, penalty, or other sum
31 due to the department from any employer subject to this title shall
32 be brought within three years of the date any such sum became due.

33 (2) Any claim by an employer for adjustment, recomputation,
34 or alteration of any premium, assessment, contribution, penalty, or
35 other sum thereto collected or claimed by the department shall be
36 deemed waived if not made in writing to the supervisor of industrial

1 insurance within three years of the date any such sum became due.

2 NEW SECTION. Sec. 26. The following acts or parts of acts
3 are each repealed:

4 (1) Section 51.40.010, chapter 23, Laws of 1961 and RCW
5 51.40.010;

6 (2) Section 51.40.020, chapter 23, Laws of 1961, section 1,
7 chapter 36, Laws of 1965, section 2, chapter 80, Laws of 1965 ex.
8 sess. and RCW 51.40.020;

9 (3) Section 51.40.030, chapter 23, Laws of 1961 and RCW
10 51.40.030;

11 (4) Section 51.40.040, chapter 23, Laws of 1961, section 29,
12 chapter 106, Laws of 1973 and RCW 51.40.040;

13 (5) Section 51.40.050, chapter 23, Laws of 1961 and RCW
14 51.40.050;

15 (6) Section 51.40.060, chapter 23, Laws of 1961 and RCW
16 51.40.060; and

17 (7) Section 51.40.070, chapter 23, Laws of 1961 and RCW
18 51.40.070.

19 NEW SECTION. Sec. 27. If any provision of this 1977
20 amendatory act, or its application to any person or circumstance is
21 held invalid, the remainder of the act, or the application of the
22 provision to other persons or circumstances is not affected.

23 NEW SECTION. Sec. 28. This 1977 amendatory act is necessary
24 for the immediate preservation of the public peace, health, and
25 safety, the support of the state government and its existing public
26 institutions, and shall take effect on July 1, 1977.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 604

State of Washington
45th Legislature
1st Extraordinary Session

by Committee on LABOR (originally sponsored
by Representatives Lux, Pearsall, Fischer
and Pruitt) (by Department of Labor and
Industries request)

Read first time March 23, 1977, and passed to second reading.

1 AN ACT Relating to industrial insurance; amending section 51.04.040,
2 chapter 23, Laws of 1961 and RCW 51.04.040; amending section
3 51.04.070, chapter 23, Laws of 1961 and RCW 51.04.070;
4 amending section 15, chapter 289, Laws of 1971 ex. sess. and
5 RCW 51.08.018; amending section 51.08.030, chapter 23, Laws of
6 1961 as last amended by section 37, chapter 42, Laws of 1975-
7 '76 2nd ex. sess. and RCW 51.08.030; amending section 88,
8 chapter 289, Laws of 1971 ex. sess. as amended by section 5,
9 chapter 43, Laws of 1972 ex. sess. and RCW 51.08.175; amending
10 section 14, chapter 289, Laws of 1971 ex. sess. and RCW
11 51.08.178; amending section 51.12.110, chapter 23, Laws of
12 1961 as amended by section 85, chapter 289, Laws of 1971 ex.
13 sess. and RCW 51.12.110; amending section 27, chapter 289,
14 Laws of 1971 ex. sess. as amended by section 16, chapter 43,
15 Laws of 1972 ex. sess. and RCW 51.14.020; amending section 28,
16 chapter 289, Laws of 1971 ex. sess. and RCW 51.14.030;
17 amending section 51.16.060, chapter 23, Laws of 1961, as
18 amended by section 1, chapter 32, Laws of 1973 1st ex. sess.
19 and RCW 51.16.060; amending section 51.16.110, chapter 23,
20 Laws of 1961 as amended by section 4, chapter 289, Laws of
21 1971 ex. sess. and RCW 51.16.110; amending section 51.16.120,
22 chapter 23, Laws of 1961 as amended by section 13, chapter 43,
23 Laws of 1972 ex. sess. and RCW 51.16.120; amending section
24 51.32.030, chapter 23, Laws of 1961 and RCW 51.32.030;
25 amending section 1, chapter 19, Laws of 1975-'76 2nd ex. sess.
26 and RCW 51.32.073; amending section 12, chapter 289, Laws of
27 1971 ex. sess. as amended by section 23, chapter 43, Laws of
28 1972 ex. sess. and RCW 51.32.095; amending section 51.32.110,
29 chapter 23, Laws of 1961 as amended by section 13, chapter
30 289, Laws of 1971 ex. sess. and RCW 51.32.110; amending

Amendment to Engrossed Substitute House Bill No. 604
By Senators Keefer, Morrison and Donohue

Original Title: Motor Vehicle Safety Recall
Amendment to Engrossed Substitute House Bill No. 604
By Senators Keefer, Morrison and Donohue

JUN 19 1977 ADOPTED

1 section 51.32.150, chapter 23, Laws of 1961 and RCW 51.32.150;
2 amending section 3, chapter 286, Laws of 1975 1st ex. sess.
3 and RCW 51.32.220; amending section 51.36.030, chapter 23,
4 Laws of 1961 and RCW 51.36.030; amending section 51.44.040,
5 chapter 23, Laws of 1961 as amended by section 27, chapter 43,
6 Laws of 1972 ex. sess. and RCW 51.44.040; amending section
7 51.48.020, chapter 23, Laws of 1961 as amended by section 63,
8 chapter 289, Laws of 1971 ex. sess. and RCW 51.48.020;
9 amending section 51.48.050, chapter 23, Laws of 1961 and RCW
10 51.48.050; amending section 51.48.070, chapter 23, Laws of
11 1961 and RCW 51.48.070; adding new sections to chapter 23,
12 Laws of 1961 and to chapter 51.04 RCW; adding a new section to
13 chapter 23, Laws of 1961 and to chapter 51.16 RCW; repealing
14 section 51.40.010, chapter 23, Laws of 1961 and RCW 51.40.010;
15 repealing section 51.40.020, chapter 23, Laws of 1961, section
16 1, chapter 36, Laws of 1965, section 2, chapter 80, Laws of
17 1965 ex. sess. and RCW 51.40.020; repealing section 51.40.030,
18 chapter 23, Laws of 1961 and RCW 51.40.030; repealing section
19 51.40.040, chapter 23, Laws of 1961, section 29, chapter 106,
20 Laws of 1973 and RCW 51.40.040; repealing section 51.40.050,
21 chapter 23, Laws of 1961 and RCW 51.40.050; repealing section
22 51.40.060, chapter 23, Laws of 1961 and RCW 51.40.060;
23 repealing section 51.40.070, chapter 23, Laws of 1961 and RCW
24 51.40.070; defining crimes; prescribing penalties; prescribing
25 an effective date; and declaring an emergency.

26 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

27 Section 1. Section 51.04.040, chapter 23, Laws of 1961 and
28 RCW 51.04.040 are each amended to read as follows:

29 The ((superior court)) director shall have power to issue
30 subpoenas to enforce ((by proper proceedings)) the attendance and
31 testimony of witnesses and the production and examination of books,
32 papers, photographs, tapes, and records before the department in
33 connection with any claim made to the department, or the assessment
34 or collection of premiums. The superior court shall have the power
35 to enforce any such subpoena by proper proceedings.

36 Sec. 2. Section 51.04.070, chapter 23, Laws of 1961 and RCW

1 51.04.070 are each amended to read as follows:

2 A minor ((working at an age legally permitted under the laws
3 of this state)) shall be deemed sui juris for the purpose of this
4 title, and no other person shall have any cause of action or right to
5 compensation for an injury to such minor ((workman)) worker, except
6 as expressly provided in this title, but in the event of ((a lump sum
7 payment)) any disability payments becoming due under this title to
8 ((such)) a minor ((workman)) worker, ((the management of the sum
9 shall be within the probate jurisdiction of the courts the same as
10 other property of minors and; in the event it is necessary to procure
11 the appointment of a guardian to receive the money to which any minor
12 workman is entitled under the provisions of this title; the director
13 may allow from the accident fund toward the expenses of such
14 guardianship; not to exceed the sum of fifty dollars in any one case;
15 ~~PROVIDED~~; That in case any such minor is awarded a lump sum payment
16 of not more than seven hundred fifty dollars; the director may make
17 payment direct to such minor without the necessity of the appointment
18 of a guardian)) under the age of eighteen, such disability payments
19 shall be paid to his or her parent, guardian or other person having
20 legal custody of his or her person until he or she reaches the age of
21 eighteen. Upon the submission of written authorization by any such
22 parent, guardian, or other person, any such disability payments may
23 be paid directly to such injured worker under the age of eighteen
24 years. If it is necessary to appoint a legal guardian to receive
25 such disability payments, there shall be paid from the accident fund
26 or by the self-insurer, as the case may be, toward the expenses of
27 such guardianship a sum not to exceed three hundred dollars.

28 Sec. 3. Section 15, chapter 289, Laws of 1971 ex. sess. and
29 RCW 51.08.018 are each amended to read as follows:

30 For purposes of this ((1974 amendatory act)) title, the
31 average monthly wage in the state shall be the average annual wage as
32 determined under RCW 50.04.355 as now or hereafter amended divided by
33 twelve.

34 Sec. 4. Section 51.08.030, chapter 23, Laws of 1961, as last
35 amended by section 37, chapter 42, Laws of 1975-'76 2nd ex. sess. and
36 RCW 51.08.030 are each amended to read as follows:

1 "Child" means every natural born child, posthumous child,
2 stepchild, child legally adopted prior to the injury, and dependent
3 child in the legal custody and control of the ((claimant)) worker,
4 all while under the age of eighteen years, or under the age of
5 ((twenty-one)) twenty-three years while permanently enrolled at a
6 full time course in an accredited school, and over the age of
7 eighteen years if the child is a dependent invalid child.

8 Sec. 5. Section 88, chapter 289, Laws of 1971 ex. sess. as
9 amended by section 5, chapter 43, Laws of 1972 ex. sess. and RCW
10 51.08.175 are each amended to read as follows:

11 ((Whenever the term)) "state fund" ((is used in the provisions
12 of this 1974 amendatory act, it shall)) means those funds held by the
13 state or any agency thereof for the purposes of this title. The
14 state of Washington industrial insurance fund means the department
15 when acting as the agency to insure the industrial insurance
16 obligation of employers. The terms "state fund" and "state of
17 washington industrial insurance fund" shall be deemed synonymous when
18 applied to the functions of the department connected with the
19 insuring of employers who secure the payment of industrial insurance
20 benefits through the state. The director shall manage the state fund
21 and the state of Washington industrial insurance fund and shall have
22 such powers as are necessary to carry out its functions and may
23 reinsure any risk insured by the state fund.

24 Sec. 6. Section 14, chapter 289, Laws of 1971 ex. sess. and
25 RCW 51.08.178 are each amended to read as follows:

26 (1) For the purposes of this title, the monthly wages the
27 ((workman)) worker was receiving from all employment at the time of
28 injury shall be the basis upon which compensation is computed unless
29 otherwise provided specifically in the statute concerned. In cases
30 where the ((workman's)) worker's wages are not fixed by the month,
31 they shall be determined by multiplying the daily wage the
32 ((workman)) worker was receiving at the time of the injury:

33 (a) By five, if the ((workman)) worker was normally employed
34 one day a week;

35 (b) By nine, if the ((workman)) worker was normally employed
36 two days a week;

1 (c) By thirteen, if the ((workman)) worker was normally
2 employed three days a week;

3 (d) By eighteen, if the ((workman)) worker was normally
4 employed four days a week;

5 (e) By twenty-two, if the ((workman)) worker was normally
6 employed five days a week;

7 (f) By twenty-six, if the worker was normally employed six
8 days a week;

9 (g) By thirty, if the ((workman)) worker was normally employed
10 seven days a week.

11 The term "wages" shall include the reasonable value of board,
12 housing, fuel, or other consideration of like nature received from
13 the employer, but shall not include overtime pay, tips, or
14 gratuities. The daily wage shall be ((eight times)) the hourly wage
15 ((unless)) multiplied by the number of hours the ((workman)) worker
16 is normally employed ((for less than eight hours)).

17 (2) In cases where a wage has not been fixed or cannot be
18 ((reasonable)) reasonably and fairly ((he)) determined, the monthly
19 wage shall be computed on the basis of the usual wage paid other
20 employees engaged in like or similar occupations where the wages are
21 fixed.

22 Sec. 7. Section 51.12.110, chapter 23, Laws of 1961 as
23 amended by section 85, chapter 289, Laws of 1971 ex. sess. and RCW
24 51.12.110 are each amended to read as follows:

25 Any employer who has in his or her employment any exempt
26 person may file notice in writing with the director of his or her
27 election to be subject to this title, and shall forthwith display in
28 a conspicuous manner about his or her works and in a sufficient
29 number of places to reasonably inform his ((workman)) or her workers
30 of the fact, printed notices furnished by the department stating that
31 he or she has so elected ((and stating when)), Said election
32 ((will)) shall become effective upon the filing of said notice in
33 writing. Any ((workman)) worker in the employ of such applicant
34 shall be entitled at any time within five days after the posting of
35 said notice by his or her employer, or within five days after he or
36 she has been employed by an employer who has elected to become

1. subject to this title as herein provided, to give a written notice to
2 such employer and to the department of his or her election not to
3 become subject to this title. ((At the expiration of the time fixed
4 by the notice of the employer;)) The employer and such of his
5 ((workmen)) or her workers as shall not have given such writtea
6 notice of their election to the contrary shall be subject to all the
7 provisions of this title and entitled to all of the benefits thereof:
8 PROVIDED, That those who have heretofore complied with the foregoing
9 conditions and are carried and considered by the department as within
10 the purview of this title shall be deemed and considered as having
11 fully complied with its terms and shall be continued by the
12 department as entitled to all of the benefits and subject to all of
13 the liabilities without other or further action. Any employer who
14 has complied with this section may withdraw his or her acceptance of
15 liability under this title by filing written notice with the director
16 of the withdrawal of his or her acceptance. Such withdrawal shall
17 become effective thirty days after the filing of such notice or on
18 the date of the termination of the security for payment of
19 compensation, whichever last occurs. The employer shall, at least
20 thirty days before the effective date of the withdrawal, post
21 reasonable notice of such withdrawal where the affected ((workman))
22 worker or ((workmen)) workers work and shall otherwise notify
23 personally the affected ((workmen)) workers. Withdrawal of
24 acceptance of this title shall not affect the liability of the
25 department or self-insurer for compensation for any injury occurring
26 during the period of acceptance.

27 Sec. 8. Section 27, chapter 289, Laws of 1971 ex. sess. as
28 amended by section 16, chapter 43, Laws of 1972 ex. sess. and RCW
29 51.14.020 are each amended to read as follows:

30 (1) An employer may qualify as a self-insurer by establishing
31 to the director's satisfaction that he or she has sufficient
32 financial ability to make certain the prompt payment of all
33 compensation under this title and all assessments which may become
34 due from such employer. Each application for certification as a
35 self-insurer submitted by an employer shall be accompanied by payment
36 of a fee of one hundred fifty dollars or such larger sum as the

1 director shall find necessary for the administrative costs of
2 evaluation of the applicant's qualifications. Any employer who has
3 formerly been certified as a self-insurer and thereafter ceases to be
4 so certified may not apply for certification within three years of
5 ceasing to have been so certified.

6 (2) A self-insurer may establish sufficient financial ability
7 by depositing in an escrow account in a depository designated by the
8 director, money and/or corporate or governmental securities approved
9 by the director, or a surety bond written by any company admitted to
10 transact surety business in this state filed with the department.
11 The money, securities, or bond shall be in an amount reasonably
12 sufficient in the director's discretion to insure payment of
13 reasonably foreseeable compensation and assessments but not less than
14 the employer's normal expected annual claim liabilities and in no
15 event less than one hundred thousand dollars. In arriving at the
16 amount of money, securities, or bond required under this subsection,
17 the director shall take into consideration the financial ability of
18 the employer to pay compensation and assessments and his or her
19 probable continuity of operation. The money, securities, or bond so
20 deposited shall be held by the director to secure the payment of
21 compensation by the self-insurer and to secure payment of his or her
22 assessments. The amount of security may be increased or decreased
23 from time to time by the director. The income from any securities
24 deposited may be distributed currently to the self-insurer.

25 (3) Securities or money deposited by an employer pursuant to
26 subsection (2) of this section shall be returned to him or her upon
27 his or her written request provided the employer files the bond
28 required by such subsection.

29 (4) If the employer seeking to qualify as a self-insurer has
30 previously insured with the state fund, the director shall require
31 the employer to make up his or her proper share of any deficit or
32 insufficiency in the state fund as a condition to certification as a
33 self-insurer.

34 (5) A self-insurer may reinsure a portion of his or her
35 liability under this title with any reinsurer authorized to transact
36 such reinsurance in this state: PROVIDED, That the reinsurer may not

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Amendment to Engrossed Substitute House Bill No. 604
By Senator Grant

page 7, line 6 after "may" delete "established sufficient"
and insert "~~((established sufficient))~~ be required by the
director to supplement existing"

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1 participate in the administration of the responsibilities of the
2 self-insurer under this title. Such reinsurance may not exceed
3 eighty percent of the liabilities under this title.

4 Sec. 9. Section 28, chapter 289, Laws of 1971 ex. sess. and
5 RCW 51.14.030 are each amended to read as follows:

6 The director may issue a certification that an employer is
7 qualified as a self-insurer when such employer meets the following
8 requirements:

9 (1) He or she has fulfilled the requirements of RCW
10 51.14.020.

11 (2) He or she has submitted to the department a payroll
12 report for the preceding consecutive twelve month period.

13 (3) He or she has submitted to the department a sworn
14 itemized statement ((indicating)) accompanied by an independent audit
15 of the employer's books demonstrating to the director's satisfaction
16 that the employer has sufficient liquid assets to meet his or her
17 estimated liabilities as a self-insurer.

18 (4) He or she has ((submitted)) demonstrated to the
19 department ((a description)) the existence of the safety organization
20 maintained by his or her within his or her establishment that
21 indicates a satisfactory record of accident prevention.

22 (5) He or she has submitted to the department a description
23 of the administrative organization to be maintained by his or her to
24 manage industrial insurance matters including:

25 (a) The reporting of injuries;

26 (b) The authorization of medical care;

27 (c) The payment of compensation;

28 (d) The handling of claims for compensation;

29 (e) The name and location of each business location of the
30 employer; and

31 (f) The qualifications of the personnel of the employer to
32 perform this service.

33 Such certification shall remain in effect until withdrawn by
34 the director or surrendered by the employer with the approval of the
35 director. An employer's qualification as a self-insurer shall become
36 effective on the date of certification or any date specified in the

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Senate Amendment to Engrossed Substitute House Bill No. 604
By Senator Morrison

On page 8, line 21, after "a" delete "satisfactory"

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1 certificate after the date of certification.

2 Sec. 10. Section 51.16.060, chapter 23, Laws of 1961, as
3 amended by section 1, chapter 32, Laws of 1973 1st ex. sess. and RCW
4 51.16.060 are each amended to read as follows:

5 Every employer not qualifying as a self-insurer, shall insure
6 with the state and shall, on or before the last day of January,
7 April, July and October of each year thereafter, furnish the
8 department with a true and accurate payroll for the period in which
9 ((workmen)) workers were employed by ((his)) it during the preceding
10 calendar quarter, the total amount paid to such ((workmen)) workers
11 during such preceding calendar quarter, and a segregation of
12 employment in the different classes established pursuant to this
13 title, and shall pay ((his)) its premium thereon to the appropriate
14 fund. The sufficiency of such statement shall be subject to the
15 approval of the director: PROVIDED, that the director may in his or
16 her discretion and for the effective administration of this title
17 require an employer in individual instances to furnish a
18 supplementary report containing the name of each individual
19 ((workmen)) worker, his or her hours worked, his or her rate of pay
20 and the class or classes in which such work was performed: PROVIDED
21 FURTHER, that in the event an employer shall furnish the department
22 with four consecutive quarterly reports wherein each such quarterly
23 report indicates that no premium is due the department may close the
24 account: ((AND,)) PROVIDED FURTHER, that the department may
25 promulgate rules and regulations in accordance with chapter 34.04 RCW
26 to establish other reporting periods and payment due dates in lieu of
27 reports and payments following each calendar quarter, and may also
28 establish terms and conditions for payment of premiums and
29 assessments based on estimated payrolls, with such payments being
30 subject to approval as to sufficiency of the estimated payroll by the
31 department, and also subject to appropriate periodic adjustments made
32 by the department based on actual payroll: AND PROVIDED FURTHER,
33 That a temporary help company which provides workers on a temporary
34 basis to other employers shall be considered the employer only for
35 purposes of reporting and paying premiums and assessments under this
36 title according to the appropriate rate classifications for such

~~e responsibilities of the
insurance may not exceed
title.
s of 1971 ex. sess. and
allows:~~

Senate Amendments to Engrossed Substitute House Bill No. 604
By Senators Lewis, Morrison and Ridder

On Page 9, line 34, strike "other employers" and insert
"its customers"

JUNE 19, 1977 ADOPTED

On Page 9, line 34, after "employer" strike "only"

JUNE 19, 1977 ADOPTED

On Page 9, line 36, through line 1 on page 10, strike
"for such other employers" and insert: "as determined
by the department: PROVIDED, That the employer shall be
liable for paying premiums and assessments, should the
temporary help company fail to pay the premiums and assessments
under this title"

JUNE 19, 1977 ADOPTED

1 other employers.

2 Sec. 11. Section 51.16.110, chapter 23, Laws of 1961 as
3 amended by section 4, chapter 289, Laws of 1971 ex. sess. and RCW
4 51.16.110 are each amended to read as follows:

5 Every employer who shall enter into any business, or who shall
6 resume operations in any work or plant after the final adjustment of
7 his or her payroll in connection therewith, or who was formerly a
8 self-insurer and wishes to continue his or her operations subject to
9 this title, shall, before so commencing or resuming or continuing
10 operations, as the case may be, notify the ((director)) department of
11 such fact, accompanying such notification with a cash deposit in a
12 sum equal to the estimated premiums for the first three full calendar
13 months of his or her proposed operations which shall remain on
14 deposit subject to the other provisions of this section.

15 The ((director)) department may, in ((his)) its discretion and
16 in lieu of such deposit, accept a bond, in an amount which ((he)) it
17 deems sufficient, to secure payment of premiums due or to become due
18 to the accident fund and medical aid fund. The deposit or posting of
19 a bond shall not relieve the employer from paying premiums
20 subsequently due.

21 Should the employer acquire sufficient assets to assure the
22 payment of premiums due to the accident fund and the medical aid fund
23 the ((director)) department may, in ((his)) its discretion, refund
24 the deposit or cancel the bond.

25 If the employer ceases to be an employer under ((RCW
26 51.00.070)) this title, the ((director)) department shall, upon
27 receipt of all payments due the accident fund and medical aid fund,
28 or any other fund under this title, refund to the employer all
29 deposits remaining to the employer's credit and shall cancel any bond
30 given under this section.

31 Sec. 12. Section 51.16.120, chapter 23, Laws of 1961 as
32 amended by section 13, chapter 43, Laws of 1972 ex. sess. and RCW
33 51.16.120 are each amended to read as follows:

34 (1) Whenever a ((workman)) worker has ((sustained)) a previous
35 bodily ((infirmity or)) disability from any ((previous injury or
36 disease)) cause whatsoever and shall suffer a further disability from

Senate Amendment to Engrossed Bill No. 100
By Senator Morrison
On page 10, line 36, strike (are) and insert (are)
Cause whatsoever and insert (are) by you
JUNE 10, 1977

1 injury or occupational disease in employment covered by this title
2 and become totally and permanently disabled from the combined effects
3 thereof, or die when death was substantially accelerated by the
4 combined effects thereof, then the experience record of ((the)) an
5 employer insured with the state fund at the time of said further
6 injury or disease shall be charged and a self-insured employer shall
7 pay directly into the reserve fund only ((with)) the accident cost
8 which would have resulted solely from said further injury or disease,
9 had there been no preexisting disability, and which accident cost
10 shall be based upon an evaluation of the disability by medical
11 experts. The difference between the charge thus assessed to ((the))
12 such employer at the time of said further injury or disease and the
13 total cost of the pension reserve shall be assessed against the
14 second injury fund. The department shall pass upon the application
15 of this section in all cases where benefits are paid for total
16 permanent disability or death and issue an order thereon appealable
17 by the employer. Pending outcome of such appeal the transfer or
18 payment shall be made as required by such order.

19 (2) The department may, in cases of claims of workers
20 sustaining injuries or occupational diseases in the employ of state
21 fund employers, recompute the experience record of such employers
22 when the claims of workers injured in their employ have been found to
23 qualify for payments from the second injury fund after the regular
24 time for computation of such experience records and the department
25 may make appropriate adjustments in such cases including cash refunds
26 or credits to such employers.

27 (3) To encourage employment of injured workers who are not
28 reemployed by the employer at the time of injury, the department may
29 adopt rules providing for the reduction or elimination of premiums or
30 assessments from subsequent employers of such workers and may also
31 adopt rules for the reduction or elimination of charges against such
32 employers in the event of further injury to such workers in their
33 employ.

34 Sec. 13. Section 51.32.030, chapter 23, Laws of 1961 and RCW
35 51.32.030 are each amended to read as follows:

36 Any ((individual employer or any member or officer of any

Senate Amendment to Engrossed Substitute House Bill No. 504
By Senator Morrison

On page 11, line 19, after "department" strike "may" and insert
"and"

JUNE 19, 1977 ADOPTED

1 corporate employer who is carried upon the payroll at a salary or
2 wage not less than the average salary or wage named in such payroll);
3 sole proprietor, partner, or joint venturer who has requested
4 coverage under this title and who shall thereafter be injured or
5 sustain an occupational disease, shall be entitled to the benefit of
6 this title, as and under the same circumstances and subject to the
7 same obligations as a ((workman)) worker: PROVIDED, That no such
8 ((employer)) person or the beneficiaries ((of such employer)) thereof
9 shall be entitled to benefits under this title unless the ((director,
10 prior to the date of the injury)) department has received notice in
11 writing ((of the fact that such employer is being carried upon the
12 payroll)) of such request on such forms as the department may provide
13 prior to the date of the injury or occupational disease as the result
14 of which claims ((for a compensation)) are made: PROVIDED, That the
15 department shall have the power to cancel the personal coverage of
16 any such person if any required payments or reports have not been
17 made.

18 Sec. 14. Section 1, chapter 19, Laws of 1975-'76 2nd ex.
19 sess. and RCW 51.32.073 are each amended to read as follows:

20 Each employer shall retain from the earnings of each
21 ((workman)) worker that amount as shall be fixed from time to time by
22 the director, the basis for measuring said amount to be determined by
23 the director. The money so retained shall be matched in an equal
24 amount by each employer, and all such moneys shall be remitted to the
25 department in such manner and at such intervals as the department
26 directs and shall be placed in the supplemental pension fund:
27 PROVIDED, That the state apprenticeship council shall pay the entire
28 amount into the supplemental pension fund for registered apprentices
29 or trainees during their participation in supplemental and related
30 instruction classes. The moneys so collected shall be used
31 exclusively for the additional payments from the supplemental pension
32 fund prescribed in this title and for the amount of any increase
33 payable under the provisions of RCW 51.32.075 as now or hereafter
34 amended and shall be no more than necessary to make such payments on
35 a current basis. The department may require a self-insurer to make
36 any additional payments which are payable from the supplemental

1 pension fund and thereafter such self-insurer shall be reimbursed
2 therefrom.

3 Sec. 15. Section 12, chapter 289, Laws of 1971 ex. sess. as
4 amended by section 23, chapter 43, Laws of 1972 ex. sess. and RCW
5 51.32.095 are each amended to read as follows:

6 One of the primary purposes of this title is the restoration
7 of the injured ((workman)) worker to gainful employment. To this
8 end, the department shall utilize the services of individuals whose
9 experience, training, and interests in vocational rehabilitation and
10 retraining qualify them to lend expert assistance to the supervisor
11 of industrial insurance in such programs of vocational rehabilitation
12 or retraining as may be reasonable to qualify the ((workman)) worker
13 for employment consistent with his or her physical and mental status.
14 Where, after evaluation and recommendation by such individuals and
15 prior to final evaluation of the ((workman's)) worker's permanent
16 disability and in the sole opinion of the supervisor, vocational
17 rehabilitation or retraining is both necessary and likely to restore
18 the injured ((workman)) worker to a form of gainful employment, the
19 supervisor may, in his or her sole discretion, pay or, if the
20 employer is a self-insurer, direct the self-insurer to pay the cost
21 of books, tuition, fees, supplies, equipment, and transportation for
22 any such worker in an amount not to exceed one thousand five hundred
23 dollars in any calendar year, and continue the temporary total
24 disability compensation under RCW 51.32.090 while the ((workman))
25 worker is actively and successfully undergoing a formal program of
26 vocational rehabilitation or retraining: PROVIDED, That such
27 compensation or payment of such vocational rehabilitation or
28 retraining expenses may not be authorized for a period of more than
29 fifty-two weeks: PROVIDED FURTHER, That such period may, in the sole
30 discretion of the supervisor after his or her review, be extended for
31 an additional fifty-two weeks or portion thereof by written order of
32 the supervisor.

33 In cases where the ((workman)) worker is required to reside
34 away from his or her customary residence, the reasonable cost of
35 board and lodging shall also be paid. Said costs shall be chargeable
36 to the employer's cost experience or shall be paid by the self-

1 insurer ((for workmen to whom he is liable for compensation and
2 benefits under the provisions of this title)) as the case may be.

3 Sec. 16. Section 51.32.110, chapter 23, Laws of 1961 as
4 amended by section 13, chapter 289, Laws of 1971 ex. sess. and RCW
5 51.32.110 are each amended to read as follows:

6 Any ((workman) worker entitled to receive ((compensation))
7 any benefits or claiming ((compensation)) such under this title
8 shall, if requested by the department or self-insurer, submit himself
9 or herself for medical examination, at a time and from time to time,
10 at a place reasonably convenient for the ((workman) worker and as
11 may be provided by the rules of the department. If the ((workman))
12 worker refuses to submit to medical examination, or obstructs the
13 same, or, if any injured ((workman)) worker shall persist in
14 unsanitary or injurious practices which tend to imperil or retard his
15 or her recovery, or shall refuse to submit to such medical or
16 surgical treatment as is reasonably essential to his or her recovery
17 or refuse or obstruct evaluation or examination for the purpose of
18 vocational rehabilitation or does not cooperate in reasonable efforts
19 at such rehabilitation, the department or the self-insurer upon
20 approval by the department, with notice to the ((workman)) worker may
21 ((reduce or)) suspend ((the compensation)) any further action on any
22 claim of such ((workman)) worker so long as such refusal,
23 obstruction, noncooperation, or practice continues and reduce,
24 suspend, or deny any compensation for such period; PROVIDED, That
25 the department or the self-insurer shall not suspend any further
26 action on any claim of a worker or reduce, suspend, or deny any
27 compensation if a worker has good cause for refusing to submit to or
28 to obstruct any examination, evaluation, treatment or practice
29 requested by the department or required under this section. If the
30 ((workman)) worker necessarily incurs traveling expenses in attending
31 for examination pursuant to the request of the department, such
32 traveling expenses shall be repaid to him or her out of the accident
33 fund upon proper voucher and audit or shall be repaid by the self-
34 insurer, as the case may be.

35 If the medical examination required by this section causes the
36 ((workman)) worker to be absent from his or her work without pay he

1 or she shall be paid for such time lost in accordance with the
2 schedule of payments provided in RCW 51.32.090 as amended.

3 Sec. 17. Section 51.32.150, chapter 23, Laws of 1961 and RCW
4 51.32.150 are each amended to read as follows:

5 If a beneficiary shall reside or remove out of the state, the
6 department may, with the written consent of the beneficiary, convert
7 any monthly payments provided for such cases into a lump sum payment
8 (not in any case to exceed the value of the annuity then remaining,
9 to be fixed and certified by the state insurance commissioner, but in
10 no case to exceed the sum ((of eighty-five hundred dollars)) provided
11 in RCW 51.32.130 as now or hereafter amended).

12 Sec. 18. Section 3, chapter 286, Laws of 1975 1st ex. sess.
13 and RCW 51.32.220 are each amended to read as follows:

14 For persons under the age of sixty-two receiving compensation
15 for temporary or permanent total disability pursuant to the
16 provisions of chapter 51.32 RCW, such compensation shall be reduced
17 by an amount equal to the benefits payable under the federal old-age,
18 survivors and disability insurance act as now or hereafter amended
19 not to exceed the amount of the reduction established pursuant to 42
20 USC 424a. However, such reduction shall not apply when the combined
21 compensation provided pursuant to chapter 51.32 RCW and the federal
22 old-age, survivors and disability insurance act is less than the
23 total benefits to which the federal reduction would apply, pursuant
24 to 42 USC 424a. Where any person described in this section refuses
25 to authorize the release of information concerning the amount of
26 benefits payable under said federal act the department's estimate of
27 said amount shall be deemed to be correct unless and until the actual
28 amount is established and no adjustment shall be made for any period
29 of time covered by any such refusal.

30 Sec. 19. Section 51.36.030, chapter 23, Laws of 1961 and RCW
31 51.36.030 are each amended to read as follows:

32 Every employer, who employs ((less than fifty workmen))
33 workers, shall keep ((at his plant)) as required by the department's
34 rules a first aid kit or kits equipped as required by ((the
35 department)) such rules with materials for first aid to his or her
36 injured ((workmen)) workers. Every employer who employs ((within a

Senate Amendment to Engrossed Substitute House Bill No. 604
By Senator Morrison

page 15, line 5, after "or" strike "remove" and insert
(~~remove~~) move

JUNE 19, 1977 ADOPTED

1 radius of one-half mile of any plant or establishment)) fifty or more
2 ((workmen)) workers, shall keep one first aid station equipped as
3 required by the department's rules with materials for first aid to
4 his or her injured ((workmen)) workers, and shall cooperate with the
5 department in training one or more employees in first aid to the
6 injured. The maintenance of such first aid kits and stations shall
7 be deemed to be a part of any ((educational)) safety and health
8 standards established under Title 49 RCW.

9 Sec. 20. Section 51.44.040, chapter 23, Laws of 1961 as
10 amended by section 27, chapter 43, Laws of 1972 ex. sess. and RCW
11 51.44.040 are each amended to read as follows:

12 (1) There shall be in the office of the state treasurer, a
13 fund to be known and designated as the "second injury fund", which
14 shall be used only for the purpose of defraying charges against it as
15 provided in RCW 51.16.120 as now or hereafter amended. Said fund
16 shall be administered by the director. The state treasurer shall be
17 the custodian of the second injury fund and shall be authorized to
18 disburse moneys from it only upon written order of the director.

19 (2) Payments to the second injury fund from the accident fund
20 shall be made pursuant to rules and regulations promulgated by the
21 director.

22 (3) Assessments for the second injury fund shall be imposed
23 on self-insurers pursuant to rules and regulations promulgated by the
24 director to ensure that self-insurers shall pay to such fund in the
25 proportion that the payments made from such fund on account of claims
26 made against self-insurers bears to the total sum of payments from
27 such fund.

28 Sec. 21. Section 51.48.020, chapter 23, Laws of 1961 as
29 amended by section 63, chapter 289, Laws of 1971 ex. sess. and RCW
30 51.48.020 are each amended to read as follows:

31 (1) Any employer, who misrepresents to the department the
32 amount of his or her payroll upon which the premium under this title
33 is based, shall be liable to the state in ten times the amount of the
34 difference in premiums paid and the amount the employer should have
35 paid and for the reasonable expenses of auditing his or her books and
36 collecting such sums. Such liability may be enforced in the name of

1 the department. Such an employer shall also be guilty of a
2 ((misdemeanor)) class C felony if such misrepresentations are made
3 knowingly, if the amount of the difference in premiums is five
4 hundred dollars or more and shall be guilty of a gross misdemeanor if
5 such amount is less than five hundred dollars.

6 (2) Any person claiming benefits under this title, who
7 knowingly gives false information required in any claim or
8 application under this title shall be guilty of a class C felony when
9 such claim or application involves an amount of five hundred dollars
10 or more. When such claim or application involves an amount less than
11 five hundred dollars, the person giving such information shall be
12 guilty of a gross misdemeanor.

13 Sec. 22. Section 51.48.050, chapter 23, Laws of 1961 and RCW
14 51.48.050 are each amended to read as follows:

15 It shall be unlawful for any employer to directly or
16 indirectly demand or collect from any of his ((workmen)) or her
17 workers any sum of money whatsoever for or on account of medical,
18 surgical, hospital, or other treatment or transportation of injured
19 ((workmen)) workers, other than as specified in RCW 51.16.140 ((and
20 51.46.046)), and any employer who directly or indirectly violates the
21 foregoing provisions of this section shall be liable to the state for
22 the benefit of the medical aid fund in ten times the amount so
23 demanded or collected, and such employer and every officer, agent, or
24 servant of such employer knowingly participating therein shall also
25 be guilty of a misdemeanor.

26 Sec. 23. Section 51.48.070, chapter 23, Laws of 1961 and RCW
27 51.48.070 are each amended to read as follows:

28 If any ((workman)) worker is injured because of the absence of
29 any safeguard or protection required to be provided or maintained by,
30 or pursuant to, any statute or ordinance, or any departmental
31 regulation under any statute, or is, at the time of the injury, of
32 less than the maximum age prescribed by law for the employment of a
33 minor in the occupation in which he or she is engaged when injured,
34 or when a minor is injured when engaged in work not authorized by any
35 required work permit issued for his or her employment or where no
36 such permit has been issued, the employer shall, within ten days

1 after the demand therefor by the department, pay into the
2 ((accident)) supplemental pension fund in addition to all other
3 payments required by law:

4 (1) In case ((the)) any consequent payment ((to the workman
5 out of the accident fund)) is ((a lump sum)) for any permanent
6 partial disability or temporary disability, a sum equal to fifty
7 percent of ((that)) the amount so paid.

8 (2) In case ((the)) any consequent payment ((to the workman))
9 is payable in monthly payments or otherwise for permanent total
10 disability or death, a sum equal to fifty percent of the lump value
11 of such monthly payment, estimated in accordance with the rule stated
12 in RCW 51.32.130.

13 The foregoing provisions shall not apply to the employer if
14 the absence of such guard or protection is due to the removal thereof
15 by the injured ((workman)) worker himself or herself or with his or
16 her knowledge by any of his or her fellow ((workmen)) workers, unless
17 such removal is by order or direction of the employer or
18 superintendent or foreman of the employer, or anyone placed by the
19 employer in control or direction of such ((workman)) worker. If the
20 removal of such guard or protection is by the ((workman)) worker
21 himself or herself or with his or her consent by any of his or her
22 fellow ((workmen)) workers, unless by order or direction of the
23 employer or the superintendent or foreman of the employer, or anyone
24 placed by the employer in control or direction of such ((workman))
25 worker, the schedule of compensation provided in chapter 51.32 RCW
26 shall be reduced ten percent for the individual case of such
27 ((workman)) worker.

28 NEW SECTION, Sec. 24. There is added to chapter 23, Laws of
29 1961 and to chapter 51.04 RCW a new section to read as follows:

30 The obligations of all medical aid contracts approved by the
31 supervisor prior to the repeal of any section of this title
32 pertaining to medical aid contracts shall continue until the
33 expiration of such contracts notwithstanding any such repeal and all
34 provisions of this title pertaining to the operation of medical aid
35 contracts and the control and supervision of such contracts which
36 were in effect at the time of such approval shall, notwithstanding

1 any other provision of law, remain in full force and effect.

2 NEW SECTION. Sec. 25. There is added to chapter 23, Laws of
3 1961 and to chapter 51.04 RCW a new section to read as follows:

4 The department may, at any time, on receipt of written
5 authorization, transmit amounts payable to a claimant, beneficiary,
6 or any supplier of goods or services to the account of such person in
7 a bank or other financial institution regulated by state or federal
8 authority.

9 NEW SECTION. Sec. 26. There is added to chapter 23, Laws of
10 1961 and to chapter 51.16 RCW a new section to read as follows:

11 (1) Any action, other than in cases of fraud, to collect any
12 delinquent premium, assessment, contribution, penalty, or other sum
13 due to the department from any employer subject to this title shall
14 be brought within three years of the date any such sum became due.

15 (2) Any claim by an employer for adjustment, recomputation,
16 or alteration of any premium, assessment, contribution, penalty, or
17 other sum thereto collected or claimed by the department shall be
18 deemed waived if not made in writing to the supervisor of industrial
19 insurance within three years of the date any such sum became due.

20 NEW SECTION. Sec. 27. The following acts or parts of acts
21 are each repealed:

22 (1) Section 51.40.010, chapter 23, Laws of 1961 and RCW
23 51.40.010;

24 (2) Section 51.40.020, chapter 23, Laws of 1961, section 1,
25 chapter 36, Laws of 1965, section 2, chapter 80, Laws of 1965 ex.
26 sess. and RCW 51.40.020;

27 (3) Section 51.40.030, chapter 23, Laws of 1961 and RCW
28 51.40.030;

29 (4) Section 51.40.040, chapter 23, Laws of 1961, section 29,
30 chapter 106, Laws of 1973 and RCW 51.40.040;

31 (5) Section 51.40.050, chapter 23, Laws of 1961 and RCW
32 51.40.050;

33 (6) Section 51.40.060, chapter 23, Laws of 1961 and RCW
34 51.40.060; and

35 (7) Section 51.40.070, chapter 23, Laws of 1961 and RCW
36 51.40.070.

1 NEW SECTION. Sec. 28. If any provision of this 1977
2 amendatory act, or its application to any person or circumstance is
3 held invalid, the remainder of the act, or the application of the
4 provision to other persons or circumstances is not affected.

5 NEW SECTION. Sec. 29. This 1977 amendatory act is necessary
6 for the immediate preservation of the public peace, health, and
7 safety, the support of the state government and its existing public
8 institutions, and shall take effect on July 1, 1977.

IN THE LEGISLATURE
of the
STATE OF WASHINGTON



CERTIFICATION OF ENROLLED ENACTMENT

SUBSTITUTE HOUSE BILL NO. 604

CHAPTER NO. _____

Passed the House May 4, 1977

Yeas 61 Nays 30

Passed the Senate June 19, 1977

as amended
Yeas 38 Nays 1

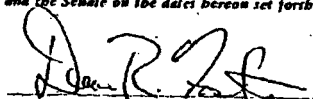
June 21, 1977

CERTIFICATE

The House concurred in the Senate amendments and passed the bill as amended.

Yeas 82 Nays 0

I, Dean R. Foster, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is enrolled Substitute House Bill No. 604 as passed by the House of Representatives and the Senate on the dates hereon set forth.


Chief Clerk

SUBSTITUTE HOUSE BILL NO. 604

State of Washington
45th Legislature
1st Extraordinary Session

by Committee on LABOR (originally sponsored by
Representatives Lux, Pearsall, Fischer and
Fruitt) (by Department of Labor and Industries
request)

Read first time March 23, 1977, and passed to second reading.

1 AM ACT Relating to industrial insurance; amending section 51.04.040,
2 chapter 23, Laws of 1961 and RCW 51.04.040; amending section
3 51.04.070, chapter 23, Laws of 1961 and RCW 51.04.070;
4 amending section 15, chapter 289, Laws of 1971 ex. sess. and
5 RCW 51.08.018; amending section 51.08.030, chapter 23, Laws of
6 1961 as last amended by section 37, chapter 42, Laws of 1975-
7 '76 2nd ex. sess. and RCW 51.08.030; amending section 68,
8 chapter 289, Laws of 1971 ex. sess. as amended by section 5,
9 chapter 43, Laws of 1972 ex. sess. and RCW 51.08.175; amending
10 section 14, chapter 289, Laws of 1971 ex. sess. and RCW
11 51.08.178; amending section 51.12.020, chapter 23, Laws of
12 1961 as last amended by section 1, chapter 124, Laws of 1973
13 and RCW 51.12.020; amending section 51.12.110, chapter 23,
14 Laws of 1961 as amended by section 85, chapter 289, Laws of
15 1971 ex. sess. and RCW 51.12.110; amending section 27, chapter
16 289, Laws of 1971 ex. sess. as amended by section 16, chapter
17 43, Laws of 1972 ex. sess. and RCW 51.14.020; amending section
18 28, chapter 289, Laws of 1971 ex. sess. and RCW 51.14.030;
19 amending section 51.16.060, chapter 23, Laws of 1961, as
20 amended by section 1, chapter 32, Laws of 1973 1st ex. sess.
21 and RCW 51.16.060; amending section 51.16.110, chapter 23,
22 Laws of 1961 as amended by section 4, chapter 289, Laws of
23 1971 ex. sess. and RCW 51.16.110; amending section 51.16.120,
24 chapter 23, Laws of 1961 as amended by section 13, chapter 43,
25 Laws of 1972 ex. sess. and RCW 51.16.120; amending section
26 51.32.030, chapter 23, Laws of 1961 and RCW 51.32.030;
27 amending section 1, chapter 19, Laws of 1975-'76 2nd ex. sess.
28 and RCW 51.32.073; amending section 12, chapter 289, Laws of
29 1971 ex. sess. as amended by section 23, chapter 43, Laws of
30 1972 ex. sess. and RCW 51.32.095; amending section 51.32.110,

1 chapter 23, Laws of 1961 as amended by section 13, chapter
2 289, Laws of 1971 ex. sess. and RCW 51.32.110; amending
3 section 51.32.150, chapter 23, Laws of 1961 and RCW 51.32.150;
4 amending section 3, chapter 286, Laws of 1975 1st ex. sess.
5 and RCW 51.32.220; amending section 51.36.030, chapter 23,
6 Laws of 1961 and RCW 51.36.030; amending section 51.44.040,
7 chapter 23, Laws of 1961 as amended by section 27, chapter 43,
8 Laws of 1972 ex. sess. and RCW 51.44.040; amending section
9 51.48.020, chapter 23, Laws of 1961 as amended by section 63,
10 chapter 289, Laws of 1971 ex. sess. and RCW 51.48.020;
11 amending section 51.48.050, chapter 23, Laws of 1961 and RCW
12 51.48.050; amending section 51.48.070, chapter 23, Laws of
13 1961 and RCW 51.48.070; adding new sections to chapter 23,
14 Laws of 1961 and to chapter 51.04 RCW; adding a new section to
15 chapter 23, Laws of 1961 and to chapter 51.16 RCW; repealing
16 section 51.40.010, chapter 23, Laws of 1961 and RCW 51.40.010;
17 repealing section 51.40.020, chapter 23, Laws of 1961, section
18 1, chapter 36, Laws of 1965, section 2, chapter 80, Laws of
19 1965 ex. sess. and RCW 51.40.020; repealing section 51.40.030,
20 chapter 23, Laws of 1961 and RCW 51.40.030; repealing section
21 51.40.040, chapter 23, Laws of 1961, section 29, chapter 106,
22 Laws of 1973 and RCW 51.40.040; repealing section 51.40.050,
23 chapter 23, Laws of 1961 and RCW 51.40.050; repealing section
24 51.40.060, chapter 23, Laws of 1961 and RCW 51.40.060;
25 repealing section 51.40.070, chapter 23, Laws of 1961 and RCW
26 51.40.070; defining crimes; prescribing penalties; prescribing
27 an effective date; and declaring an emergency.

28 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

29 Section 1. Section 51.04.040, chapter 23, Laws of 1961 and
30 RCW 51.04.040 are each amended to read as follows:

31 The ((superior court)) director shall have power to issue
32 subpoenas to enforce ((by proper proceedings)) the attendance and
33 testimony of witnesses and the production and examination of books,
34 papers, photographs, tapes, and records before the department in
35 connection with any claim made to the department, or the assessment
36 or collection of excelsus. The superior court shall have the power

1 to enforce any such subpoena by proper proceedings.

2 Sec. 2. Section 51.04.070, chapter 23, Laws of 1961 and RCW
3 51.04.070 are each amended to read as follows:

4 A minor ((working at an age legally permitted under the laws
5 of this state)) shall be deemed sui juris for the purpose of this
6 title, and no other person shall have any cause of action or right to
7 compensation for an injury to such minor ((workman) ~~worker~~, except
8 as expressly provided in this title, but in the event of ((a lump sum
9 payment)) any disability payments becoming due under this title to
10 ((such)) a minor ((workman) worker, ((the management of the sum
11 shall be within the probate jurisdiction of the courts the same as
12 other property of minors and, in the event it is necessary to procure
13 the appointment of a guardian to receive the money to which any minor
14 workman is entitled under the provisions of this title, the director
15 may allow from the accident fund toward the expenses of such
16 guardianship, not to exceed the sum of fifty dollars in any one case:
17 PROVIDED, that in case any such minor is awarded a lump sum payment
18 of not more than seven hundred fifty dollars, the director may make
19 payment direct to such minor without the necessity of the appointment
20 of a guardian)) under the age of eighteen, such disability payments
21 shall be paid to his or her parent, guardian or other person having
22 legal custody of his or her person until he or she reaches the age of
23 eighteen. Upon the submission of written authorization by any such
24 parent, guardian, or other person, any such disability payments may
25 be paid directly to such injured worker under the age of eighteen
26 years. If it is necessary to appoint a legal guardian to receive
27 such disability payments, there shall be paid from the accident fund
28 or by the self-insurer, as the case may be, toward the expenses of
29 such guardianship a sum not to exceed three hundred dollars.

30 Sec. 3. Section 15, chapter 289, Laws of 1971 ex. sess. and
31 RCW 51.08.018 are each amended to read as follows:

32 For purposes of this ((1971 amendatory act)) title, the
33 average monthly wage in the state shall be the average annual wage as
34 determined under RCW 50.04.355 as now or hereafter amended divided by
35 twelve.

36 Sec. 4. Section 51.08.030, chapter 23, Laws of 1961 as last

1 amended by section 37, chapter 42, Laws of 1975-'76 2nd ex. sess. and
2 RCW 51.08.030 are each amended to read as follows:

3 "Child" means every natural born child, posthumous child,
4 stepchild, child legally adopted prior to the injury, and dependent
5 child in the legal custody and control of the ((claimant)) worker,
6 all while under the age of eighteen years, or under the age of
7 ((twenty-one)) twenty-three years while permanently enrolled at a
8 full time course in an accredited school, and over the age of
9 eighteen years if the child is a dependent invalid child.

10 Sec. 5. Section 88, chapter 289, Laws of 1971 ex. sess. as
11 amended by section 5, chapter 43, Laws of 1972 ex. sess. and RCW
12 51.08.175 are each amended to read as follows:

13 ((Whenever the term)) "State fund" ((is used in the provisions
14 of this 1974 amendatory act, it shall)) means those funds held by the
15 state or any agency thereof for the purposes of this title. The
16 "state of Washington industrial insurance fund" means the department
17 when acting as the agency to insure the industrial insurance
18 obligation of employers. The terms "state fund" and "state of
19 washington industrial insurance fund" shall be deemed synonymous when
20 applied to the functions of the department connected with the
21 insuring of employers who secure the payment of industrial insurance
22 benefits through the state. The director shall manage the state fund
23 and the state of Washington industrial insurance fund and shall have
24 such powers as are necessary to carry out its functions and may
25 reinsure any risk insured by the state fund.

26 Sec. 6. Section 14, chapter 289, Laws of 1971 ex. sess. and
27 RCW 51.08.178 are each amended to read as follows:

28 (1) For the purposes of this title, the monthly wages the
29 ((workman)) worker was receiving from all employment at the time of
30 injury shall be the basis upon which compensation is computed unless
31 otherwise provided specifically in the statute concerned. In cases
32 where the ((workman's)) worker's wages are not fixed by the month,
33 they shall be determined by multiplying the daily wage the
34 ((workman)) worker was receiving at the time of the injury:

35 (a) By five, if the ((workman)) worker was normally employed
36 one day a week;

1 (b) By nine, if the ((workman)) worker was normally employed
2 two days a week;

3 (c) By thirteen, if the ((workman)) worker was normally
4 employed three days a week;

5 (d) By eighteen, if the ((workman)) worker was normally
6 employed four days a week;

7 (e) By twenty-two, if the ((workman)) worker was normally
8 employed five days a week;

9 (f) By twenty-six, if the worker was normally employed six
10 days a week;

11 (g) By thirty, if the ((workman)) worker was normally employed
12 seven days a week.

13 The term "wages" shall include the reasonable value of board,
14 housing, fuel, or other consideration of like nature received from
15 the employer, but shall not include overtime pay, tips, or
16 gratuities. The daily wage shall be ((eight times)) the hourly wage
17 ((times)) multiplied by the number of hours the ((workman)) worker
18 is normally employed ((for less than eight hours)).

19 (2) In cases where a wage has not been fixed or cannot be
20 ((reasonable)) reasonably and fairly ((be)) determined, the monthly
21 wage shall be computed on the basis of the usual wage paid other
22 employees engaged in like or similar occupations where the wages are
23 fixed.

24 Sec. 7. Section 51.12.020, chapter 23, Laws of 1961 as last
25 amended by section 1, chapter 124, Laws of 1973 and RCW 51.12.020 are
26 each amended to read as follows:

27 The following are the only employments which shall not be
28 included within the mandatory coverage of this title:

29 (1) Any person employed as a domestic servant in a private
30 home by an employer who has less than two employees regularly
31 employed forty or more hours a week in such employment.

32 (2) Any person employed to do gardening, maintenance, repair,
33 remodeling, or similar work in or about the private home of the
34 employer which does not exceed ten consecutive work days.

35 (3) A person whose work is casual and the employment is not
36 in the course of the trade, business, or profession of his employer.

1 (4) Any person performing services in return for aid or
2 sustenance only, received from any religious or charitable
3 organization.

4 (5) Sole proprietors and partners.

5 (6) Any employee, not regularly and continuously employed by
6 the employer in agricultural labor, whose cash remuneration paid by
7 or due from any one employer in that calendar year for agricultural
8 labor is less than one hundred fifty dollars. Employees not
9 regularly and continuously employed in agricultural labor by any one
10 employer but who are employed in agricultural labor on a seasonal
11 basis shall come under the coverage of this title only when their
12 cash remuneration paid or due in that calendar year exceeds one
13 hundred fifty dollars but only as of the occurrence of that event and
14 only as to their work for that employer.

15 (7) Any child under eighteen years of age employed by his
16 parent or parents in agricultural activities on the family farm.

17 (8) Jockeys while participating in or preparing horses for
18 race meets licensed by the Washington horse racing commission
19 pursuant to chapter 67.16 RCW.

20 Sec. 8. Section 51.12.110, chapter 23, Laws of 1961 as
21 amended by section 85, chapter 289, Laws of 1971 ex. sess. and RCW
22 51.12.110 are each amended to read as follows:

23 Any employer who has in his or her employment any exempt
24 person may file notice in writing with the director of his or her
25 election to be subject to this title, and shall forthwith display in
26 a conspicuous manner about his or her works and in a sufficient
27 number of places to reasonably inform his ((workmen)) or her workers
28 of the fact, printed notices furnished by the department stating that
29 he or she has so elected ((and stating when)). Said election
30 ((will)) shall become effective upon the filing of said notice in
31 writing. Any ((workman)) worker in the employ of such applicant
32 shall be entitled at any time within five days after the posting of
33 said notice by his or her employer, or within five days after he or
34 she has been employed by an employer who has elected to become
35 subject to this title as herein provided, to give a written notice to
36 such employer and to the department of his or her election not to

1 become subject to this title. ((At the expiration of the time fixed
2 by the notice of the employer)) The employer and such of his
3 ((workmen)) OR her workers as shall not have given such written
4 notice of their election to the contrary shall be subject to all the
5 provisions of this title and entitled to all of the benefits thereof:
6 PROVIDED, That those who have heretofore complied with the foregoing
7 conditions and are carried and considered by the department as within
8 the purview of this title shall be deemed and considered as having
9 fully complied with its terms and shall be continued by the
10 department as entitled to all of the benefits and subject to all of
11 the liabilities without other or further action. Any employer who
12 has complied with this section may withdraw his OR her acceptance of
13 liability under this title by filing written notice with the director
14 of the withdrawal of his OR her acceptance. Such withdrawal shall
15 become effective thirty days after the filing of such notice or on
16 the date of the termination of the security for payment of
17 compensation, whichever last occurs. The employer shall, at least
18 thirty days before the effective date of the withdrawal, post
19 reasonable notice of such withdrawal where the affected ((workman))
20 worker or ((workmen)) workers work and shall otherwise notify
21 personally the affected ((workmen)) workers. Withdrawal of
22 acceptance of this title shall not affect the liability of the
23 department or self-insurer for compensation for any injury occurring
24 during the period of acceptance.

25 Sec. 9. Section 27, chapter 289, Laws of 1971 ex. sess. as
26 amended by section 16, chapter 43, Laws of 1972 ex. sess. and RCW
27 51.14.020 are each amended to read as follows:

28 (1) An employer may qualify as a self-insurer by establishing
29 to the director's satisfaction that he OR she has sufficient
30 financial ability to make certain the prompt payment of all
31 compensation under this title and all assessments which may become
32 due from such employer. Each application for certification as a
33 self-insurer submitted by an employer shall be accompanied by payment
34 of a fee of one hundred fifty dollars or such larger sum as the
35 director shall find necessary for the administrative costs of
36 evaluation of the applicant's qualifications. Any employer who has

1 formerly been certified as a self-insurer and thereafter ceases to be
2 so certified may not apply for certification within three years of
3 ceasing to have been so certified.

4 (2) A self-insurer may ((establish sufficient)) be required
5 by the director to supplement existing financial ability by
6 depositing in an escrow account in a depository designated by the
7 director, money and/or corporate or governmental securities approved
8 by the director, or a surety bond written by any company admitted to
9 transact surety business in this state filed with the department.
10 The money, securities, or bond shall be in an amount reasonably
11 sufficient in the director's discretion to insure payment of
12 reasonably foreseeable compensation and assessments but not less than
13 the employer's normal expected annual claim liabilities and in no
14 event less than one hundred thousand dollars. In arriving at the
15 amount of money, securities, or bond required under this subsection,
16 the director shall take into consideration the financial ability of
17 the employer to pay compensation and assessments and his or her
18 probable continuity of operation. The money, securities, or bond so
19 deposited shall be held by the director to secure the payment of
20 compensation by the self-insurer and to secure payment of his or her
21 assessments. The amount of security may be increased or decreased
22 from time to time by the director. The income from any securities
23 deposited may be distributed currently to the self-insurer.

24 (3) Securities or money deposited by an employer pursuant to
25 subsection (2) of this section shall be returned to him or her upon
26 his or her written request provided the employer files the bond
27 required by such subsection.

28 (4) If the employer seeking to qualify as a self-insurer has
29 previously insured with the state fund, the director shall require
30 the employer to make up his or her proper share of any deficit or
31 insufficiency in the state fund as a condition to certification as a
32 self-insurer.

33 (5) A self-insurer may reinsure a portion of his or her
34 liability under this title with any reinsurer authorized to transact
35 such reinsurance in this state: PROVIDED, That the reinsurer may not
36 participate in the administration of the responsibilities of the

1 self-insurer under this title. Such reinsurance may not exceed
2 eighty percent of the liabilities under this title.

3 Sec. 10. Section 28, chapter 289, Laws of 1971 ex. sess. and
4 RCW 51.14.030 are each amended to read as follows:

5 The director may issue a certification that an employer is
6 qualified as a self-insurer when such employer meets the following
7 requirements:

8 (1) He or she has fulfilled the requirements of RCW
9 51.14.020.

10 (2) He or she has submitted to the department a payroll
11 report for the preceding consecutive twelve month period.

12 (3) He or she has submitted to the department a sworn
13 itemized statement ((indicating)) accompanied by an independent audit
14 of the employer's books demonstrating to the director's satisfaction
15 that the employer has sufficient liquid assets to meet his or her
16 estimated liabilities as a self-insurer.

17 (4) He or she has ((submitted)) demonstrated to the
18 department ((a description)) the existence of the safety organization
19 maintained by him or her within his or her establishment that
20 indicates a record of accident prevention.

21 (5) He or she has submitted to the department a description
22 of the administrative organization to be maintained by him or her to
23 manage industrial insurance matters including:

24 (a) The reporting of injuries;

25 (b) The authorization of medical care;

26 (c) The payment of compensation;

27 (d) The handling of claims for compensation;

28 (e) The name and location of each business location of the
29 employer; and

30 (f) The qualifications of the personnel of the employer to
31 perform this service.

32 Such certification shall remain in effect until withdrawn by
33 the director or surrendered by the employer with the approval of the
34 director. An employer's qualification as a self-insurer shall become
35 effective on the date of certification or any date specified in the
36 certificate after the date of certification.

1 Sec. 11. Section 51.16.060, chapter 23, Laws of 1961, as
2 amended by section 1, chapter 32, Laws of 1973 1st ex. sess. and RCW
3 51.16.060 are each amended to read as follows:

4 Every employer not qualifying as a self-insurer, shall insure
5 with the state and shall, on or before the last day of January,
6 April, July and October of each year thereafter, furnish the
7 department with a true and accurate payroll for the period in which
8 ~~((workmen))~~ workers were employed by ~~((him))~~ it during the preceding
9 calendar quarter, the total amount paid to such ~~((workmen))~~ workers
10 during such preceding calendar quarter, and a segregation of
11 employment in the different classes established pursuant to this
12 title, and shall pay ~~((his))~~ its premium thereon to the appropriate
13 fund. The sufficiency of such statement shall be subject to the
14 approval of the director: PROVIDED, That the director may in his or
15 her discretion and for the effective administration of this title
16 require an employer in individual instances to furnish a
17 supplementary report containing the name of each individual
18 ~~((workman))~~ worker, his or her hours worked, his or her rate of pay
19 and the class or classes in which such work was performed: PROVIDED
20 FURTHER, that in the event an employer shall furnish the department
21 with four consecutive quarterly reports wherein each such quarterly
22 report indicates that no premium is due the department may close the
23 account: ~~((AND,))~~ PROVIDED FURTHER, That the department may
24 promulgate rules and regulations in accordance with chapter 34.04 RCW
25 to establish other reporting periods and payment due dates in lieu of
26 reports and payments following each calendar quarter, and may also
27 establish terms and conditions for payment of premiums and
28 assessments based on estimated payrolls, with such payments being
29 subject to approval as to sufficiency of the estimated payroll by the
30 department, and also subject to appropriate periodic adjustments made
31 by the department based on actual payroll; AND PROVIDED FURTHER,
32 That a temporary help company which provides workers on a temporary
33 basis to its customers shall be considered the employer for purposes
34 of reporting and paying premiums and assessments under this title
35 according to the appropriate rate classifications as determined by
36 the department: PROVIDED, That the employer shall be liable for

1 paying premiums and assessments, should the temporary help company
2 fail to pay the premiums and assessments under this title.

3 Sec. 12. Section 51.16.110, chapter 23, Laws of 1961 as
4 amended by section 4, chapter 289, Laws of 1971 ex. sess. and RCW
5 51.16.110 are each amended to read as follows:

6 Every employer who shall enter into any business, or who shall
7 resume operations in any work or plant after the final adjustment of
8 his or her payroll in connection therewith, or who was formerly a
9 self-insurer and wishes to continue his or her operations subject to
10 this title, shall, before so commencing or resuming or continuing
11 operations, as the case may be, notify the ((director)) department of
12 such fact, accompanying such notification with a cash deposit in a
13 sum equal to the estimated premiums for the first three full calendar
14 months of his or her proposed operations which shall remain on
15 deposit subject to the other provisions of this section.

16 The ((director)) department may, in ((his)) its discretion and
17 in lieu of such deposit, accept a bond, in an amount which ((he)) it
18 deems sufficient, to secure payment of premiums due or to become due
19 to the accident fund and medical aid fund. The deposit or posting of
20 a bond shall not relieve the employer from paying premiums
21 subsequently due.

22 Should the employer acquire sufficient assets to assure the
23 payment of premiums due to the accident fund and the medical aid fund
24 the ((director)) department may, in ((his)) its discretion, refund
25 the deposit or cancel the bond.

26 If the employer ceases to be an employer under ((RCW
27 51.08.073)) this title, the ((director)) department shall, upon
28 receipt of all payments due the accident fund and medical aid fund,
29 or any other fund under this title, refund to the employer all
30 deposits remaining to the employer's credit and shall cancel any bond
31 given under this section.

32 Sec. 13. Section 51.16.120, chapter 23, Laws of 1961 as
33 amended by section 13, chapter 43, Laws of 1972 ex. sess. and RCW
34 51.16.120 are each amended to read as follows:

35 (1) Whenever a ((workman)) worker has ((sustained)) a previous
36 bodily ((infruity or)) disability from any previous injury or

1 disease and shall suffer a further disability from injury or
2 occupational disease in employment covered by this title and become
3 totally and permanently disabled from the combined effects thereof or
4 die when death was substantially accelerated by the combined effects
5 thereof, then the experience record of ((the)) an employer insured
6 with the state fund at the time of said further injury or disease
7 shall be charged and a self-insured employer shall pay directly into
8 the reserve fund only ((with)) the accident cost which would have
9 resulted solely from said further injury or disease, had there been
10 no preexisting disability, and which accident cost shall be based
11 upon an evaluation of the disability by medical experts. The
12 difference between the charge thus assessed to ((the)) such employer
13 at the time of said further injury or disease and the total cost of
14 the pension reserve shall be assessed against the second injury fund.
15 The department shall pass upon the application of this section in all
16 cases where benefits are paid for total permanent disability or death
17 and issue an order thereon appealable by the employer. Pending
18 outcome of such appeal the transfer or payment shall be made as
19 required by such order.

20 (2) The department shall, in cases of claims of workers
21 sustaining injuries or occupational diseases in the employ of state
22 fund employers, recompute the experience record of such employers
23 when the claims of workers injured in their employ have been found to
24 qualify for payments from the second injury fund after the regular
25 time for computation of such experience records and the department
26 may make appropriate adjustments in such cases including cash refunds
27 or credits to such employers.

28 (3) To encourage employment of injured workers who are not
29 reemployed by the employer at the time of injury, the department may
30 adopt rules providing for the reduction or elimination of premiums or
31 assessments from subsequent employers of such workers and may also
32 adopt rules for the reduction or elimination of charges against such
33 employers in the event of further injury to such workers in their
34 employ.

35 Sec. 14. Section 51.32.030, chapter 23, Laws of 1961 and RCW
36 51.32.030 are each amended to read as follows:

1 Any ((individual employer or any member or officer of any
2 corporate employer who is carried upon the payroll at a salary or
3 wage not less than the average salary or wage named in such payroll))
4 sole proprietor, partner, or joint venturer who has requested
5 coverage under this title and who shall thereafter be injured or
6 sustain an occupational disease, shall be entitled to the benefit of
7 this title, as and under the same circumstances and subject to the
8 same obligations as a ((workman)) worker: PROVIDED, That no such
9 ((employer)) person or the beneficiaries ((of such employer)) thereof
10 shall be entitled to benefits under this title unless the ((director,
11 prior to the date of the injury;)) department has received notice in
12 writing ((of the fact that such employer is being carried upon the
13 payroll)) of such request on such forms as the department may provide
14 prior to the date of the injury or occupational disease as the result
15 of which claims ((for a compensation)) are made: PROVIDED, That the
16 department shall have the power to cancel the personal coverage of
17 any such person if any required payments or reports have not been
18 made.

19 Sec. 15. Section 1, chapter 19, Laws of 1975-'76 2nd ex.
20 sess. and RCW 51.32.073 are each amended to read as follows:

21 Each employer shall retain from the earnings of each
22 ((workman)) worker that amount as shall be fixed from time to time by
23 the director, the basis for measuring said amount to be determined by
24 the director. The money so retained shall be matched in an equal
25 amount by each employer, and all such moneys shall be remitted to the
26 department in such manner and at such intervals as the department
27 directs and shall be placed in the supplemental pension fund:
28 PROVIDED, That the state apprenticeship council shall pay the entire
29 amount into the supplemental pension fund for registered apprentices
30 or trainees during their participation in supplemental and related
31 instruction classes. The moneys so collected shall be used
32 exclusively for the additional payments from the supplemental pension
33 fund prescribed in this title and for the amount of any increase
34 payable under the provisions of RCW 51.32.075 as now or hereafter
35 amended and shall be no more than necessary to make such payments on
36 a current basis. The department may require a self-insurer to make

1 any additional payments which are payable from the supplemental
2 pension fund and thereafter such self-insurer shall be reimbursed
3 therefrom.

4 Sec. 16. Section 12, chapter 289, Laws of 1971 ex. sess. as
5 amended by section 23, chapter 43, Laws of 1972 ex. sess. and RCW
6 51.32.095 are each amended to read as follows:

7 One of the primary purposes of this title is the restoration
8 of the injured ((workman)) worker to gainful employment. To this
9 end, the department shall utilize the services of individuals whose
10 experience, training, and interests in vocational rehabilitation and
11 retraining qualify them to lend expert assistance to the supervisor
12 of industrial insurance in such programs of vocational rehabilitation
13 or retraining as may be reasonable to qualify the ((workman)) worker
14 for employment consistent with his or her physical and mental status.
15 Where, after evaluation and recommendation by such individuals and
16 prior to final evaluation of the ((workman's)) worker's permanent
17 disability and in the sole opinion of the supervisor, vocational
18 rehabilitation or retraining is both necessary and likely to restore
19 the injured ((workman)) worker to a form of gainful employment, the
20 supervisor may, in his or her sole discretion, pay or, if the
21 employer is a self-insurer, direct the self-insurer to pay the cost
22 of books, tuition, fees, supplies, equipment, and transportation for
23 any such worker in an amount not to exceed one thousand five hundred
24 dollars in any calendar year, and continue the temporary total
25 disability compensation under RCW 51.32.090 while the ((workman))
26 worker is actively and successfully undergoing a formal program of
27 vocational rehabilitation or retraining: PROVIDED, That such
28 compensation or payment of such vocational rehabilitation or
29 retraining expenses may not be authorized for a period of more than
30 fifty-two weeks: PROVIDED FURTHER, That such period may, in the sole
31 discretion of the supervisor after his or her review, be extended for
32 an additional fifty-two weeks or portion thereof by written order of
33 the supervisor.

34 In cases where the ((workman)) worker is required to reside
35 away from his or her customary residence, the reasonable cost of
36 board and lodging shall also be paid. Said costs shall be chargeable

1 to the employer's cost experience or shall be paid by the self-
2 insurer ((for workmen to whom he is liable for compensation and
3 benefits under the provisions of this title) as the case may be.

4 Sec. 17. Section 51.32.110, chapter 23, Laws of 1961 as
5 amended by section 13, chapter 289, Laws of 1971 ex. sess. and RCW
6 51.32.110 are each amended to read as follows:

7 Any ((workman)) worker entitled to receive ((compensation))
8 any benefits or claiming ((compensation)) such under this title
9 shall, if requested by the department or self-insurer, submit himself
10 or herself for medical examination, at a time and from time to time,
11 at a place reasonably convenient for the ((workman)) worker and as
12 may be provided by the rules of the department. If the ((workman))
13 worker refuses to submit to medical examination, or obstructs the
14 same, or, if any injured ((workman)) worker shall persist in
15 unsanitary or injurious practices which tend to imperil or retard his
16 or her recovery, or shall refuse to submit to such medical or
17 surgical treatment as is reasonably essential to his or her recovery
18 or refuse or obstruct evaluation or examination for the purpose of
19 vocational rehabilitation or does not cooperate in reasonable efforts
20 at such rehabilitation, the department or the self-insurer upon
21 approval by the department, with notice to the ((workman)) worker may
22 ((reduce or)) suspend ((the compensation)) any further action on any
23 claim of such ((workman)) worker so long as such refusal,
24 obstruction, noncooperation, or practice continues and reduce,
25 suspend, or deny any compensation for such period: PROVIDED, That
26 the department or the self-insurer shall not suspend any further
27 action on any claim of a worker or reduce, suspend, or deny any
28 compensation if a worker has good cause for refusing to submit to or
29 to obstruct any examination, evaluation, treatment or practice
30 requested by the department or required under this section. If the
31 ((workman)) worker necessarily incurs traveling expenses in attending
32 for examination pursuant to the request of the department, such
33 traveling expenses shall be repaid to him or her out of the accident
34 fund upon proper voucher and audit or shall be repaid by the self-
35 insurer, as the case may be.

36 If the medical examination required by this section causes the

1 ((workman)) worker to be absent from his or her work without pay he
2 or she shall be paid for such time lost in accordance with the
3 schedule of payments provided in RCW 51.32.090 as amended.

4 Sec. 18. Section 51.32.150, chapter 23, Laws of 1961 and RCW
5 51.32.150 are each amended to read as follows:

6 If a beneficiary shall reside or ((remove)) move out of the
7 state, the department may, with the written consent of the
8 beneficiary, convert any monthly payments provided for such cases
9 into a lump sum payment (not in any case to exceed the value of the
10 annuity then remaining, to be fixed and certified by the state
11 insurance commissioner, but in no case to exceed the sum ((of eighty-
12 five hundred dollars)) provided in RCW 51.32.130 as now or hereafter
13 amended).

14 Sec. 19. Section 3, chapter 286, Laws of 1975 1st ex. sess.
15 and RCW 51.32.220 are each amended to read as follows:

16 For persons under the age of sixty-two receiving compensation
17 for temporary or permanent total disability pursuant to the
18 provisions of chapter 51.32 RCW, such compensation shall be reduced
19 by an amount equal to the benefits payable under the federal old-age,
20 survivors and disability insurance act as now or hereafter amended
21 not to exceed the amount of the reduction established pursuant to 42
22 USC 424a. However, such reduction shall not apply when the combined
23 compensation provided pursuant to chapter 51.32 RCW and the federal
24 old-age, survivors and disability insurance act is less than the
25 total benefits to which the federal reduction would apply, pursuant
26 to 42 USC 424a. Where any person described in this section refuses
27 to authorize the release of information concerning the amount of
28 benefits payable under said federal act the department's estimate of
29 said amount shall be deemed to be correct unless and until the actual
30 amount is established and no adjustment shall be made for any period
31 of time covered by any such refusal.

32 Sec. 20. Section 51.36.030, chapter 23, Laws of 1961 and RCW
33 51.36.030 are each amended to read as follows:

34 Every employer, who employs ((less than fifty workmen))
35 workers, shall keep ((at his plant)) as required by the department's
36 rules a first aid kit or kits equipped as required by ((the

1 department) such rules with materials for first aid to his or her
2 injured ((workmen) workers. Every employer who employs ((within a
3 radius of one-half mile of any plant or establishment)) fifty or more
4 ((workmen) workers, shall keep one first aid station equipped as
5 required by the department's rules with materials for first aid to
6 his or her injured ((workmen) workers, and shall cooperate with the
7 department in training one or more employees in first aid to the
8 injured. The maintenance of such first aid kits and stations shall
9 be deemed to be a part of any ((educational)) safety and health
10 standards established under Title 49 RCW.

11 Sec. 21. Section 51.44.040, chapter 23, Laws of 1961 as
12 amended by section 27, chapter 43, Laws of 1972 ex. sess. and RCW
13 51.44.040 are each amended to read as follows:

14 (1) There shall be in the office of the state treasurer, a
15 fund to be known and designated as the "second injury fund", which
16 shall be used only for the purpose of defraying charges against it as
17 provided in RCW 51.16.120 as now or hereafter amended. Said fund
18 shall be administered by the director. The state treasurer shall be
19 the custodian of the second injury fund and shall be authorized to
20 disburse moneys from it only upon written order of the director.

21 (2) Payments to the second injury fund from the accident fund
22 shall be made pursuant to rules and regulations promulgated by the
23 director.

24 (3) Assessments for the second injury fund shall be imposed
25 on self-insurers pursuant to rules and regulations promulgated by the
26 director to ensure that self-insurers shall pay to such fund in the
27 proportion that the payments made from such fund on account of claims
28 made against self-insurers bears to the total sum of payments from
29 such fund.

30 Sec. 22. Section 51.48.020, chapter 23, Laws of 1961 as
31 amended by section 63, chapter 289, Laws of 1971 ex. sess. and RCW
32 51.48.020 are each amended to read as follows:

33 (1) Any employer, who misrepresents to the department the
34 amount of his or her payroll upon which the premium under this title
35 is based, shall be liable to the state in ten times the amount of the
36 difference in premiums paid and the amount the employer should have

1 paid and for the reasonable expenses of auditing his or her books and
2 collecting such sums. Such liability may be enforced in the name of
3 the department. Such an employer shall also be guilty of a
4 ((misdemeanor)) class C felony if such misrepresentations are made
5 knowingly, if the amount of the difference in premiums is five
6 hundred dollars or more and shall be guilty of a gross misdemeanor if
7 such amount is less than five hundred dollars.

8 (2) Any person claiming benefits under this title, who
9 knowingly gives false information required in any claim or
10 application under this title shall be guilty of a class C felony when
11 such claim or application involves an amount of five hundred dollars
12 or more. When such claim or application involves an amount less than
13 five hundred dollars, the person giving such information shall be
14 guilty of a gross misdemeanor.

15 Sec. 23. Section 51.48.050, chapter 23, Laws of 1961 and RCW
16 51.48.050 are each amended to read as follows:

17 It shall be unlawful for any employer to directly or
18 indirectly demand or collect from any of his ((workmen)) or her
19 workers any sum of money whatsoever for or on account of medical,
20 surgical, hospital, or other treatment or transportation of injured
21 ((workmen)) workers, other than as specified in RCW 51.16.140 (and
22 ~~51.40.240~~), and any employer who directly or indirectly violates the
23 foregoing provisions of this section shall be liable to the state for
24 the benefit of the medical aid fund in ten times the amount so
25 demanded or collected, and such employer and every officer, agent, or
26 servant of such employer knowingly participating therein shall also
27 be guilty of a misdemeanor.

28 Sec. 24. Section 51.48.070, chapter 23, Laws of 1961 and RCW
29 51.48.070 are each amended to read as follows:

30 If any ((workman)) worker is injured because of the absence of
31 any safeguard or protection required to be provided or maintained by,
32 or pursuant to, any statute or ordinance, or any departmental
33 regulation under any statute, or is, at the time of the injury, of
34 less than the maximum age prescribed by law for the employment of a
35 minor in the occupation in which he or she is engaged when injured,
36 or when a minor is injured when engaged in work not authorized by any

1 required work permit issued for his or her employment or where no
2 such permit has been issued, the employer shall, within ten days
3 after the demand therefor by the department, pay into the
4 ((accident)) supplemental pension fund in addition to all other
5 payments required by law:

6 (1) In case ((the)) any consequent payment ((to the workman
7 out of the accident fund)) is ((a lump sum) for any permanent
8 partial disability or temporary disability, a sum equal to fifty
9 percent of ((that)) the amount so paid.

10 (2) In case ((the)) any consequent payment ((to the workman))
11 is payable in monthly payments or otherwise for permanent total
12 disability or death, a sum equal to fifty percent of the lump value
13 of such monthly payment, estimated in accordance with the rule stated
14 in RCW 51.32.130,

15 The foregoing provisions shall not apply to the employer if
16 the absence of such guard or protection is due to the removal thereof
17 by the injured ((workman)) worker himself or herself or with his or
18 her knowledge by any of his or her fellow ((workmen)) workers, unless
19 such removal is by order or direction of the employer or
20 superintendent or foreman of the employer, or anyone placed by the
21 employer in control or direction of such ((workman)) worker. If the
22 removal of such guard or protection is by the ((workman)) worker
23 himself or herself or with his or her consent by any of his or her
24 fellow ((workmen)) workers, unless by order or direction of the
25 employer or the superintendent or foreman of the employer, or anyone
26 placed by the employer in control or direction of such ((workman))
27 worker, the schedule of compensation provided in chapter 51.32 RCW
28 shall be reduced ten percent for the individual case of such
29 ((workman)) worker.

30 NEW SECTION. Sec. 25. There is added to chapter 23, Laws of
31 1961 and to chapter 51.04 RCW a new section to read as follows:

32 The obligations of all medical aid contracts approved by the
33 supervisor prior to the repeal of any section of this title
34 pertaining to medical aid contracts shall continue until the
35 expiration of such contracts notwithstanding any such repeal and all
36 provisions of this title pertaining to the operation of medical aid

1 contracts and the control and supervision of such contracts which
2 were in effect at the time of such approval shall, notwithstanding
3 any other provision of law, remain in full force and effect.

4 NEW SECTION. Sec. 26. There is added to chapter 23, Laws of
5 1961 and to chapter 51.04 RCW a new section to read as follows:

6 The department may, at any time, on receipt of written
7 authorization, transmit amounts payable to a claimant, beneficiary,
8 or any supplier of goods or services to the account of such person in
9 a bank or other financial institution regulated by state or federal
10 authority.

11 NEW SECTION. Sec. 27. There is added to chapter 23, Laws of
12 1961 and to chapter 51.16 RCW a new section to read as follows:

13 (1) Any action, other than in cases of fraud, to collect any
14 delinquent premium, assessment, contribution, penalty, or other sum
15 due to the department from any employer subject to this title shall
16 be brought within three years of the date any such sum became due.

17 (2) Any claim by an employer for adjustment, recomputation,
18 or alteration of any premium, assessment, contribution, penalty, or
19 other sum thereto collected or claimed by the department shall be
20 deemed waived if not made in writing to the supervisor of industrial
21 insurance within three years of the date any such sum became due.

22 NEW SECTION. Sec. 28. The following acts or parts of acts
23 are each repealed:

24 (1) Section 51.40.010, chapter 23, Laws of 1961 and RCW
25 51.40.010;

26 (2) Section 51.40.020, chapter 23, Laws of 1961, section 1,
27 chapter 36, Laws of 1965, section 2, chapter 80, Laws of 1965 ex.
28 sess. and RCW 51.40.020;

29 (3) Section 51.40.030, chapter 23, Laws of 1961 and RCW
30 51.40.030;

31 (4) Section 51.40.040, chapter 23, Laws of 1961, section 29,
32 chapter 106, Laws of 1973 and RCW 51.40.040;

33 (5) Section 51.40.050, chapter 23, Laws of 1961 and RCW
34 51.40.050;

35 (6) Section 51.40.060, chapter 23, Laws of 1961 and RCW
36 51.40.060; and

1 (7) Section 51.40.070, chapter 23, Laws of 1961 and RCW
2 51.40.070.

3 NEW SECTION. Sec. 29. If any provision of this 1977
4 amendatory act, or its application to any person or circumstance is
5 held invalid, the remainder of the act, or the application of the
6 provision to other persons or circumstances is not affected.

7 NEW SECTION. Sec. 30. This 1977 amendatory act is necessary
8 for the immediate preservation of the public peace, health, and
9 safety, the support of the state government and its existing public
10 institutions, and shall take effect on July 1, 1977.

Passed the House June 21, 1977.

J. H. Bergeson
Speaker of the House.

Passed the Senate June 19, 1977.

John A. Greber
President of the Senate.

HB
604

**Legislative Digest and
History of Bills**
of the
**Senate and
House of Representatives**

FORTY-FIFTH SESSION
REGULAR SESSION
January 10, 1977 to March 10, 1977
FIRST EXTRAORDINARY SESSION
March 11, 1977 to June 21, 1977

LEGISLATIVE BILLS, MEMORIALS AND RESOLUTIONS

TOPICAL INDEX

Compiled to and Inclusive of July 26, 1977

Compiled by

SIDNEY R. SNYDER
Secretary of the Senate

DEAN R. FOSTER
Chief Clerk, House of Representatives

With the Cooperation of the Statute Law Committee
(Legislative Information Systems)

INDEXER
Hope Duncan

No. 6

Final Edition 1st EX. SESS.



n.b. The short titles and digest paragraphs contained herein were prepared by employees of the legislature as a guide to interested persons concerned with the various measures pending before the legislature. Such short titles and digest paragraphs are not propounded in substitution of or supplementary to the official titles and official text of the legislative measures alluded to herein. The short titles and digest paragraphs are not intended to constitute any part of the law, are not in any manner adopted or acted upon by the legislature, and in no way evidence the intent of the legislature.

basis.

Transfers job classification authority from the board to the department of personnel. Requires salary and fringe benefit surveys to be made jointly with the higher education personnel board.

Prescribes supporting supplementary data required to be furnished with its recommended salary schedule including data necessary to eliminate dissimilarities in rates paid for positions that require or impose similar responsibilities.

Prescribes contents to be included in the survey plan to be furnished to OPPFM, employee organizations, appropriation committees, and the legislative budget committee six months before the beginning of each survey. Requires salary surveys to be conducted according to prescribed criteria. Requires surveys to be reviewed and evaluated by the legislative budget committee prior to implementation.

Requires the department to undertake salary and benefit surveys for the state patrol. Requires OPPFM to analyze the results and conduct investigations necessary to arbitrate differences between interested parties.

Requires personnel and the patrol to jointly submit a survey plan to OPPFM, and specified legislative committees six months prior to the beginning of each periodic survey.

Requires the department to institute a standardized evaluation procedure for all employees by July 1, 1978.

Declares an emergency and takes effect immediately.

--1ST EXTRAORDINARY SESSION--

- Apr 11 Committee report; substitute bill be substituted, do pass.
 Apr 21 Placed on second reading.
 Apr 28 On motion, substitute bill substituted for original bill. Second reading, amended.
 Jun 21 On motion, referred to Appropriations.

H. B. 603 By Representatives Amen, Shipoch, Polk, Thompson, Flanagan, Greengo, Sanders (By Legislative Budget Committee Request)

Providing merit system administration.

Transfers the governing authority of personnel matters for the state from the state personnel board to the department of personnel administered by the state personnel director.

Removes the requirement that the director be chosen from a list of three names submitted by the board.

Makes the director the direct

representative of the governor in achieving an efficient state system of personnel administration.

Requires the personnel director to establish and select members for a state merit system advisory council for advice and counsel in achieving the implementation of the merit system.

Increases from three to six the number of names of applicants rated as highest qualified to be certified by the department to employing agencies and by the higher education personnel board.

Provides that selected applicants for appointments may be assigned to the pay step of the salary range which most nearly matches the level of the applicant's documented qualifications.

Enumerates merit principles which shall govern the administration of the state's civil service system.

Declares an emergency and takes effect immediately.

Feb 4 First reading, referred to State Government.

--1ST EXTRAORDINARY SESSION--

Mar 11 By resolution, reintroduced and retained in present status.

H. B. 604 By Representatives Lux, Pearsall, Fischer, Pruitt (By Department of Labor and Industries Request)

Revising the state industrial insurance laws.

Makes various amendatory modifications in provisions pertaining to industrial insurance and workmen's compensation.

Feb 4 First reading, referred to Labor

--1ST EXTRAORDINARY SESSION--

Mar 11 By resolution, reintroduced and retained in present status.

Mar 23 Committee report; majority, substitute bill be substituted do pass; minority, do not pass.

Apr 15 Placed on second reading.

Apr 29 Held for second reading May 2 Calendar.

May 2 On motion, substitute bill substituted for original bill.

1st Sub. H. B. 604 By Labor

Revising the state industrial insurance laws.

(DIGEST AS ENACTED)

Grants the director the power to issue subpoenas in connection with claims, enforceable by the superior

court.

Permits disability payments to be paid to minor workmen with written permission of parents. Authorizes payment by the department of up to three hundred dollars for guardianship costs. Increases the age for school students to twenty-three years of age.

Imposes a fee for an application for certification as a self-insurer. Permits the director to require a self insurer to supplement existing financial ability. Requires such application to be accompanied by an independent audit of the employer's books.

Provides that a temporary help company shall be considered the employer for purposes of reporting and paying premiums assessments according to the appropriate rate classifications as determined by the department. Makes the employer liable for premiums and assessments if the temporary help company fails to do so.

Requires recomputation of employers' experience records when any of their workers qualify for payments from the second injury fund after the regular time for computation of such experience records and make appropriate adjustments.

Permits reduction or elimination of premiums assessments from subsequent employers of previously injured workers.

Permits coverage of a sole proprietor, partner, or joint venturer.

Requires payment of cost of books, tuition and transportation for up to \$1500 per year for vocational rehabilitation. Requires the worker to agree to a medical examination for vocational rehabilitation purposes. Permits a worker to refuse any medical examination for good cause.

Requires self-insurers' assessment for the second injury fund to be made on a proportionate basis.

Increases the penalty for payroll misrepresentation from a gross misdemeanor to a class C felony when the premium is five hundred dollars or more.

Makes false claims for over five hundred dollars a class C felony.

Continues the obligation of medical aid contracts after the underlying authorization is repealed until the contract expires.

Permits direct transmittal of payments to a claimant's bank.

Requires actions on claims to be brought within three years from the date the sum became due.

Repeals the medical aid contract chapter.

--1ST EXTRAORDINARY SESSION--

Mar 23 Committee report; majority, substitute bill be substituted do pass; minority, do not

pass.

Apr 15 Placed on second reading.
Apr 29 Held for second reading May 2 Calendar.

May 2 On motion, substitute bill substituted for original bill. Second reading, amended.

May 3 Placed on third reading.

May 4 Third reading, passed as amended; Yeas, 61; nays, 30; absent, 7.

-IN THE SENATE-

May 5 First reading, referred to Labor

May 10 Committee report; do pass.

May 28 Placed on second reading.

Jun 2 Second reading.

Held for second reading Jun 3 Calendar.

Jun 19 Second reading, amended.

On motion, rules suspended, placed on third reading. Third reading, passed as amended; Yeas, 38; nays, 1; absent, 10.

-IN THE HOUSE-

Jun 21 House concurred in Senate amendments.

Passed final passage. Yeas, 82; nays, 0; absent, 16.

Speaker signed.

-IN THE SENATE-

President signed.

-IN THE HOUSE-

Delivered to Governor.

-EXECUTIVE-

Jun 30 Governor signed.

Chapter 323, 1977 Laws 1st Ex. Sess.

H. B. 605 By Representatives Conner, Patterson, Gilleland (By Department of Highways Request)

Modifying procedures for tort claims relating to highways, roads and streets.

Declares that the waiver of the state's sovereign immunity is conditioned upon compliance with notice requirements.

Requires all claims against the state and local governments for damages arising out of tortious conduct related to highways, roads, and streets to be filed with the proper specified officer within one hundred twenty days from the date the claim arises.

Prohibits the commencement of any action until a claim has been filed.

Feb 4 First reading, referred to Transportation.

--1ST EXTRAORDINARY SESSION--

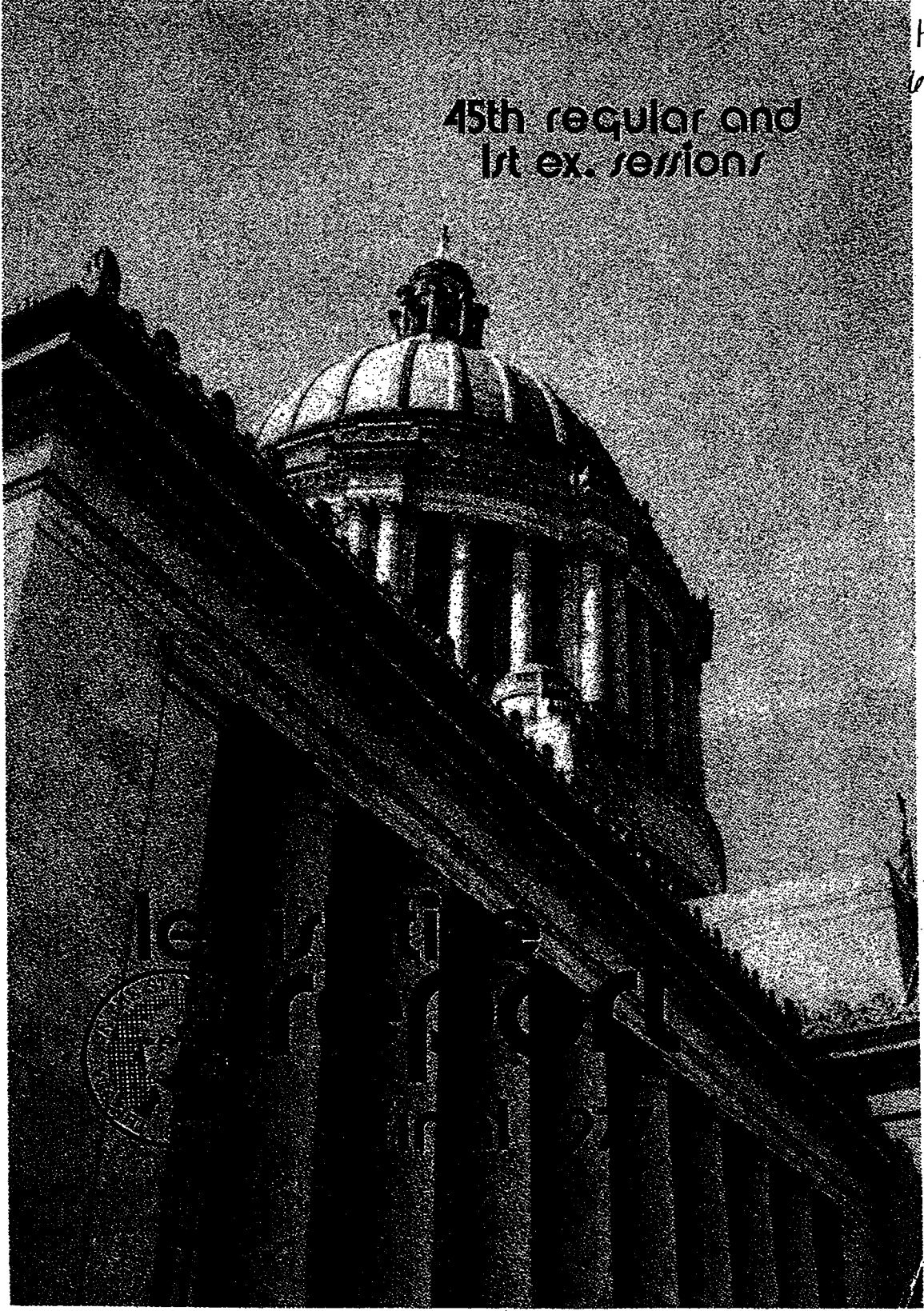
Mar 11 By resolution, reintroduced and retained in present status.

Mar 21 Committee report; majority, substitute bill be substituted do pass; minority, do not pass.



HB
604

45th regular and
lt ex. sessions



SHB 601

House: 65 30 Effective: Sept. 21, 1977
Senate: (a) 31 15 C 76 L 77 1st ex. sess.
H. Concur: 61 35

SHB 604

SPONSORS: Committee on Labor
(Originally sponsored by
Representatives Lux, Pearsall, Fischer
and Pruitt)
(By Department of Labor and Industries
Request)

COMMITTEE: Labor
Revising the state industrial insurance laws.

ISSUE:
The Department of Labor and Industries has requested clarifying amendments to the industrial insurance laws to enable them to enforce those laws more effectively. In addition to the need for technical amendments, increased departmental latitude in adopting rules which encourage employers to hire injured workers is requested.

SUMMARY:
The bill amends industrial insurance laws in five areas, relating to minors, self insurers, second injuries, departmental powers and penalties.

The definition of "child" while attending school is changed from 21 to 23. When a worker under 18 is injured, all compensation payments shall be made to the parent or guardian, except by written authorization. Should a minor be injured on a job not authorized by his/her work permit, the employer shall be liable for 50% of any payments to the worker.

Self insurers are required to pay, upon application, a \$150 administrative fee. All applicants for self insurance shall be audited. Any employer who was formerly a self insurer, and has since stopped self insuring, will not be eligible to reapply for self insurance for three years.

When a worker qualifies for compensation under the second injury fund, an employer may appeal, but pending the outcome of such appeal, payments shall be made to the injured worker. Assessments for second injury fund imposed on self insurers shall be in proportion to the payments made against their accounts. The department may adjust the experience record and assessments of employers when workers in their employ qualify for second injury payments.

Additionally, the act empowers the Department of Labor and Industries to adopt rules which reduce or eliminate payments to employers who hire injured workers, and gives the department the power to pay up to \$1,500 per year for fees, supplies, and transportation for any worker enrolled in vocational rehabilitation program. (If the employer is a self

insurer, the department may direct the employer to pay such sum.) The director is authorized to issue subpoenas.

In addition to any other penalties prescribed by law, misrepresentation of amounts due the supplemental pension fund by an employer shall be a class C felony if such misrepresentation is done knowingly and exceeds \$500, and a gross misdemeanor if less than \$500. For any individual making a claim against the fund knowingly, misrepresentation of a fact in a claim of \$500 or more shall be a class C felony. Any lesser amount shall be a gross misdemeanor. Additionally, the act guarantees to an injured worker that payments will not be stopped if medical examinations or treatments are refused for good cause.

Finally, the following minor changes are made to industrial insurance law: 1) the bill allows temporary help agencies to pay the industrial insurance premiums for employers to whom they provide workers, and 2) an exemption from industrial insurance coverage is provided for jockeys.

The bill contains an emergency clause and sets an effective date of July 1, 1977.

House: (a) 61 30 Effective: July 1, 1977
Senate: (a) 38 1 C 323 L 77 1st ex. sess.
H. Concur: 82 0

HB 613

SPONSORS: Representatives Sommers and G. Nelson
(By Department of Revenue Request)

COMMITTEE: Revenue
Repealing property tax revaluation ratio procedures.

ISSUE:
In 1969 the Legislature funded a program to revalue property throughout the state. However, many properties had not been reassessed for many years and property owners were faced with large increases in assessed value. Also, the problem of the disparity between areas in the county recently revalued and other areas which had not been recently revalued was temporarily aggravated. To lessen the effect of the revaluation program, the state directed the county boards of equalization to meet every August to review the recent revaluations. The Department of Revenue was required to furnish these "August boards" with certain data regarding the assessment increases in the recently revalued areas of the county and the general level of assessment in the county. If the board determined there was a 15% disparity between the assessed value of recently revalued property and the average levels throughout the county, it could order a reduction in the level of assessment for the recently revalued areas. However, in recent years this revaluation program has resulted in property

HB 604

HOUSE JOURNAL
OF THE
Forty-Fifth Legislature
OF THE
STATE OF WASHINGTON
AT
Olympia, the State Capitol

Convened January 10, 1977
Adjourned Sine Die March 10, 1977
First Extraordinary Session
Convened March 11, 1977
Adjourned Sine Die June 21, 1977



John A. Bagnariol, *Speaker*
John L. O'Brien, *Speaker Pro Tempore*
Dean R. Foster, *Chief Clerk*
Eljo Sutherland, *Minute Clerk*

STATE PRINTING PLANT OLYMPIA, WASHINGTON

HISTORY OF HOUSE BILLS

NO.	Intro. & 1st R'd'g	Committee Report	2nd R'd'g Amend-ments	3rd R'd'g Final Passage	Other Action	Action by Gov.
593. (Sub.)			762,898	995		
594.	205					
595.	205	532	625	678		
596.	205					
597.	205				384	
598.	206	399				
599.	206					
600.	206					
601.	206	633	682			
601. (Sub.)			682, 720	739, 1476	1475	1595 Ch. 76 Ex.
602.	206	772,874	1109			
602. (2nd Sub.)			1109			
603.	206					
604.	207	699	1170			
604. (Sub.)			1170	1249, 2208	2207	Ch. 323 Ex.
605.	207	671			696	
606.	208					
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608.	208					
609.	208					
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611.	208					
612.	208	761	912	913		
613.	208	389	434	460, 577	1286	1481 Ch. 29 Ex.
614.	209	1003	1157			

HISTORY OF HOUSE BILLS

NO.	Intro. & 1st R'd'g	Committee Report	2nd R'd'g Amend-ments	3rd R'd'g Final Passage	Other Action	Action by Gov.
614. (Sub.)			1157,1171, 1175	1176		
615.	209	969	1158			
615. (Sub.)			1158-1160	1160,1177, 1765	1161, 1761	Ch. 206 Ex.
616.	211				235	
617.	211	443	680	780	1634	1876 Ch. 171 Ex.
618.	211	453	589, 607	783	1634	1876 Ch. 172 Ex.
619.	211	736	913			
619. (Sub.)			913	913, 1768	1766	2054 Ch. 251 Ex.
620.	211	737	913			
620. (Sub.)			913	914		
621.	211					
622.	211	474	799			
622. (Sub.)			799	799		
623.	212	430, 2055	667,2055, 2061,2213	692, 2214	1740, 2075	Ch. 368 Ex.
624.	212					
625.	212	940	1152			
625. (Sub.)			1152	1153, 1737	1736	1975 Ch. 207 Ex.
626.	212					
627.	212	847	959	960, 1737	1737	1975 Ch. 208 Ex.
628.	212					
629.	212					
630.	212					
631.	226	1520				
632.	226					

74.16.181; adding a new chapter to Title 43 RCW; repealing section 40, chapter 18, Laws of 1970 ex. sess. and RCW 43.20A.300; repealing section 42, chapter 18, Laws of 1970 ex. sess. and RCW 43.20A.310; and repealing section 52, chapter 289, Laws of 1971 ex. sess. and RCW 51.36.050.

To Committee on Institutions

HOUSE BILL NO. 598, by Representatives Hawkins, Sherman, Heck and Charnley:

AN ACT Relating to political parties; amending section 29.42.020, chapter 9, Laws of 1965 as amended by section 1, chapter 45, Laws of 1972 ex. sess. and RCW 29.42.020; and amending section 29.42.030, chapter 9, Laws of 1965 as last amended by section 1, chapter 85, Laws of 1973 and RCW 29.42.030.

To Committee on Elections and Governmental Ethics

HOUSE BILL NO. 599, by Representatives Williams, Bender, Charnley, Gaines, Lysen, Nelson (Dick) and Lux:

AN ACT Relating to revenue and taxation; amending section 82.08.030, chapter 15, Laws of 1961 as last amended by section 10, chapter 291, Laws of 1975 1st ex. sess. and RCW 82.08.030; amending section 82.12.030, chapter 15, Laws of 1961 as last amended by section 11, chapter 291, Laws of 1975 1st ex. sess. and RCW 82.12.030; and prescribing an effective date.

To Committee on Revenue

HOUSE BILL NO. 600, by Representatives Gallagher, Gilleland, Berentson, Dunlap, Lysen, Douthwaite and Greengo:

AN ACT Relating to motor vehicles; amending section 46.37.420, chapter 12, Laws of 1961 as last amended by section 1, chapter 32, Laws of 1971 ex. sess. and RCW 46.37.420; and amending section 2, chapter 7, Laws of 1969 ex. sess. as amended by section 1, chapter 255, Laws of 1975 1st ex. sess. and RCW 47.36.250.

To Committee on Transportation

HOUSE BILL NO. 601, by Representatives Hanna, Warnke, Hawkins, Adams, Salatino, Grier, Hansen, Heck, Gallagher, McCormick and Gaines:

AN ACT Relating to gambling; and amending section 7, chapter 218, Laws of 1973 1st ex. sess. as last amended by section 4, chapter 87, Laws of 1975-76 2nd ex. sess. and RCW 9.46.070.

To Committee on Commerce

HOUSE BILL NO. 602, by Representatives Polk, Shinpoch, Amen, Thompson, Flanagan, Greengo and Sanders (by Legislative Budget Committee request to Implement Performance Audit Recommendations):

AN ACT Relating to public employment; providing salary surveys and merit incentive pay; providing for local administration and management by institutions of higher education and related boards; mandating the higher education personnel board to adopt rules for training programs and regular increment pay increases; amending section 15, chapter 1, Laws of 1961 as last amended by section 1, chapter 75, Laws of 1973 1st ex. sess. and RCW 41.06.150; amending section 16, chapter 1, Laws of 1961 and RCW 41.06.160; amending section 10, chapter 36, Laws of 1969 ex. sess. as last amended by section 1, chapter 122, Laws of 1975 1st ex. sess. and RCW 28B.16.100; amending section 11, chapter 36, Laws of 1969 ex. sess. as amended by section 2, chapter 122, Laws of 1975 1st ex. sess. and RCW 28B.16.110; adding new sections to chapter 41.06 RCW; adding new sections to chapter 36, Laws of 1969 ex. sess. and to chapter 28B.16 RCW; repealing section 9, chapter 1, Laws of 1961 and RCW 41.06.090; and declaring an emergency.

To Committee on State Government

HOUSE BILL NO. 603, by Representatives Amen, Shinpoch, Polk, Thompson, Flanagan, Greengo and Sanders (by Legislative Budget Committee request to Implement Performance Audit Recommendations):

AN ACT Relating to public employment; providing for merit system administration; providing for local administration and management by institutions of higher education and related boards; mandating the higher education personnel board to adopt rules for training programs and regular increment pay increases; amending section 1, chapter 12, Laws of 1970 ex. sess. and RCW 41.06.020; amending section 3, chapter 1, Laws of 1961 and RCW 41.06.030; amending section 1, chapter 11, Laws of 1972 ex. sess. as amended by section 1, chapter 133, Laws of 1973 1st ex. sess. and RCW 41.06.070; amending section 2, chapter ... (B ...), Laws of 1977 and RCW 41.06.110; amending section 12, chapter 1, Laws of 1961 as amended by section 2, chapter 43, Laws of 1975-76 2nd ex. sess. and RCW 41.06.120; amending section 13, chapter 1, Laws of 1961 and RCW 41.06.130; amending section 14, chapter 1, Laws of 1961 and RCW 41.06.140; amending section 15, chapter 1, Laws of 1961 as last amended by section 1, chapter 75, Laws of 1973 1st ex. sess. and RCW 41.06.150; amending section 16, chapter 1,

Laws of 1961 and RCW 41.06.160; amending section 17, chapter 1, Laws of 1961 as amended by section 3, chapter 43, Laws of 1975-76 2nd ex. sess. and RCW 41.06.170; amending section 22, chapter 1, Laws of 1961 and RCW 41.06.220; amending section 24, chapter 1, Laws of 1961 and RCW 41.06.240; amending section 26, chapter 1, Laws of 1961 and RCW 41.06.260; amending section 27, chapter 1, Laws of 1961 and RCW 41.06.270; amending section 28, chapter 1, Laws of 1961 as amended by section 1, chapter 213, Laws of 1963 and RCW 41.06.280; amending section 2, chapter 45, Laws of 1969 and RCW 41.06.310; amending section 1, chapter 152, Laws of 1969 ex. sess. and RCW 41.06.350; amending section 2, chapter 36, Laws of 1969 ex. sess. and RCW 28B.16.020; amending section 6, chapter 36, Laws of 1969 ex. sess. as amended by section 73, chapter 34, Laws of 1975-76 2nd ex. sess. and RCW 28B.16.060; amending section 7, chapter 36, Laws of 1969 ex. sess. and RCW 28B.16.070; amending section 10, chapter 36, Laws of 1969 ex. sess. as last amended by section 1, chapter 122, Laws of 1975 1st ex. sess. and RCW 28B.16.100; adding new sections to chapter 36, Laws of 1969 ex. sess. and to chapter 28B.16 RCW; adding new sections to chapter 41.06 RCW; and declaring an emergency.

To Committee on State Government

HOUSE BILL NO. 604, by Representatives Lux, Pearsall, Fischer and Pruitt (by Department of Labor and Industries request):

AN ACT Relating to industrial insurance; amending section 51.04.040, chapter 23, Laws of 1961 and RCW 51.04.040; amending section 51.04.070, chapter 23, Laws of 1961 and RCW 51.04.070; amending section 15, chapter 289, Laws of 1971 ex. sess. and RCW 51.08.018; amending section 51.08.030, chapter 23, Laws of 1961 as last amended by section 37, chapter 42, Laws of 1975-76 2nd ex. sess. and RCW 51.08.030; amending section 88, chapter 289, Laws of 1971 ex. sess. as amended by section 5, chapter 43, Laws of 1972 ex. sess. and RCW 51.08.175; amending section 14, chapter 289, Laws of 1971 ex. sess. and RCW 51.08.178; amending section 51.12.110, chapter 23, Laws of 1961 as amended by section 85, chapter 289, Laws of 1971 ex. sess. and RCW 51.12.110; amending section 27, chapter 289, Laws of 1971 ex. sess. as amended by section 16, chapter 43, Laws of 1972 ex. sess. and RCW 51.14.020; amending section 28, chapter 289, Laws of 1971 ex. sess. and RCW 51.14.030; amending section 51.16.110, chapter 23, Laws of 1961 as amended by section 4, chapter 289, Laws of 1971 ex. sess. and RCW 51.16.110; amending section 51.16.120, chapter 23, Laws of 1961 as amended by section 13, chapter 43, Laws of 1972 ex. sess. and RCW 51.16.120; amending section 51.32.030; chapter 23, Laws of 1961 and RCW 51.32.030; amending section 1, chapter 19, Laws of 1975-76 2nd ex. sess. and RCW 51.32.073; amending section 12, chapter 289, Laws of 1971 ex. sess. as amended by section 23, chapter 43, Laws of 1972 ex. sess. and RCW 51.32.095; amending section 51.32.110, chapter 23, Laws of 1961 as amended by section 13, chapter 289, Laws of 1971 ex. sess. and RCW 51.32.110; amending section 51.32.150, chapter 23, Laws of 1961 and RCW 51.32.150; amending section 3, chapter 286, Laws of 1975 1st ex. sess. and RCW 51.32.220; amending section 51.36.030, chapter 23, Laws of 1961 and RCW 51.36.030; amending section 51.44.040, chapter 23, Laws of 1961 as amended by section 27, chapter 43, Laws of 1972 ex. sess. and RCW 51.44.040; amending section 51.48.020, chapter 23, Laws of 1961 as amended by section 63, chapter 289, Laws of 1971 ex. sess. and RCW 51.48.020; amending section 51.48.050, chapter 23, Laws of 1961 and RCW 51.48.050; amending section 51.48.070, chapter 23, Laws of 1961 and RCW 51.48.070; adding new sections to chapter 23, Laws of 1961 and to chapter 51.04 RCW; adding a new section to chapter 23, Laws of 1961 and to chapter 51.16 RCW; repealing section 51.40.010, chapter 23, Laws of 1961 and RCW 51.40.010; repealing section 51.40.020, chapter 23, Laws of 1961, chapter 36, Laws of 1963, section 2, chapter 80, Laws of 1965 ex. sess. and RCW 51.40.020; repealing section 51.40.030, chapter 23, Laws of 1961 and RCW 51.40.030; repealing section 51.40.040, chapter 23, Laws of 1961, section 29, chapter 106, Laws of 1973 and RCW 51.40.040; repealing section 51.40.050, chapter 23, Laws of 1961 and RCW 51.40.050; repealing section 51.40.060, chapter 23, Laws of 1961 and RCW 51.40.060; repealing section 51.40.070, chapter 23, Laws of 1961 and RCW 51.40.070; prescribing an effective date; and declaring an emergency.

To Committee on Labor

HOUSE BILL NO. 605, by Representatives Conner, Patterson and Gilleland (by Department of Highways request):

AN ACT Relating to highway, road and street claims; amending section 1, chapter 136, Laws of 1961 as amended by section 2, chapter 159, Laws of 1963 and RCW 4.92.090; amending section 1, chapter 164, Laws of 1967 and RCW 4.96.010; adding a new section to chapter 4.96 RCW; creating a new section; repealing section 3, chapter 159, Laws of 1963, section 2, chapter 164, Laws of 1967 and RCW 4.92.100; repealing section 4, chapter 159, Laws of 1963 and RCW 4.92.110; repealing section 4, chapter 164, Laws of 1967 and RCW 4.96.020; repealing section 36.45.010, chapter 4, Laws of 1963, section 14, chapter 164, Laws of 1967 and RCW 36.45.010; and repealing section 36.45.020, chapter 4, Laws of 1963 and RCW 36.45.020.

To Committee on Transportation

SENATE BILL NO. 2831, by Senators McDermott, Gould, Gaspard, Murray and Grant (by State Superintendent of Public Instruction request):

Making changes in the RCW code to reflect other laws relating to education.

To Committee on Education

SENATE BILL NO. 2864, by Senator Bausch:

Requiring an accident report when a legally standing vehicle is involved in an accident.

To Committee on Transportation

SENATE JOINT RESOLUTION NO. 108, by Senators Pullen, von Reichbauer, Ridder, Washington, Sellar, McDermott, Morrison, Benitz, Beck, Lewis, Guess, Goltz, Francis, Wilson, North, Mardesich, Henry, Van Hollebeke, Murray and Jones:

Amending the Constitution to permit legislators to hold a civil office notwithstanding that he served in a legislature which increased the emoluments thereof so long as the emoluments he receives are at the level designated prior to the increase.

To Committee on Elections and Governmental Ethics

REPORTS OF STANDING COMMITTEES

March 21, 1977

HOUSE BILL NO. 3, Prime Sponsor: Representative Kilbury, taxing federal nuclear power generators. Reported by Committee on Revenue.

MAJORITY recommendation: The substitute bill be substituted therefor and that the substitute bill do pass. Signed by Representatives Sommers, Chairwoman; Nelson (Gary), Ranking Minority Member; Craswell, Eng, Erickson, Flanagan, Hurley (George), Kilbury, Moreau, Nelson (Dick), Tilly.

To Committee on Rules for second reading.

March 21, 1977

SUBSTITUTE HOUSE BILL NO. 371, Prime Sponsor: Representative Becker, revising the juvenile justice and care system. Reported by Committee on Institutions.

MAJORITY recommendation: The second substitute bill be substituted therefor and the second substitute bill do pass. Signed by Representatives Hanna, Chairman; Hurley (George), Vice Chairman; Struthers, Ranking Minority Member; Barr, Becker, Deccio, Fischer, Greengo, Knowles, Salatino.

MOTION

On motion of Mr. King, Substitute House Bill No. 371 was rereferred to Committee on Appropriations.

March 21, 1977

HOUSE BILL NO. 424, Prime Sponsor: Representative Douthwaite, establishing the Washington state commission for the blind. Reported by Committee on Social and Health Services.

MAJORITY recommendation: Do pass with the following amendments:

On page 4, line 5 after "required" insert "including a biennial report to the governor and the legislature, which report shall include a summary of all rules and regulations adopted pursuant to this chapter"

On page 4, line 17 after "Title 2)" insert a period and strike the remainder of the section

On page 10, after line 30 insert a new section as follows:

"NEW SECTION. Sec. 24. The Washington state commission for the blind and its operation shall expire automatically on June 30, 1983, unless such expiration date be removed or extended by subsequent action of the legislature."

Renumber the remaining sections consecutively.

Signed by Representatives Adams, Chairman; Kreidler, Vice Chairman; Whiteside, Ranking Minority Member; Barr, Hanna, Lux, May, Pearsall, Pruitt, Schmitten.

To Committee on Rules for second reading.

March 21, 1977

HOUSE BILL NO. 438, Prime Sponsor: Representative Sommers, changing notice requirements for property appraisals made between December 1 and February 15. Reported by Committee on Revenue.

MAJORITY recommendation: Do pass with the following amendments:

On page 1, line 11 strike "~~PROVIDED, That~~" and insert "PROVIDED, That no such notice shall be mailed during the month of February: ("

On page 1, line 13 after "PROVIDED" strike "~~(FURTHER))~~" and insert "FURTHER"

Signed by Representatives Sommers, Chairwoman; Nelson (Gary), Ranking Minority Member; Craswell, Eng, Flanagan, Hurley (George), Kilbury, Moreau, Nelson (Dick), Tilly.

MINORITY recommendation: Do not pass. Signed by Representative Erickson.

To Committee on Rules for second reading.

March 21, 1977

HOUSE BILL NO. 488, Prime Sponsor: Representative Hansen, prescribing aircraft hazard zones. Reported by Committee on Transportation.

MAJORITY recommendation: Do pass with the following amendments:

On page 3, line 35 strike "outermost initial approach fix" and insert "final approach fix/point"

On page 4, line 5 after "shall" strike everything down through "shall be" in line 6 and insert ", if deemed by the commission to be in the best interest of the public, be removed or"

Signed by Representatives Connor, Chairman; Hansen, Vice Chairman; Gilleland, Ranking Minority Member; Bender, Berentson, Burns, Charney, Clayton, Clemente, Gaines, Gallagher, Paris, Patterson, Sherman, Walk, Wilson.

To Committee on Rules for second reading.

March 21, 1977

HOUSE BILL NO. 604, Prime Sponsor: Representative Lux, revising the state industrial insurance laws. Reported by Committee on Labor.

MAJORITY recommendation: The substitute bill be substituted therefor and that the substitute bill do pass. Signed by Representatives Lux, Chairman; Pearsall, Vice Chairwoman; Fischer, King, Nelson (Dick), Pruitt.

MINORITY recommendation: That the substitute bill do not pass. Signed by Representatives Bond, Ranking Minority Member; Clayton.

To Committee on Rules for second reading.

March 21, 1977

HOUSE BILL NO. 662, Prime Sponsor: Representative Erickson, regulating granting of sabbaticals by institutions of higher education. Reported by Committee on Higher Education.

MAJORITY recommendation: The substitute bill be substituted therefor and that the substitute bill do pass. Signed by Representatives Erickson, Chairwoman; Burns, Vice Chairman; Chandler, Ranking Minority Member; Enbody, Grimm, Haley, Oliver, Patterson, Thompson.

To Committee on Rules for second reading.

March 21, 1977

HOUSE BILL NO. 928, Prime Sponsor: Representative Lysen, revising energy emergency powers and procedures. Reported by Committee on Energy and Utilities.

MAJORITY recommendation: The substitute bill be substituted therefor and that the substitute bill do pass. Signed by Representatives Lysen, Chairman; Sherman, Vice Chairwoman; Charney, Grimm, Kilbury, Leckenby, Martinis, McKibbin, Williams, Wilson.

To Committee on Rules for second reading.

March 21, 1977

ENGROSSED SENATE BILL NO. 2062, Prime Sponsor: Senator Day, revising qualifications for health officers. Reported by Committee on Social and Health Services.

MAJORITY recommendation: Do pass with the following amendments:

On page 2, line 21 after "required" insert "and a license as a health professional in direct patient care may be substituted for one year of such experience"

MAJORITY recommendation: Do pass. Signed by Representatives Adams, Chairman; Kreidler, Vice Chairman; Barr, Fortson, Gruger, Haley, Lux, Pruitt, Schmiten.

To Committee on Rules for second reading.

April 28, 1977

ENGROSSED SENATE BILL NO. 2500, Prime Sponsor: Senator Sellar, creating state route 285. Reported by Committee on Transportation.

MAJORITY recommendation: Do pass. Signed by Representatives Hanson, Vice Chairman; Gilleland, Ranking Minority Member; Bender, Berentson, Burns, Clayton, Clemente, Gaines, Grier, Lysen, Martinis, Paris, Patterson, Sherman, Walk, Wilson.

To Committee on Rules for second reading.

April 29, 1977

SUBSTITUTE SENATE BILL NO. 2634, Prime Sponsor: Senator Peterson, revising the legislative intent statement on environmental protection of the Columbia River Gorge. Reported by Committee on Natural Resources.

MAJORITY recommendation: Do pass. Signed by Representatives Martinis, Chairman; Moreau, Vice Chairman; Wilson, Ranking Minority Member; Clements, Conner, Fuller, Gilleland, Greengo, May, Shinoda, Vrooman.

To Committee on Rules for second reading.

SECOND READING

HOUSE BILL NO. 604, by Representatives Lux, Pearsall, Fischer and Pruitt (by Department of Labor and Industries request):

Revising the state industrial insurance laws.

The bill was read the second time.

On motion of Mr. Lux, Substitute House Bill No. 604 was substituted for House Bill No. 604, and the substitute bill was placed on the calendar for second reading.

Substitute House Bill No. 604 was read the second time.

Mr. Lux moved adoption of the following amendment by Representative Pardini:

On page 8, following section 9, insert a new section as follows:

"Sec. 10. Section 51.16.060, chapter 23, Laws of 1961, as amended by section 1, chapter 32, Laws of 1973 1st ex. sess. and RCW 51.16.060 are each amended to read as follows:

Every employer not qualifying as a self-insurer shall insure with the state and shall, on or before the last day of January, April, July and October of each year thereafter, furnish the department with a true and accurate payroll for the period in which ((workmen)) workers were employed by ((him)) it during the preceding calendar quarter, the total amount paid to such ((workmen)) workers during such preceding calendar quarter, and a segregation of employment in the different classes established pursuant to this title, and shall pay ((his)) its premium thereon to the appropriate fund. The sufficiency of such statement shall be subject to the approval of the director: PROVIDED, That the director may in his or her discretion and for the effective administration of this title require an employer in individual instances to furnish a supplementary report containing the name of each individual ((workmen)) worker, his or her hours worked, his or her rate of pay and the class or classes in which such work was performed: PROVIDED, FURTHER, That in the event an employer shall furnish the department with four consecutive quarterly reports wherein each such quarterly report indicates that no premium is due the department may close the account: ((AND:)) PROVIDED FURTHER, That the department may promulgate rules and regulations in accordance with chapter 34.04 RCW to establish other reporting periods and payment due dates in lieu of reports and payments following each calendar quarter, and may also establish terms and conditions for payment of premiums and assessments based on estimated payrolls, with such payments being subject to approval as to sufficiency of the estimated payroll by the department, and also subject to appropriate periodic adjustments made by the department based on actual payroll; AND PROVIDED FURTHER, That a temporary help company which provides workers on a temporary basis to other employers shall be considered the employer only for purposes of reporting and paying premiums and assessments under this title according to the appropriate rate classifications for such other employer.

Renumber the remaining sections consecutively.

Mr. Lux spoke in favor of the amendment, and it was adopted.

Mr. Lux moved adoption of the following amendments:

On page 15, line 36 after "((redaction))" insert "class C"

On page 16, line 6 after "1" insert "class C"

Mr. Lux spoke in favor of the amendments, and Representatives Smith and Newhouse spoke against them.

The amendments were adopted.

On motion of Mr. Lux, the following amendment to the title by Representative Pardini was adopted:

On page 1, beginning on line 16 of the title after "RCW 51.14.030;" insert "amending section 51.16.060, chapter 23, Laws of 1961 as amended by section 1, chapter 32, Laws of 1973 1st ex. sess. and RCW 51.16.060;"

Substitute House Bill No. 604 was ordered engrossed and passed to Committee on Rules for third reading.

The Speaker called on Mr. O'Brien to preside.

SUBSTITUTE HOUSE BILL NO. 614, by Committee on Judiciary (Originally sponsored by Representatives Hanna, Knowles, Smith, Deccio, Tilly, Fischer, Knedlik, Whiteside, Becker, Struthers, Greengo, Salatino and Grimm):

Providing for determinate sentencing for felony offenses.

The House resumed consideration of the bill on second reading. (For previous action, see Journal, 50th Day ex. sess., April 29, 1977.)

On motion of Mr. Enbody, the following amendment was adopted:

On page 2, line 4 after "confinement" insert "for more than sixty days"

Mr. Taller moved adoption of the following amendment:

On page 9, strike section 11 and insert the following:

"NEW SECTION. Sec. 11. On every judgment of guilty or not guilty of a felony rendered on or after June 1, 1977, there shall be affixed to the original of every judgment and sentence of a felony conviction in every court in this state and every order adjudicating a juvenile to be a delinquent based upon conduct which would be a felony if committed by an adult, a fingerprint of the defendant or juvenile who is the subject of the order.

The clerk of the court shall attest that the fingerprints appearing on the judgment in sentence, order of adjudication of delinquency, or docket, is that of the individual who is the subject of the judgment or conviction, order, or docket entry."

Representatives Taller, Hanna and Knowles spoke in favor of the amendment, and it was adopted.

On motion of Mr. Taller, the following amendments were adopted:

On page 11, line 12 strike "two-thirds" and insert "three-fourths"

On page 16, line 8 strike "in a correctional facility"

On page 16, line 21 strike "by the following business day" and insert "or a designated representative or hearing officer within 72 hours"

Mr. Tilly moved adoption of the following amendment:

On page 21, line 22 after "1978" and before the semicolon insert ". In arriving at these recommendations, the board shall give due consideration to the protection of the public"

Representatives Tilly and Hanna spoke in favor of the amendment, and it was adopted.

Mr. Tilly moved adoption of the following amendment:

On page 23, line 5 after "enacted" strike everything down to the period on line 8

Mr. Tilly spoke in favor of the amendment, and Mr. Hanna spoke against it.

The amendment was not adopted.

On motion of Mr. Hanna, the following amendment was adopted:

On page 23, line 29 after "35," insert "There is hereby appropriated from the general fund to the board of prison terms and paroles \$76,435.00 or so much thereof as may be necessary for the implementation of this 1977 amendatory act."

Renumber the remaining new section as "36"

Mr. Tilly moved adoption of the following amendment:

On page 3, line 36 after "felony" strike "shall" through "ten" on page 4, line 1 and insert "shall, notwithstanding any other provision of law, include a range of total confinement of twelve to fifteen"

Mr. Tilly spoke in favor of the amendment, and Mr. Hanna spoke against it.

Mr. Tilly closed debate, speaking again in favor of the amendment.

Second Substitute House Bill No. 334, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 13, by Committee on Institutions (Originally sponsored by Representatives Fischer and Clemente):

Expanding the work release program to include treatment.

The bill was read the third time and placed on final passage.

Mr. Fischer spoke in favor of passage of the bill.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 13, and the bill passed the House by the following vote: Yeas, 86; nays, 8; not voting, 4.

Voting yea: Representatives Adams, Amen, Barr, Bauer, Becker, Bender, Berentson, Blair, Boldt, Burns, Chandler, Charrette, Charnley, Clayton, Clemente, Conner, Deccio, Douthwaite, Dunlap, Ehlers, Enbody, Eng, Erak, Erickson, Fancher, Fischer, Flanagan, Fortson, Fuller, Gaines, Gallagher, Greeno, Grier, Gruger, Hanna, Hansen, Hawkins, Heck, Hughes, Hurley M., Keller, Kilbury, King, Knedlik, Knowles, Kredler, Leckenby, Lee, Lux, Lysen, Martinis, Maxie, May, McCormick, McKibbin, Moreau, Nelson D., Newhouse, North, O'Brien, Oliver, Paris, Pearsall, Polk, Pruitt, Salatino, Sanders, Schmittan, Sherman, Shinoda, Shipcock, Smith, Sommers, Struthers, Tally, Thompson, Valle, Vrooman, Walk, Warnke, Whiteside, Williams, Wilson, Winsley, Zimmerman, and Mr. Speaker.

Voting nay: Representatives Barnes, Bond, Craswell, Gilleland, Nelson G. A., Owen, Pardini, Tilly.

Not voting: Representatives Grimm, Haley, Hurley G. S., Patterson.

Engrossed Substitute House Bill No. 13, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

HOUSE BILL NO. 92, by Representatives Gaines, Conner, Fortson, Gallagher and Martinis:

Establishing a state lottery.

The bill was read the third time and placed on final passage.

POINT OF PARLIAMENTARY INQUIRY

Mr. Gaines: "Mr. Speaker, can you tell me how many votes this bill requires?"

The Speaker (Mr. O'Brien presiding): "Sixty percent or 59 votes."

Representatives Gaines, Warnke and Knedlik spoke in favor of passage of the bill, and Representatives Pruitt, Bond, Paris, Barnes and Leckenby spoke against it.

Mr. Charnley demanded the previous question, and the demand was sustained.

Mr. Gaines closed debate, speaking again in favor of passage of the bill.

ROLL CALL

The Clerk called the roll on the final passage of House Bill No. 92, and the bill failed to pass the House by the following vote: Yeas, 50; nays, 46; not voting, 2.

Voting yea: Representatives Adams, Bauer, Bender, Charrette, Clemente, Conner, Craswell, Ehlers, Enbody, Eng, Erak, Erickson, Fancher, Fortson, Gaines, Gallagher, Grier, Haley, Hansen, Hawkins, Heck, Hughes, Hurley M., King, Knedlik, Knowles, Lux, Lysen, Martinis, Maxie, May, McCormick, McKibbin, Moreau, Nelson D., Nelson G. A., North, O'Brien, Owen, Pearsall, Salatino, Sherman, Shipcock, Smith, Sommers, Vrooman, Walk, Warnke, Wilson, and Mr. Speaker.

Voting nay: Representatives Amen, Barnes, Barr, Becker, Berentson, Blair, Boldt, Bond, Burns, Chandler, Charnley, Clayton, Deccio, Douthwaite, Dunlap, Fancher, Flanagan, Fuller, Gilleland, Greeno, Gruger, Hurley G. S., Keller, Kilbury, Kredler, Leckenby, Lee, Newhouse, Oliver, Pardini, Paris, Patterson, Polk, Pruitt, Sanders, Schmittan, Shinoda, Struthers, Tally, Thompson, Tilly, Valle, Whiteside, Williams, Winsley, Zimmerman.

Not voting: Representatives Grimm, Haas.

House Bill No. 92, having failed to receive the constitutional sixty percent majority, was declared lost.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 604, by Committee on Labor (Originally sponsored by Representatives Lux, Pearsall, Fischer and Pruitt—by Department of Labor and Industries request):

Revising the state industrial insurance laws.

The bill was read the third time and placed on final passage.

Mr. Lux spoke in favor of the bill, and Mr. Newhouse spoke against it.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 604, and the bill passed the House by the following vote: Yeas, 61; nays, 30; not voting, 7.

Voting yea: Representatives Adams, Barnes, Bauer, Becker, Bender, Blair, Boldt, Burns, Charrette, Charnley, Clemente, Conner, Douthwaite, Ehlers, Eng, Erak, Erickson, Fischer, Fortson, Gaines, Gallagher, Grier, Gruger, Hanna, Hawkins, Heck, Hurley G. S., Hurley M., Keller, Kilbury, King, Knedlik, Knowles, Kredler, Lee, Lux, Lysen, Martinis, Maxie, May, McCormick, McKibbin, North, O'Brien, Owen, Pardini, Paris, Pearsall, Pruitt, Salatino, Sherman, Shipcock, Sommers, Thompson, Valle, Vrooman, Walk, Warnke, Williams, Wilson, and Mr. Speaker.

Voting nay: Representatives Amen, Barr, Berentson, Bond, Chandler, Clayton, Craswell, Dunlap, Fancher, Flanagan, Fuller, Gilleland, Greeno, Haley, Hansen, Leckenby, Nelson G. A., Newhouse, Oliver, Patterson, Polk, Sanders, Schmittan, Smith, Struthers, Tally, Tilly, Whiteside, Winsley, Zimmerman.

Not voting: Representatives Deccio, Enbody, Grimm, Hughes, Moreau, Nelson D., Shinoda.

Engrossed Substitute House Bill No. 604, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Mr. King, the House reverted to the sixth order of business:

The Speaker (Mr. O'Brien presiding) declared the House to be at ease.

The Speaker called the House to order.

SECOND READING

HOUSE BILL NO. 711, by Representatives Gaines, Gallagher, Sherman and McCormick:

Modifying gambling laws.

On motion of Mr. Warnke, Substitute House Bill No. 711 was substituted for House Bill No. 711, and the substitute bill was placed on the calendar for second reading.

Substitute House Bill No. 711 was read the second time.

The Clerk read the following amendments by Representatives Paris and Greeno:

On page 8, beginning on line 33 after "section" strike all the material down to and including "provided" on page 9.

On page 11, line 22 strike subsection (23) and renumber the remaining subsections consecutively.

With the consent of the House, Mr. Paris withdrew the amendments.

The Clerk read the following amendment by Representative Oliver:

On page 15, beginning on line 24 strike subsection (8) and renumber the remaining subsections consecutively.

With the consent of the House, Mr. Oliver withdrew the amendment.

Mr. Boldt moved that the rules be suspended, the second reading considered the third, and Substitute House Bill No. 711 be placed on final passage.

ROLL CALL

The Clerk called the roll on the motion to suspend the rules and place Substitute House Bill No. 711 on final passage, and the motion failed to receive the required two-thirds majority by the following vote: Yeas, 50; nays, 44; not voting, 4.

Voting yea: Representatives Adams, Bauer, Becker, Bender, Boldt, Charrette, Charnley, Clemente, Conner, Ehlers, Enbody, Erak, Erickson, Fischer, Fortson, Gaines, Gallagher, Grier, Hansen, Heck, Hughes, Hurley M., Keller, Kilbury, King, Knedlik, Knowles, Kredler, Lux, Martinis, Maxie, May, McCormick, McKibbin, Moreau, Nelson D., North, O'Brien, Owen, Pearsall, Salatino, Sherman, Shipcock, Smith, Sommers, Thompson, Vrooman, Warnke, Wilson, and Mr. Speaker.

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First Extraordinary Session, May 10 through
June 21, 1977pages 1352 through Tables
and General Index

Compiled, Edited and Indexed by
Dean R. Foster, *Chief Clerk*
Eljo Sutherland, *Minute Clerk*

Substitute House Bill No. 1009 as amended by the Senate, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

STATEMENT FOR THE JOURNAL

I wish the record to show that I wished to vote 'No' on Substitute House Bill No. 1009 as amended by the Senate.

DICK BOND, 6th District.

SENATE AMENDMENT TO HOUSE BILL

June 21, 1977

Mr. Speaker:

The Senate has passed ENGROSSED HOUSE BILL NO. 727 with the following amendment:

On page 1, line 16 after "((two))" strike "one" and insert "three" and the same is herewith transmitted.

Sidney R. Snyder, Secretary.

MOTION

On motion of Mr. Conner, the House concurred in the Senate amendment to Engrossed House Bill No. 727.

FINAL PASSAGE OF HOUSE BILL AS AMENDED BY SENATE

The Speaker stated the question before the House to be the final passage of Engrossed House Bill No. 727 as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed House Bill No. 727 as amended by the Senate, and the bill passed the House by the following vote: Yeas, 78; nays, 0; not voting, 20.

Voting yea: Representatives Barr, Bauer, Becker, Bender, Berentson, Blair, Boldt, Bond, Burns, Charette, Charnley, Clayton, Clemente, Conner, Craswell, Enbody, Eng, Erak, Erickson, Fischer, Flanagan, Fortson, Fuller, Gaines, Gallagher, Gilleland, Greengo, Grier, Grimm, Gruger, Hanna, Hansen, Hawkins, Heck, Hughes, Hurley G. S., Keller, Kilbury, King, Knedlik, Knowles, Kreidler, Leckenby, Lee, Lysen, Martinis, Maxie, May, McCormick, Moreau, Nelson D., Newhouse, North, O'Brien, Oliver, Paris, Patterson, Pearsall, Polk, Pruitt, Salatino, Sherman, Shinoda, Shinpoch, Smith, Sommers, Struthers, Tallor, Thompson, Tilly, Valle, Vrooman, Walk, Warnke, Williams, Wilson, Winsley, and Mr. Speaker.

Not voting: Representatives Adams, Amen, Barnes, Chandler, Deccio, Douthwaite, Dunlap, Ehlers, Fancher, Haley, Hurley M., Lux, McKibbin, Nelson G. A., Owen, Pardini, Sanders, Schmitt, Whiteside, Zimmerman.

Engrossed House Bill No. 727 as amended by the Senate, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SENATE AMENDMENTS TO HOUSE BILL

June 21, 1977

Mr. Speaker:

The Senate has passed SUBSTITUTE HOUSE BILL NO. 255 with the following amendments:

On page 2, line 2 after "in" and before "equal" strike "the preceding year" and insert "each of two of the preceding three years"

On page 2, beginning with "assessments" on line 15 strike all the material down to and including the period on line 18 and insert "irrigation district assessments on lands within the district and shall act with the same powers and duties and be under the same restrictions as provided by law for county treasurers acting in matters pertaining to irrigation districts, except the powers, duties, and restrictions in RCW 87.36.110, 87.36.210, 87.80.180, 87.80.190 and 87.80.200, which shall continue to be those of county treasurers.

In those districts which have designated their own treasurers, the provisions of law pertaining to irrigation districts which require certain acts to be done and which refer to and involve a county treasurer or the office of a county treasurer or the county officers charged with the collection of irrigation district assessments, except RCW 87.36.110, 87.36.210, 87.80.180, 87.80.190 and 87.80.200, shall be construed to refer to and involve the designated district treasurer or the office of the designated district treasurer."

On page 3, line 5 strike section 2 in its entirety.

On page 3, line 17 after "during" and before "as" strike "the previous year" and insert "each of two of the previous three years"

On page 1, line 1 of the title after "government;" strike all material down through "RCW 53.36.010; and" on line 3. and the same is herewith transmitted.

Bill Gleason, Assistant Secretary.

MOTION

On motion of Mr. Thompson, the House concurred in the Senate amendments to Substitute House Bill No. 255.

FINAL PASSAGE OF HOUSE BILL AS AMENDED BY SENATE

The Speaker stated the question before the House to be the final passage of Substitute House Bill No. 255 as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Substitute House Bill No. 255 as amended by the Senate, and the bill passed the House by the following vote: Yeas, 75; nays, 3; not voting, 20.

Voting yea: Representatives Barr, Bauer, Becker, Bender, Berentson, Blair, Boldt, Bond, Burns, Charette, Charnley, Clayton, Clemente, Craswell, Ehlers, Enbody, Eng, Erak, Erickson, Fischer, Flanagan, Fortson, Fuller, Gaines, Gallagher, Gilleland, Greengo, Grier, Grimm, Gruger, Hanna, Hansen, Hawkins, Heck, Hughes, Hurley G. S., Hurley M., Keller, Kilbury, King, Knedlik, Knowles, Kreidler, Leckenby, Lee, Lysen, Martinis, Maxie, May, McCormick, Moreau, Nelson D., Newhouse, North, O'Brien, Paris, Patterson, Pearsall, Polk, Pruitt, Salatino, Sherman, Shinoda, Shinpoch, Smith, Struthers, Tallor, Thompson, Valle, Vrooman, Walk, Warnke, Wilson, Winsley, and Mr. Speaker.

Voting nay: Representatives Barnes, Conner, Tilly.

Not voting: Representatives Adams, Amen, Chandler, Deccio, Douthwaite, Dunlap, Fancher, Haley, Lux, McKibbin, Nelson G. A., Oliver, Owen, Pardini, Sanders, Schmitt, Sommers, Whiteside, Williams, Zimmerman.

Substitute House Bill No. 255 as amended by the Senate, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SENATE AMENDMENTS TO HOUSE BILL

June 19, 1977

Mr. Speaker:

The Senate has passed ENGROSSED SUBSTITUTE HOUSE BILL NO. 604 with the following amendments:

On page 5, beginning on line 22 add a section following section 6 as follows:

"Sec. 7. Section 51.12.020, chapter 23, Laws of 1961 as last amended by section 1, chapter 124, Laws of 1973 and RCW 51.12.020 are each amended to read as follows:

The following are the only employments which shall not be included within the mandatory coverage of this title:

(1) Any person employed as a domestic servant in a private home by an employer who has less than two employees regularly employed forty or more hours a week in such employment.

(2) Any person employed to do gardening, maintenance, repair, remodeling, or similar work in or about the private home of the employer which does not exceed ten consecutive work days.

(3) A person whose work is casual and the employment is not in the course of the trade, business, or profession of his employer.

(4) Any person performing services in return for aid or sustenance only, received from any religious or charitable organization.

(5) Sole proprietors and partners.

(6) Any employee, not regularly and continuously employed by the employer in agricultural labor, whose cash remuneration paid by or due from any one employer in that calendar year for agricultural labor is less than one hundred fifty dollars. Employees not regularly and continuously employed in agricultural labor by any one employer but who are employed in agricultural labor on a seasonal basis shall come under the coverage of this title only when their cash remuneration paid or due in that calendar year exceeds one hundred fifty dollars but only as of the occurrence of that event and only as to their work for that employer.

(7) Any child under eighteen years of age employed by his parent or parents in agricultural activities on the family farm.

(8) Jockeys while participating in or preparing horses for race meets licensed by the Washington horse racing commission pursuant to chapter 67.16 RCW."

Remember the remaining sections consecutively.

On page 7, line 6 after "may" delete "established sufficient" and insert "(established sufficient) be required by the director to supplement existing"

On page 8, line 21 after "a" delete "satisfactory"

On page 9, line 34 strike "other employers" and insert "its customers"

On page 9, line 34 after "employer" strike "only"

On page 9, line 36 through line 1 on page 10, strike "for such other employers" and insert "as determined by the department: PROVIDED, That the employer shall be liable for paying premiums and assessments, should the temporary help company fail to pay the premiums and assessments under this title"

On page 10, line 36 strike "(previous injury or disease)" cause whatsoever" and insert "previous injury or disease"

On page 11, line 19 after "department" strike "may" and insert "shall"

On page 15, line 5 after "or" strike "remove" and insert "(remove) move"

On page 1, line 11 of the title after "RCW 51.08.178;" and before "amending" insert "amending section 51.12.020, chapter 23, Laws of 1961 as last amended by section 1, chapter 124, Laws of 1973 and RCW 51.12.020;"

and the same is herewith transmitted.

Bill Gleason, Assistant Secretary.

MOTION

On motion of Mr. King, the House concurred in the Senate amendments to Engrossed Substitute House Bill No. 604.

FINAL PASSAGE OF HOUSE BILL AS AMENDED BY SENATE

The Speaker stated the question before the House to be the final passage of Engrossed Substitute House Bill No. 604 as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute House Bill No. 604 as amended by the Senate, and the bill passed the House by the following vote: Yeas, 82; nays, 0; not voting, 16.

Voting yeas: Representatives Barnes, Barr, Bauer, Becker, Bender, Berentson, Blair, Boldt, Bond, Burns, Charette, Charney, Clayton, Clemente, Conner, Craswell, Ehlers, Enbody, Eng, Erak, Erickson, Fischer, Flanagan, Fortson, Fuller, Gaines, Gallagher, Gilleland, Greengo, Grier, Grimm, Gruger, Hanna, Hansen, Hawkins, Heck, Hughes, Hurley G. S., Hurley M., Keller, Kilbury, King, Knedlik, Knowles, Kreidler, Leckenby, Lee, Lysen, Martinis, Maxie, May, McCormick, Moreau, Nelson D., Newhouse, North, O'Brien, Oliver, Paris, Patterson, Pearsall, Polk, Pruitt, Salatino, Sherman, Shinoda, Shinpoch, Smith, Sommers, Struthers, Toller, Thompson, Tilly, Valle, Vrooman, Walk, Warnke, Whiteside, Williams, Wilson, Winsley, and Mr. Speaker.

Not voting: Representatives Adams, Amen, Chandler, Deccio, Douthwaite, Dunlap, Fancher, Haley, Lux, McKibbin, Nelson G. A., Owen, Pardini, Sanders, Schmitt, Zimmerman.

Engrossed Substitute House Bill No. 604 as amended by the Senate, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

The Speaker called on Mr. O'Brien to preside.

MESSAGE FROM THE SENATE

June 21, 1977

Mr. Speaker:

The Senate has adopted:

SENATE CONCURRENT RESOLUTION NO. 123,

and the same is herewith transmitted.

Bill Gleason, Assistant Secretary.

INTRODUCTION AND FIRST READING

SENATE CONCURRENT RESOLUTION NO. 123, by Senators Walgren, Peterson and Donohue:

Providing for a legislative interim management and program analysis of the department of fisheries.

MOTIONS

On motion of Mr. King, the rules were suspended, and Senate Concurrent Resolution No. 123 was advanced to second reading and read the second time in full.

On motion of Mr. King, the rules were suspended, the second reading considered the third, and Senate Concurrent Resolution No. 123 was placed on final passage.

Representatives Martinis and Berentson spoke in favor of passage of the resolution.

ROLL CALL

The Clerk called the roll on the final passage of Senate Concurrent Resolution No. 123, and the resolution passed the House by the following vote: Yeas, 80; nays, 0; not voting, 18.

Voting yeas: Representatives Barnes, Barr, Bauer, Becker, Bender, Berentson, Blair, Boldt, Bond, Burns, Charette, Charney, Clayton, Clemente, Craswell, Ehlers, Enbody, Eng, Erak, Erickson, Fischer, Flanagan, Fortson, Fuller, Gaines, Gallagher, Gilleland, Greengo, Grier, Grimm, Gruger, Hanna, Hansen, Hawkins, Heck, Hughes, Hurley G. S., Hurley M., Keller, Kilbury, King, Knedlik, Knowles, Kreidler, Leckenby, Lee, Lysen, Martinis, Maxie, May, McCormick, McKibbin, Moreau, Nelson D., Newhouse, North, O'Brien, Paris, Patterson, Pearsall, Polk, Pruitt, Salatino, Sherman, Shinoda, Shinpoch, Smith, Sommers, Struthers, Toller, Thompson, Tilly, Valle, Vrooman, Walk, Warnke, Whiteside, Wilson, Winsley, and Mr. Speaker.

Not voting: Representatives Adams, Amen, Chandler, Conner, Deccio, Douthwaite, Dunlap, Fancher, Haley, Lux, Nelson G. A., Oliver, Owen, Pardini, Sanders, Schmitt, Williams, Zimmerman.

Senate Concurrent Resolution No. 123, having received the constitutional majority, was declared passed.

MOTION

On motion of Mr. King, the House advanced to the eighth order of business.

RESOLUTIONS

HOUSE RESOLUTION NO. 77-29, by Representatives Clemente, Chandler, Shinpoch and Adams:

WHEREAS, The consumption of alcohol to excess continues to be a substantial problem for society and is costly to the state of Washington and its citizens in lost and wasted lives; and WHEREAS, Drinking habits and patterns are frequently established during the teenage years; and

WHEREAS, Arrests of juveniles involved with alcohol abuse have increased dramatically and the problems of excessive drinking and alcoholism by youth have become progressively more severe and threatening in recent years;

NOW, THEREFORE BE IT RESOLVED, That the House of Representatives shall establish a Select Committee on Youth Alcohol Problems in the state of Washington and that this committee shall be made up of nine members, three each from the current standing committees on Education, Appropriations and Social and Health Services, with the respective chairpersons and ranking minority members of said committees, to be appointed by the Speaker and the minority floor leader; and

BE IT FURTHER RESOLVED, That this Select Committee on Youth Alcohol Problems shall submit a report to the Legislature by the first week of January, 1978 and make specific recommendations for any legislation that may be required.

On motion of Mr. Clemente, House Resolution No. 77-29 was adopted.

HOUSE RESOLUTION NO. 77-37, by Representatives Warnke and Gaines:

WHEREAS, There exists, according to the Bigfoot Information Center in Hood River, Oregon, an historical record of at least one hundred and twenty years relating to the existence of a Bigfoot or Sasquatch in the State of Washington and that there exists evidence of the continued existence of such a creature in the nature of recently discovered footprints and at least two reported Bigfoot sightings within Washington State during the last twelve months; and

WHEREAS, Bigfoot is a sensitive and shy creature who is loathe to come into conflict with human beings; and

WHEREAS, Bigfoot's existence could be jeopardized by people seeking its whereabouts who are of the intent to capture Bigfoot and place said creature in a zoo and are known to carry firearms and other dangerous weapons; and

WHEREAS, The exploitation of Bigfoot for commercial purposes so as to enhance the economic development of the State of Washington and to improve its tourist industry would break the heart of the tender and shy creature; and

WHEREAS, The number of Bigfeet remaining in the State of Washington is unknown and the capturing or death of one such creature could decimate the population of Bigfeet and bring great discomfort and grief to those creatures so remaining in their natural habitat;

NOW, THEREFORE, BE IT RESOLVED, That the Department of Natural Resources through the authority granted it pursuant to Chapter 79.70 RCW be directed to determine the

HB 604

SENATE JOURNAL
REGULAR AND FIRST EXTRAORDINARY
SESSIONS
FORTY-FIFTH LEGISLATURE
STATE OF WASHINGTON
AT
OLYMPIA, the State Capitol

Convened Regular Session January 10, 1977.
Adjourned Regular Session *SINE DIE* March 10, 1977.
Convened First Extraordinary Session March 11, 1977.
Adjourned First Extraordinary Session *SINE DIE* June 21, 1977

VOLUME 1

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TITLE AND HISTORY OF HOUSE BILLS IN THE SENATE—Continued

NUMBER, AUTHOR AND SUBJECT	Message From House	Introduction, First Reading and Committee Referral	Report of Committee	Second Reading and Amendments	Third Reading	Vote on Final Passage	Other Action in Senate	Signed by Speaker of the House	Signed by President of the Senate	Action by Governor
595. (ENGROSSED) Representatives Ehlers, Nelson (Gary) and Sommers: Changing the number of members and means of appointment, respectively, of the nursing home council and the emergency medical and ambulance review committee.	865	865		876						
601. (SUBSTITUTE) Committee on Commerce (originally sponsored by Representatives Hanna, Warnke, Hawkins, Adams, Salatino, Grier, Hansen, Heck, Gallagher, McCormick and Gaines): Revising gambling laws on card games.	925, 1608	926		1533, 1132 1648, 1649	1634, 1649	1536, 1549	1541- 1542, 1543	1622	1623	CH. 76X
604. (ENGROSSED SUBSTITUTE) Committee on Labor (originally sponsored by Representatives Lux, Pearsall, Fischer and Pruitt) (by Department of Labor and Industries request): Revising the state industrial insurance laws.	1484, 2392	1486		2188- 1825 2188, 2340	2349	2349		3088	3088	CH. 321X
612. Representatives Hurley (Margaret), McCormick and Gilleland (by Department of Highways request): Repealing certain laws on the environmental impact of highways.	1104	1105		1149						
613. Representatives Sommers and Nelson (Gary) (by Department of Revenue request): Repealing property tax revaluation ratio procedures.	609, 736	611, 757		637 1510	1510	1510		1622	1622	CH. 29X

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614. (ENGROSSED SUBSTITUTE) Judiciary Committee (originally sponsored by Representatives Hanna, Knowles, Smith, Deccio, Tilly, Fischer, Knedlik, Whiteside, Becker, Struthers, Greene, Salatino and Grimm): Providing for determinate sentencing for felony offenses.	1390	1390								
615. (ENGROSSED SUBSTITUTE) Judiciary Committee (originally sponsored by Representatives Enbody, Knowles and McKibbin): Enacting the "Comprehensive Sentencing Act of 1977".	1390, 2282	1391		1517 1983, 1996 1999, 2200	2200, 2204	1990, 1999, 2200, 2203, 2217		2321	2321	CH. 206X
617. (ENGROSSED) Representatives Fischer and Eng: Allowing some mutual savings banks to pay higher expenses for management and operation.	965	965		1001 1990	1990	1991		2063	2064	CH. 171X
618. (ENGROSSED) Representatives Fischer and Eng: Revising laws regulating sale of securities.	965	965		1388 1992	1992	1993		2063	2064	CH. 172X
619. (SUBSTITUTE) Committee on State Government (originally sponsored by Representatives Sommers, Ehlers and Shimpoch) (by State Treasurer request): Modifying investment authority of the state finance committee.	1104, 2320	1105		1259 2150, 2195	2198	2198	2150	2364	2366	CH. 251X
620. (SUBSTITUTE) Committee on State Government (originally sponsored by Representatives Sommers, Shimpoch and Ehlers (by State Treasurer request): Clarifying investment authority of the state finance committee.	1104	1105		1260						
622. (SUBSTITUTE) Committee on Appropriations (originally sponsored by Representatives Blair, Erickson and McKibbin): Establishing a calculation base for supplemental payments under TIAA/CREFF.	988	992								

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SENATE BILL NO. 2029: Abolishing the American Revolution Bicentennial Commission of the State.

Sincerely,
JOE ZASPE
Legislative Assistant

May 4, 1977.
Mr. President: The House has passed ENGROSSED SUBSTITUTE HOUSE BILL NO. 534, and the same is herewith transmitted.
DEAN R. FOSTER, Chief Clerk.

MESSAGES FROM THE HOUSE

Mr. President: The House has adopted: SENATE CONCURRENT RESOLUTION NO. 118, and the same is herewith transmitted.

DEAN R. FOSTER, Chief Clerk

May 5, 1977.
Mr. President: The Speaker has signed SENATE BILL NO. 2315, and the same is herewith transmitted.
DEAN R. FOSTER, Chief Clerk.

Mr. President: The House has passed:
ENGROSSED SUBSTITUTE HOUSE BILL NO. 13,
SUBSTITUTE HOUSE BILL NO. 254,
SECOND SUBSTITUTE HOUSE BILL NO. 334,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 472,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 604,
SUBSTITUTE HOUSE BILL NO. 1203,
ENGROSSED HOUSE BILL NO. 1232,
SUBSTITUTE HOUSE BILL NO. 1277, and the same are herewith transmitted.

DEAN R. FOSTER, Chief Clerk

May 4, 1977

INTRODUCTION AND FIRST READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 13, by Committee on Institutions (originally sponsored by Representatives Fischer and Clemente):
Expanding the work release program to include treatment.
Referred to Committee on Social and Health Services.

SUBSTITUTE HOUSE BILL NO. 254, by Committee on Social and Health Services (originally sponsored by Representatives Adams, Kreidler, Fortson, Pruitt, Lux, Hanna and Fischer):
Providing a patients bill of rights.
Referred to Committee on Social and Health Services.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 305, by Committee on Social and Health Services (originally sponsored by Representatives Hanna and Becker):
Developing a supplemental job training and employment referral program.
Referred to Committee on Social and Health Services.

SECOND SUBSTITUTE HOUSE BILL NO. 334, by Committee on Appropriations (originally sponsored by Representatives Kreidler, Whiteside, Adams, Lux, Pruitt and Fischer):
Establishing a sexually transmitted disease clinic at University of Washington.
Referred to Committee on Ways and Means.

ENGROSSED HOUSE BILL NO. 400, by Representatives Nelson (Gary), Warnke and Greengo:
Authorizing a pilot project to be known as the Washington innovation service institute.
Referred to Committee on Commerce.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 446, by Committee on Commerce (originally sponsored by Representatives Warnke, Polk and Knowles) (by Department of Motor Vehicles request):
Changing the requirements for real estate licenses.
Referred to Committee on Commerce.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 472, by Committee on Higher Education (originally sponsored by Representatives Erickson, Moreau, Wrobman, Becker, Hughes, Grier, Pardini, Knowles, McCormick, Deccio, Berentson, Chandler, Bond and May):
Designating regional universities.
Referred to Committee on Higher Education.

Mr. President: The House has passed:
ENGROSSED SUBSTITUTE HOUSE BILL NO. 305,
ENGROSSED HOUSE BILL NO. 400,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 446,
SUBSTITUTE HOUSE BILL NO. 480,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 550,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 674,
SUBSTITUTE HOUSE BILL NO. 684,
SUBSTITUTE HOUSE BILL NO. 697,
SUBSTITUTE HOUSE BILL NO. 800,
SUBSTITUTE HOUSE BILL NO. 820,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 821,
SUBSTITUTE HOUSE BILL NO. 857,
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1147,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1254,
ENGROSSED HOUSE BILL NO. 1260,
SUBSTITUTE HOUSE BILL NO. 1310, and the same are herewith transmitted.

DEAN R. FOSTER, Chief Clerk

May 4, 1977

Mr. President: The House has adopted:
HOUSE JOINT MEMORIAL NO. 12,
SUBSTITUTE HOUSE JOINT RESOLUTION NO. 54, and the same are herewith transmitted.

DEAN R. FOSTER, Chief Clerk

May 4, 1977

SUBSTITUTE HOUSE BILL NO. 480, by Committee on Education (originally sponsored by Representatives Clemente, Zimmerman, Eng, Taller, Lux, Boldt and Valle) (by Superintendent of Public Instruction request):

Providing program of bilingual instruction in the common schools and state aid therefor.

Referred to Committee on Education.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 534, by Committee on Natural Resources (originally sponsored by Representative Martinis):

Allowing the revocation of food fish and shellfish licenses for violations of food fish and shellfish laws.

Referred to Committee on Natural Resources.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 550, by Committee on Commerce (originally sponsored by Representatives Salatino, Valle, Nelson (Dick), Smith and Gaines):

Regulating automotive repair.

Referred to Committee on Commerce.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 604, by Committee on Labor (originally sponsored by Representatives Lux, Pearsall, Fischer and Pruitt) (by Department of Labor and Industries request):

Revising the state industrial insurance laws.

Referred to Committee on Labor.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 674, by Committee on Agriculture (originally sponsored by Representatives Kilbury and Clayton):

Revising laws relating to the sale or transfer of agricultural products.

Referred to Committee on Agriculture.

SUBSTITUTE HOUSE BILL NO. 684, by Committee on Social and Health Services (originally sponsored by Representative Fischer):

Allowing pharmacists to obtain nonpracticing licenses.

Referred to Committee on Social and Health Services.

SUBSTITUTE HOUSE BILL NO. 697, by Committee on Education (originally sponsored by Representatives Dunlap, Clemente, Fortson, Whiteside, Bauer, Barnes, Greengo, Paris and Taller):

Mandating learning objectives for grades K-12 for statutorily required courses.

Referred to Committee on Education.

SUBSTITUTE HOUSE BILL NO. 800, by Committee on Social and Health Services (originally sponsored by Representatives Gruger, Kreidler, Whiteside, Adams, Fortson, May, Pearsall and Lux):

Allowing an earned income exemption for recipients of developmental disability services.

Referred to Committee on Social and Health Services.

SUBSTITUTE HOUSE BILL NO. 820, by Committee on Social and Health Services (originally sponsored by Representatives Adams, Kreidler, Fortson, Gruger, May and Whiteside):

Enacting the Victims of Sexual Assault Act.

Referred to Committee on Social and Health Services.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 821, by Committee on Local Government (originally sponsored by Representatives Fortson, Adams, Pearsall, Pruitt, Lux, Thompson, Kreidler, Burns, Gruger and Salatino):

Requiring crosswalk curb ramps for handicapped persons.

Referred to Committee on Local Government.

SUBSTITUTE HOUSE BILL NO. 857, by Committee on Judiciary (originally sponsored by Representatives Keller, Hanna, Knowles, Pardini, Tilly, Deccio, Monohon, Kreidler and Clayton) (by Board of Prison Terms and Paroles request):

Requiring statements on convicted persons for the board of prison terms and paroles.

Referred to Judiciary Committee.

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1147, by Committee on Appropriations (originally sponsored by Representatives Hughes, Lee, Hurley (Margaret), Fischer, Blair, Bauer, Fortson, Erickson, Walk, McCormick, Knowles, O'Brien, Gallagher, May, Salatino, Knedlik, Sherman, Valle, Grier, Taller and Vrooman):

Providing for a remedial reading program in the common schools.

Referred to Committee on Ways and Means.

SUBSTITUTE HOUSE BILL NO. 1203, by Committee on Education (originally sponsored by Representative McKibbin):

Authorizing expenditures to implement programs of proper educational practices.

Referred to Committee on Education.

ENGROSSED HOUSE BILL NO. 1232, by Representative Gaines:

Permitting catalytic converts to be removed from emergency vehicles.

Referred to Committee on Transportation.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1254, by Committee on Transportation (originally sponsored by Representatives Charnley, Leckenby, McKibbin and Blair):

Regulating boating.

Referred to Committee on Transportation.

ENGROSSED HOUSE BILL NO. 1260, by Representatives Douthwaite, Maxie, Grier and Haley (by Insurance Commissioner request):

Modifying the bond, licensing, and fees provisions of the insurance laws.

Referred to Committee on Financial Institutions and Insurance.

SUBSTITUTE HOUSE BILL NO. 1277, by Committee on Education (originally sponsored by Representatives McKibbin, Clemente, Barnes, Bauer, Dunlap, Erickson, Shinpoch and Haley) (by Governor Ray request):

Providing for a Washington state commission on educational structure and management.

Referred to Committee on Education.

SUBSTITUTE HOUSE BILL NO. 1310, by Committee on Ecology (originally sponsored by Representative Valle):

Defining "date of filing" with regard to a permit for a variance or a conditional use under the shoreline management act.

Referred to Committee on Ecology.

HOUSE JOINT MEMORIAL NO. 12, by Representative Lysen:

Memorializing the President and Congress to terminate airline mutual aid pacts.

Referred to Committee on Transportation.

SUBSTITUTE HOUSE JOINT RESOLUTION NO. 54, by Committee on State Government (originally sponsored by Representatives Vrooman, Burns, Knedlik, Salatino, Pruitt, Nelson (Dick), Hughes, Enbody, Monohon, Grier, Pearsall, Walk, Grimm, Heck, Kreidler and Schmitt):

Carrying over bills between sessions of the same legislature.

Referred to Committee on State Government.

MAJORITY recommendation: Do pass.

Signed by: Senators Woody, Chairman; Bluechel, Clarke, Herr, Jones, Waigren.

Passed to Committee on Rules for second reading.

May 9, 1977.

SUBSTITUTE HOUSE BILL NO. 348, permitting emergency suspension or restriction of nursing home operations (reported by Committee on Social and Health Services):

MAJORITY recommendation: Do pass as amended.

Signed by: Senators Day, Chairman; Goltz, Vice Chairman; Buffington, Francis, McDermott, Van Hollebeke, Wojahn.

Passed to Committee on Rules for second reading.

May 9, 1977.

ENGROSSED HOUSE BILL NO. 400, authorizing a pilot project to be known as the Washington innovation service institute (reported by Committee on Commerce):

MAJORITY recommendation: Do pass.

Signed by: Senators Van Hollebeke, Chairman; Wojahn, Vice Chairman; Morrison.

Passed to Committee on Rules for second reading.

May 6, 1977.

ENGROSSED HOUSE BILL NO. 429, requiring the department of labor and industries to conduct railroad safety inspections relating to employees (reported by Committee on Labor):

MAJORITY recommendation: Do pass.

Signed by: Senators Ridder, Chairman; Grant, Mardesich, Peterson.

Passed to Committee on Rules for second reading.

May 9, 1977.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 508, regulating the sale of hypodermic needles (reported by Committee on Social and Health Services):

MAJORITY recommendation: Do pass.

Signed by: Senators Day, Chairman; Goltz, Vice Chairman; Buffington, Francis, McDermott, Van Hollebeke, Wojahn.

Passed to Committee on Rules for second reading.

April 25, 1977.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 520, providing statutory consumer protection in certain areas of automobile insurance (reported by Committee on Financial Institutions and Insurance):

MAJORITY recommendation: Do pass.

Signed by: Senators Woody, Chairman; Jones, Mardesich, Waigren.

Passed to Committee on Rules for second reading.

May 9, 1977.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 534, allowing the revocation of food fish and shellfish licenses for violations of food fish and shellfish laws (reported by Committee on Natural Resources):

MAJORITY recommendation: Do pass.

Signed by: Senator Peterson, Chairman; Beck, Pullen, Talley, Wanamaker.
Passed to Committee on Rules for second reading.

May 9, 1977.

SUBSTITUTE HOUSE BILL NO. 538, regulating social workers (reported by Committee on Social and Health Services):

MAJORITY recommendation: Do pass as amended.

Signed by: Senators Goltz, Vice Chairman; Buffington, Cunningham, Francis, Gould, McDermott, Monohon, Wojahn.

Passed to Committee on Rules for second reading.

May 9, 1977.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 550, regulating automotive repair (reported by Committee on Commerce):

MAJORITY recommendation: Do pass.

Signed by: Senators Van Hollebeke, Chairman; Wojahn, Vice Chairman; Morrison.

Passed to Committee on Rules for second reading.

May 5, 1977.

ENGROSSED HOUSE BILL NO. 541, adjusting workmen's compensation for permanent partial disabilities (reported by Committee on Labor):

MAJORITY recommendation: Do pass as amended.

Signed by: Senators Ridder, Chairman; Grant, Mardesich, Morrison, Peterson.
Passed to Committee on Rules for second reading.

May 6, 1977.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 604, revising the state industrial insurance laws (reported by Committee on Labor):

MAJORITY recommendation: Do pass.

Signed by: Senators Ridder, Chairman; Grant, Mardesich, Peterson.

Passed to Committee on Rules for second reading.

May 9, 1977.

ENGROSSED HOUSE BILL NO. 746, modifying terms of office of members of county legislative authorities (reported by Committee on Local Government):

MAJORITY recommendation: Do pass as amended.

Signed by: Senators Fleming; North, Sellar, Talley.

Passed to Committee on Rules for second reading.

May 9, 1977.

SUBSTITUTE HOUSE BILL NO. 837, providing for preservation of the Mount Si and Little Si area (reported by Committee on Parks and Recreation):

MAJORITY recommendation: Do pass.

Signed by: Senators von Reichbauer, Chairman; Lewis, Monohon.

Passed to Committee on Rules for second reading.

May 9, 1977.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1189, requiring independent audits for nursing homes (reported by Committee on Social and Health Services):

MAJORITY recommendation: Do pass as amended.

SENATE JOURNAL
REGULAR AND FIRST EXTRAORDINARY
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STATE OF WASHINGTON
AT
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Adjourned Regular Session *SINE DIE* March 10, 1977.
Convened First Extraordinary Session March 11, 1977.
Adjourned First Extraordinary Session *SINE DIE* June 21, 1977

Volume II

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SECOND READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 604, by Committee on Labor (originally sponsored by Representatives Lux, Pearsall, Fischer and Pruitt) (by Department of Labor and Industries request):

Revising the state industrial insurance laws.

The bill was read the second time by sections.

Senator Marsh moved adoption of the following amendment by Senators Marsh and Jones:

On page 5, following line 21, add a section to read as follows: "Sec. ____ Chapter 23, section 51.12.050, Laws of 1961 as last amended by Chapter 43, section 8, Laws of 1972 ex. sess. and RCW 51.12.050 are each amended to read as follows:

Whenever the state, county, any municipal corporation, or other taxing district shall engage in any work, or let a contract therefor, in which workmen are employed for wages, this title shall be applicable thereto. The employer's payments into the accident fund shall be made from the treasury of the state, county, municipality, or other taxing district. If the work is being done by contract, the payroll of the contractor and the subcontractor shall be the basis of computation and, in the case of contract work consuming less than one year in performance, the required payment into the accident fund shall be based upon the total payroll. The contractor and any subcontractor shall be subject to the provisions of this title, and the state for its general fund, the county, municipal corporation, or other taxing district shall be entitled to collect from the contractor the full amount payable to the accident fund and the contractor, in turn, shall be entitled to collect from the subcontractor his proportionate amount of the payment.

Whenever and so long as, by state law, city charter, or municipal ordinance, provision is made for employees or peace officers injured in the course of employment, such employees shall not be included in the payroll of the municipality under this title: PROVIDED, That whenever any state law, city charter, or municipal ordinance only provides for payment to the employee of the difference between his actual wages and that received under this title and may be included in the payroll of the municipality.

Notwithstanding any other provision of law to the contrary, nothing in this section shall be construed to annul, modify, or preclude the continuation of any existing contracts for providing disability and medical benefits pursuant to chapter 41.26 RCW. Upon the expiration date of such contracts, employers shall be required to cover all such employees as required pursuant to chapter _____, Laws of 1977 (SHB 867) under the provisions of Title 51 RCW.

POINT OF ORDER

Senator Grant: "Mr. President, I raise a point of order in regard to scope and object on this amendment. Mr. President, the amendment by Senator Marsh opens a brand new area with regard to this particular bill. It is primarily a housekeeping measure. It was introduced at the request of the department of labor and industries primarily to clean up some language problems and clarify some doubtful legalities.

"I think that the amendment by Senator Marsh deals with the LEOFF system which really has no relationship, currently at least, to worker's compensation and therefore should be ruled as expanding scope and object."

PARLIAMENTARY INQUIRY

Senator Ridder: "I have no objection, Mr. President. Would it be appropriate at this time to raise the question of scope and object on another amendment which is on our desks?"

REPLY BY THE PRESIDENT

President Cherberg: "That would not be in order at this time, Senator Ridder. However, in the interest of expediting the business of the Senate, the President will review all of the amendments and perhaps be prepared when the bill comes up once again."

MOTION

On motion of Senator Grant, Engrossed Substitute House Bill No. 604, together with the pending amendment by Senators Marsh and Jones and the Point of Order raised by Senator Grant, was ordered held at the end of today's calendar.

MOTION

On motion of Senator Marsh, the Senate commenced consideration of Substitute House Bill No. 538.

SECOND READING

SUBSTITUTE HOUSE BILL NO. 538, by Committee on Social and Health Services (originally sponsored by Representatives Hanna, Becker, King, Maxie, Gruger, Douthwaite, Nelson (Gary) and Whiteside):
Regulating social workers.

REPORT OF STANDING COMMITTEE

May 9, 1977.

SUBSTITUTE HOUSE BILL NO. 538, regulating social workers (reported by Committee on Social and Health Services):

MAJORITY recommendation: Do pass with the following amendment:

On page 1, strike everything after the enacting clause and insert the following:
"NEW SECTION. Section 1. There is added to Title 18 RCW a new section to read as follows:

The purpose of this chapter is to protect the public as regards the profession of social work by promoting high standards of professional performance, by requiring professional accountability, by setting standards of qualification, education, training, and experience for those persons who seek to engage in the practice of professional social work through agencies and as private practitioners, and by requiring licensing for persons using the title "social worker" in any manner.

NEW SECTION. Sec. 2. There is added to Title 18 RCW a new section to read as follows:

Wherever used in this chapter, terms defined in this section shall have the meanings specified unless the context clearly indicates otherwise.

(1) "Social work" and "social work practice":

(a) Mean the professional activity, using the title of social worker, of helping individuals, groups, or communities enhance or restore their capacity for social functioning and creating societal conditions favorable to this goal in the areas of clinical social work, social case work, social group work, and community social work; and

(b) Consist of the professional application of social work values, principles, and techniques which use the knowledge of human development and behavior and of social, economic, and cultural institutions.

(2) "Professional activity" means work which:

(a) Is predominately intellectual and varied in nature;

MOTIONS

On motion of Senator Walgren, the Senate advanced to the sixth order of business.

On motion of Senator Walgren, the Senate commenced consideration of Second Substitute House Bill No. 388.

SECOND READING

SECOND SUBSTITUTE HOUSE BILL NO. 388, by Committee on Revenue (originally sponsored by Representatives McKibbin, Charnley, Boldt and Lux):

Exempting solar energy systems installed as improvements to real property from property taxation.

The bill was read the second time by sections.

On motion of Senator Bottiger, the rules were suspended, Second Substitute House Bill No. 388 was advanced to third reading, the second reading considered the third, and the bill was placed on final passage.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute House Bill No. 388, and the bill passed the Senate by the following vote: Yeas, 35; absent or not voting, 3; excused, 11.

Voting yeas: Senators Beck, Bluechel, Bottiger, Clarke, Day, Gaspard, Goltz, Gould, Grant, Guess, Henry, Herr, Keefe, Lewis, Marsh, Matson, Monohon, Morrison, Murray, North, Odegaard, Peterson, Rasmussen, Ridder, Rohrbach, Sandison, Sellar, Talley, Van Hollebeke, von Reichbauer, Walgren, Wanamaker, Washington, Wilson, Wojuhn—35.

Absent or not voting: Senators Bausch, Benitz, Scott—3.

Excused: Senators Buffington, Donohue, Fleming, Francis, Hayner, Jones, Mardesich, McDermott, Newschwander, Pullen, Woody—11.

SECOND SUBSTITUTE HOUSE BILL NO. 388, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Walgren, the Senate commenced consideration of Engrossed Substitute House Bill No. 604.

SECOND READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 604, by Committee on Labor (originally sponsored by Representatives Lux, Pearsall, Fischer and Pruitt) (by Department of Labor and Industries request):

Revising the state industrial insurance laws.

The Senate resumed consideration of Engrossed Substitute House Bill No. 604 and the following amendment by Senators Marsh and Jones that had been moved for adoption on June 2, 1977. At that time, a Point of Order had been raised by Senator Grant.

On page 5, following line 21, add a section to read as follows: "Sec. Chapter 23, section 51.12.050, Laws of 1961 as last amended by Chapter 43, section 8, Laws of 1972 ex. sess. and RCW 51.12.050 are each amended to read as follows:

Whenever the state, county, any municipal corporation, or other taxing district

shall engage in any work, or let a contract therefor, in which workmen are employed for wages, this title shall be applicable thereto. The employer's payments into the accident fund shall be made from the treasury of the state, county, municipality, or other taxing district. If the work is being done by contract, the payroll of the contractor and the subcontractor shall be the basis of computation and, in the case of contract work consuming less than one year in performance, the required payment into the accident fund shall be based upon the total payroll. The contractor and any subcontractor shall be subject to the provisions of this title, and the state for its general fund, the county, municipal corporation, or other taxing district shall be entitled to collect from the contractor the full amount payable to the accident fund and the contractor, in turn, shall be entitled to collect from the subcontractor his proportionate amount of the payment.

Whenever and so long as, by state law, city charter, or municipal ordinance, provision is made for employees or peace officers injured in the course of employment, such employees shall not be included in the payroll of the municipality under this title: PROVIDED, That whenever any state law, city charter, or municipal ordinance only provides for payment to the employee of the difference between his actual wages and that received under this title and may be included in the payroll of the municipality.

Notwithstanding any other provision of law to the contrary, nothing in this section shall be construed to annul, modify, or preclude the continuation of any existing contracts for providing disability and medical benefits pursuant to chapter 41.26 RCW. Upon the expiration date of such contracts, employers shall be required to cover all such employees as required pursuant to chapter Laws of 1977 (SHB 867) under the provisions of Title 51 RCW."

RULING BY THE PRESIDENT

The President: "In ruling upon the point of order raised by Senator Grant, the President finds that Engrossed Substitute House Bill No. 604 is a request of the Department of Labor and Industries which was submitted in order to clarify and streamline the enforcement of the present industrial insurance law. To accomplish this, the bill makes a variety of procedural changes in that law. The amendment proposed by Senators Marsh and Jones is substantive and deals with contracts upon for disability and medical benefits for law enforcement officers and fire fighters, and with the coverage of injuries to such officers upon the expiration of those contracts. The President, therefore, finds that the amendment does expand the scope and object of the bill and the point of order is well taken."

The amendment by Senators Marsh and Jones was ruled out of order.

There being no objection, an amendment by Senator Morrison to page 7, line 5 on the desk of the Secretary of the Senate, was withdrawn.

Senator Morrison moved adoption of the following amendment:

On page 7, section 8, line 5 after "certified," insert:

"Any group of two or more employers in the same industry with combined assets of \$1,000,000 or any group of two or more municipal corporations may qualify as a self-insurer subject to all existing requirements contained in chapter 51.14 RCW. The director may grant authorization to become a member of such a group upon a reasonable showing by an employer of his solvency and financial stability to meet his obligations as a member of the group. An employer permitted to become a member of such a group shall execute a written agreement in which the employer agrees to jointly and severally assume and discharge any lawful award entered by the Department against any member of the group."

POINT OF ORDER

Senator Ridder: "I would indeed like to raise the question of scope and object on this amendment. It would make a major change in industrial insurance law to what is essentially a housekeeping bill which was requested by the Department of Labor and Industries. The bill deals with procedural aspects of making a self-insurance application and include self-insurers in the second injury fund. It does not deal with coverage for self-insurance. Presently, only individual employers can qualify for self-insurance if they are large enough to meet the financial requirements. This amendment would allow any group of employers to qualify for self-insurance and such a major change was not intended when the bill was introduced. Because of the nature of this major change in industrial insurance law, I ask that you rule the amendment outside the scope and object of the bill."

Debate ensued.

RULING BY THE PRESIDENT

The President: "The President believes, in replying to the point of order presented by Senator Ridder, that the amendment proposed by Senator Morrison to page 7, line 5, is also a substantive amendment in that it deals with the ability of a group of employers whose combined assets exceed one million dollars to self-insure. The President therefore believes that the amendment does expand the scope and object of the bill and the point of order raised by Senator Ridder is well taken."

The amendment by Senator Morrison was ruled out of order.

Senator Morrison moved adoption of the following amendment by Senators Keefe, Morrison and Donohue:

On page 5, beginning on line 22, add a section following section 6 as follows:

"Sec. 7. Section 51.12.020, chapter 23, Laws of 1961 as last amended by section 1, chapter 124, Laws of 1973 and RCW 51.12.020 are each amended to read as follows:

The following are the only employments which shall not be included within the mandatory coverage of this title:

- (1) Any person employed as a domestic servant in a private home by an employer who has less than two employees regularly employed forty or more hours a week in such employment.
- (2) Any person employed to do gardening, maintenance, repair, remodeling, or similar work in or about the private home of the employer which does not exceed ten consecutive work days.
- (3) A person whose work is casual and the employment is not in the course of the trade, business, or profession of his employer.
- (4) Any person performing services in return for aid or sustenance only, received from any religious or charitable organization.
- (5) Sole proprietors and partners.
- (6) Any employee, not regularly and continuously employed by the employer in agricultural labor, whose cash remuneration paid by or due from any one employer in that calendar year for agricultural labor is less than one hundred fifty dollars. Employees not regularly and continuously employed in agricultural labor by any one employer but who are employed in agricultural labor on a seasonal basis shall come under the coverage of this title only when their cash remuneration paid or due in that calendar year exceeds one hundred fifty dollars but only as of the occurrence of that event and only as to their work for that employer.
- (7) Any child under eighteen years of age employed by his parent or parents in agricultural activities on the family farm.
- (8) Jockeys while participating in or preparing horses for race meets licensed by the Washington horse racing commission pursuant to chapter 67.16 RCW.

Renumber the remaining sections accordingly.

POINT OF INQUIRY

Senator Bottiger: "Would Senator Morrison yield to a question? Senator Morrison, I should have forewarned you of this question but I am concerned about a definition of the word 'jockey.' Is it your intent to include the exercise boys, the hot walkers, all the other people that are associated with the horse; or is it just the jockey who rides in the exercise and the race?"

Senator Morrison: "It was the intent to cover exclusively the jockey because the other people you have mentioned, Senator Bottiger, all have an employee-employer relationship with either the horseman or the horse owner or the track itself. It is the jockey that is in this exclusive area, gray area, and we feel that this continued coverage is not in the best interest of either the jockeys or certainly the tracks nor even the citizens of the state, who end up picking up part of the tab."

The motion by Senator Morrison carried and the amendment was adopted.

On motion of Senator Grant, the following amendment was adopted:

On page 7, line 6 after "may" delete "established sufficient" and insert "~~((established sufficient))~~ be required by the director to supplement existing"

Senator Morrison moved adoption of the following amendment:

On page 8, line 21, after "a" delete "satisfactory"

POINT OF INQUIRY

Senator Guess: "Would Senator Grant yield? Senator Grant, can you describe what satisfactory means?"

Senator Grant: "No, I think that would be up to the discretion of the Director, Senator Guess."

Senator Guess: "If you cannot make a determination, cannot in all your wisdom, Senator, how would you expect a bureaucrat to do it?"

Senator Grant: "We leave a great deal to the department and the director with regard to self-insurance, whether or not to accept an application for self-insurance in many instances, and I should think that if there is a continual history, Senator Guess, and I am not going to try to act as the director of the department in this case, but if there is a continual history of accidents within a self-insurer's work place, then the right to self-insure maybe should be put in jeopardy and the discretion ought to be there for the director."

Debate ensued.

POINT OF INQUIRY

Senator Bottiger: "Would Senator Morrison yield to a question? Senator Morrison, I tend to agree with you. I do not know how you could prove a satisfactory record unless you had something to compare it to. If you had two people exactly alike, one had a lot of accidents, one did not, then obviously one would have an unsatisfactory record; but whether the other one would be satisfactory I do not know. But how about using instead, 'indicate inadequate program for accident prevention?'"

Senator Morrison: "Senator Bottiger, I think if you would read the rest of the language in sub (4) starting on line 18, and I will read this for the body, the new language 'he or she has'—and again, this is when the director is trying to determine whether someone should qualify as a self-insurer—he or she has demonstrated to the department the existence of a safety organization maintained by him or her within his or her establishment that indicates a satisfactory record of accident prevention."

Senator Bottiger: "Senator Morrison, I stand corrected. I had not . . ."

Senator Morrison: "I think, Senator Bottiger, that it requires a safety organization, that it is there and it is functioning, and the only thing I do not want to see someone denied self-insurance status just because there was an argument on a term that even Senator Grant decided we could not define here on the floor."

The motion by Senator Morrison carried and the amendment was adopted on a rising vote.

Senator Grant moved adoption of the following amendment:

On page 8, line 22, strike all material beginning with "He" on line 22 through "including" on line 24 and substitute the following:

"He or she has demonstrated to the department that an adequately trained and staffed administrative organization will be maintained within his or her establishment to manage industrial insurance matters including:"

POINT OF ORDER

Senator Clarke: "I raise the question of scope and object on this particular amendment and I am a little surprised that Senator Grant is presenting it in view of his objection to Senator Morrison's amendment which was in exactly the similar field, and that had to do with the substantive right of self-insurance. I think it is more or less common knowledge that at the present time many of the self-insurers maintain professional outside claim administrators and this would completely change the existing practice by prohibiting that and it certainly enlarges the scope and object identically with that that was presented by Senator Morrison and where the point was raised by Senator Grant."

RULING BY THE PRESIDENT

The President: "The President in ruling upon the point of order presented by Senator Clarke finds that the amendment proposed by Senator Grant affects the ability of self-insuring Washington employers to utilize service companies. The President believes that consistent with his ruling on the amendment proposed by Senator Marsh and Senator Jones that the amendment proposed by Senator Grant would expand the scope and object of the bill. Therefore, the point of order is well taken."

The amendment by Senator Grant was ruled out of order.

On motion of Senator Morrison, the following amendments by Senators Lewis, Morrison and Ridder were considered and adopted simultaneously:

On page 9, line 34, strike "other employers" and insert "its customers"

On page 9, line 34, after "employer" strike "only"

On page 9, line 36, through line 1 on page 10, strike "for such other employers" and insert: "as determined by the department: PROVIDED, That the employer shall be liable for paying premiums and assessments, should the temporary help company fail to pay the premiums and assessments under this title"

On motion of Senator Morrison, the following amendments were adopted:

On page 11, line 19, after "department" strike "may" and insert "shall"

On page 15, line 5, after "or" strike "remove" and insert "((remove)) move"

Senator Morrison moved adoption of the following amendment by Senator Mardesich:

On page 18, line 27 at the end of Sec. 23 insert:

"Sec. 24. Section 51.52.120, chapter 23, Laws of 1961 as amended by section 1, chapter 63, Laws of 1965 ex. sess. and RCW 51.52.120 are each amended to read as follows:

(1) It shall be unlawful for an attorney engaged in the representation of any ((workman)) worker or beneficiary to charge for services in the department any fee in excess of a reasonable fee, of not more than thirty percent of the increase in the

award secured by the attorney's services. Such reasonable fee shall be fixed by the director for services performed by an attorney for such ((workman)) worker or beneficiary, prior to the notice of appeal to the board if written application therefor is made by the attorney, ((workman)) worker or beneficiary.

(2) If, on appeal to the board, the order, decision or award of the department is reversed or modified and additional relief is granted to a ((workman)) worker or beneficiary, or in cases where a party other than the ((workman)) worker or beneficiary is the appealing party and the ((workman's)) worker's or beneficiary's right to relief is sustained by the board, the board shall fix a reasonable fee for the services of his or her attorney in proceedings before the board ((if written application therefor is made by the attorney, workman or beneficiary)). In fixing the amount of such attorney's fee, the board shall take into consideration the fee allowed, if any, by the director, for services before the department, and the board may review the fee fixed by said director. Any attorney's fee set by the department or the board may be reviewed by the superior court upon application of such attorney. Where the board, pursuant to this section, fixes the attorney's fee, it shall be unlawful for an attorney to charge or receive any fee for services before the board in excess of that fee fixed by the board. Any person who violates any provision of this section shall be guilty of a misdemeanor."

Renumber remaining sections accordingly.

POINT OF ORDER

Senator Marsh: "Mr. President, I raise the question of scope and object. Mr. President, this clearly is a very substantive amendment and you have already ruled that this is a procedural bill so I think the point is quite obvious it is beyond the scope and object."

RULING BY THE PRESIDENT

The President: "Senator Marsh has raised the point of order that the amendment does change the scope and object of the bill. The President agrees with the remarks by Senator Marsh. The amendment does change the scope and object of the bill. Therefore, the point is well taken."

The amendment by Senator Mardesich was ruled out of order.

Senator Morrison moved adoption of the following amendment:

On page 10, line 36, strike "((previous injury or disease)) cause whatsoever" and insert "previous injury or disease"

On motion of Senator Ridder, the amendment by Senator Morrison will be considered later.

Senator Grant moved the following amendments by Senators Hayner, Grant, Pullen and Rasmussen be considered and adopted simultaneously:

On page 12, section 13, line 17 after "made." insert a new section as follows:

"NEW SECTION. Sec. 14. Notwithstanding any other provision of this chapter, any public employee for whom a permanent total disability results from an injury caused by an intentional, malicious criminal act while in the performance of their official duties shall receive monthly during the period of such disability 80% of his wages, but not less than \$700 dollars per month."

Renumber remaining sections.

On page 13, section 14, line 16 after "therefrom." insert a new section as follows:

"NEW SECTION. Sec. 15. Notwithstanding any other provision of this chapter, any public employee for whom a temporary total disability results from an injury caused by an intentional, malicious criminal act while in the performance of

their official duties shall receive monthly during the period of such disability 80% of his wages but not less than \$700 dollars per month."

Re-number remaining sections.

POINT OF ORDER

Senator Ridder: "Reluctantly, Mr. President, I must say that I must raise the point of order of scope and object on this amendment."

The President: "Senator Ridder has raised the point of order that the two amendments change the scope and object of the bill. Are there any remarks on the point of order?"

Senator Ridder: "I would simply have to say that in line with your previous ruling as to the procedural nature of the bill, that this does indeed make a substantive change and it may very well be appropriate that it be a separate bill at a succeeding session."

RULING BY THE PRESIDENT

The President: "In ruling upon the point of order presented by Senator Ridder, the President finds that consistent to previous rulings involving amendments to Engrossed Substitute House Bill No. 604 that the two amendments proposed by Senator Hayner, Senator Grant, Senator Pullen, Senator Rasmussen are also substantive in nature and consequently do change the scope and object of the measure. Therefore, the point is well taken."

The amendments by Senators Hayner, Grant, Pullen and Rasmussen were ruled out of order.

Senator Grant moved adoption of the following amendment:

On page 13, after line 2 insert the following:

"Sec. 15. Section 51.32.080, chapter 23, Laws of 1961 as last amended by section 46, chapter ... (HB 49), Laws of 1977 1st ex. sess. and RCW 51.32.080 are each amended to read as follows:

(1) For the permanent partial disabilities here specifically described, the injured worker shall receive compensation as follows:

LOSS BY AMPUTATION

Of leg above the knee joint with short thigh stump (3" or less below the tuberosity of ischium)	\$((+8,000.00))27,000.00
Of leg at or above knee joint with functional stump ...	((+6,200.00))24,300.00
Of leg below knee joint	((+4,400.00))21,600.00
Of leg at ankle (Syme)	((+2,600.00))18,900.00
Of foot at mid-metatarsals	((6,300.00))9,450.00
Of great toe with resection of metatarsal bone	((3,780.00))5,670.00
Of great toe at metatarsophalangeal joint	((2,268.00))3,402.00
Of great toe at interphalangeal joint	((+1,200.00))1,800.00
Of lesser toe (2nd to 5th) with resection of metatarsal bone	((+380.00))2,070.00
Of lesser toe at metatarsophalangeal joint	((672.00))1,008.00
Of lesser toe at proximal interphalangeal joint	((498.00))747.00
Of lesser toe at distal interphalangeal joint	((+26.00))189.00
Of arm at or above the deltoid insertion or by disarticulation at the shoulder	((+8,000.00))27,000.00
Of arm at any point from below the deltoid insertion to below the elbow joint at the insertion of the biceps tendon	((+7,100.00))25,650.00

Of arm at any point from below the elbow joint distal to the insertion of the biceps tendon to and including mid-metacarpal amputation of the hand	((+6,200.00))24,300.00
Of all fingers except the thumb at metacarpophalangeal joints	((9,720.00))14,580.00
Of thumb at metacarpophalangeal joint or with resection of carpometacarpal bone	((6,480.00))9,720.00
Of thumb at interphalangeal joint	((3,240.00))4,860.00
Of index finger at metacarpophalangeal joint or with resection of metacarpal bone	((4,050.00))6,075.00
Of index finger at proximal interphalangeal joint	((3,240.00))4,860.00
Of index finger at distal interphalangeal joint	((+782.00))2,673.00
Of middle finger at metacarpophalangeal joint or with resection of metacarpal bone	((3,240.00))4,860.00
Of middle finger at proximal interphalangeal joint	((2,592.00))3,888.00
Of middle finger at distal interphalangeal joint	((+458.00))2,187.00
Of ring finger at metacarpophalangeal joint or with resection of metacarpal bone	((+620.00))2,430.00
Of ring finger at proximal interphalangeal joint	((+296.00))1,944.00
Of ring finger at distal interphalangeal joint	((810.00))1,215.00
Of little finger at metacarpophalangeal joint or with resection of metacarpal bone	((810.00))1,215.00
Of little finger at proximal interphalangeal joint	((648.00))972.00
Of little finger at distal interphalangeal joint	((324.00))486.00

MISCELLANEOUS

Loss of one eye by enucleation	((7,200.00))10,800.00
Loss of central visual acuity in one eye	((6,000.00))9,000.00
Complete loss of hearing in both ears	((+4,400.00))21,600.00
Complete loss of hearing in one ear	((2,400.00))3,600.00

(2) Compensation for amputation of a member or part thereof at a site other than those above specified, and for loss of central visual acuity and loss of hearing other than complete, shall be in proportion to that which such other amputation or partial loss of visual acuity or hearing most closely resembles and approximates. Compensation for any other permanent partial disability not involving amputation shall be in the proportion which the extent of such other disability, called unspecified disability, shall bear to that above specified, which most closely resembles and approximates in degree of disability such other disability, compensation for any other unspecified permanent partial disability shall be in an amount as measured and compared to total bodily impairment: PROVIDED, That in order to reduce litigation and establish more certainty and uniformity in the rating of unspecified permanent partial disabilities, the department shall enact rules having the force of law classifying such disabilities in the proportion which the department shall determine such disabilities reasonably bear to total bodily impairment. In enacting such rules, the department shall give consideration to, but need not necessarily adopt, any nationally recognized medical standards or guides for determining various bodily impairments. For purposes of calculating monetary benefits, the amount payable for total bodily impairment shall be deemed to be ((thirty)) forty-five thousand dollars: PROVIDED, That the total compensation for all unspecified permanent partial disabilities resulting from the same injury shall not exceed the sum of ((thirty)) forty-five thousand dollars: PROVIDED FURTHER, That in case permanent partial disability compensation is followed by permanent total disability compensation, any portion of the permanent partial disability compensation which exceeds the amount that would have been paid the injured worker if permanent total disability compensation had been paid in the first instance, shall be deducted from the pension reserve

of such injured worker and his or her monthly compensation payments shall be reduced accordingly.

(3) Should a worker receive an injury to a member or part of his or her body already, from whatever cause, permanently partially disabled, resulting in the amputation thereof or in an aggravation or increase in such permanent partial disability but not resulting in the permanent total disability of such worker, his or her compensation for such partial disability shall be adjudged with regard to the previous disability of the injured member or part and the degree or extent of the aggravation or increase of disability thereof.

(4) When the compensation provided for in subsections (1) and (2) exceeds ((three)) four times the average monthly wage in the state as computed under the provisions of RCW 51.08.018, payment shall be made in monthly payments in accordance with the schedule of temporary total disability payments set forth in RCW 51.32.090 until such compensation is paid to the injured worker in full, except that the first monthly payment shall be in an amount equal to ((three)) four times the average monthly wage in the state as computed under the provisions of RCW 51.08.018, and interest shall be paid at the rate of six percent on the unpaid balance of such compensation commencing with the second monthly payment: PROVIDED, That upon application of the injured worker the monthly payment may be converted, in whole or in part, into a lump sum payment, in which event the monthly payment shall cease in whole or in part. Such conversion may be made only upon written application of the injured worker to the department and shall rest in the discretion of the department depending upon the merits of each individual application: PROVIDED FURTHER, That upon death of a worker all unpaid installments accrued, less interest, shall be paid in a lump sum amount to the widow or widower, or if there is no widow or widower surviving, to the dependent children of such claimant, and if there are no such dependent children, then to such other dependents as defined by this title."

Renumber the following sections consecutively and correct internal references accordingly.

Debate ensued.

POINT OF ORDER

Senator Clarke: "I do raise the question of scope and object. It is quite obvious from the remarks of both Senators Grant and Francis that this is a most substantive bill, and without speaking to the issue of the bill itself, I think we would all agree that the only proper procedure to be followed in the Senate to be sure that all issues are given proper consideration is to abide by the usual scope and object question so that when matters of real import or matters which in reality the members have not been alerted to as coming up stand on their own feet and do not come in through the back door where very substantive legislation is endeavored to be placed before the body by amendment to a completely unrelated bill."

Debate ensued.

REMARKS BY SENATOR CLARKE

Senator Clarke: "I want to make the additional point that as evidenced by the other Senators who have spoken, the proposed amendment is substantially identical to another bill and for that reason is also out of order."

Further debate ensued.

RULING BY THE PRESIDENT

The President: "In ruling upon the point of order presented by Senator Clarke, the President believes that Engrossed Substitute House Bill No. 604 is merely a

measure to clarify and streamline enforcement of the present industrial insurance law and does this by making a number of procedural changes in that law. The President believes that consistent with his ruling on previous amendments that the amendment proposed by Senator Grant is substantive in nature in that it increases compensation to be received by workmen suffering permanent partial disabilities by approximately fifty percent in each instance. Therefore, the point is well taken and the amendment does change the scope and object of the bill."

The amendment by Senator Grant was ruled out of order.

The Senate resumed consideration of the following amendment by Senator Morrison moved for adoption earlier today:

On page 10, line 36, strike "~~((previous injury or disease))~~ cause whatsoever" and insert "previous injury or disease"

The motion by Senator Morrison carried and the amendment was adopted.

On motion of Senator Morrison, the following amendment by Senators Keefe, Morrison and Donohue to the title was adopted:

On page 1, line 11 of the title, after "RCW 51.08.178;" and before "amending" insert "amending section 51.12.020, chapter 23, Laws of 1961 as last amended by section 1, chapter 124, Laws of 1973 and RCW 51.12.020;"

On motion of Senator Ridder, the rules were suspended, Engrossed Substitute House Bill No. 604, as amended by the Senate, was advanced to third reading, the second reading considered the third, and the bill was placed on final passage.

MOTION

On motion of Senator Lewis, Senator Scott was excused.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 604, as amended by the Senate, and the bill passed the Senate by the following vote: Yeas, 38; nays, 1; excused, 10.

Voting yea: Senators Bausch, Beck, Benitz, Bluechel, Bottiger, Clarke, Day, Gaspard, Goltz, Gould, Grant, Guss, Henry, Herr, Jones, Keefe, Lewis, Marsh, Matson, Monohon, Morrison, Murray, North, Odegaard, Peterson, Rasmussen, Ridder, Rohrbach, Sandison, Sellar, Talley, Van Hollebeke, von Reichbauer, Walgren, Wanamaker, Washington, Wilson, Wojahn—38.

Voting nay: Senator Francis—1.

Excused: Senators Buffington, Donohue, Fleming, Hayner, Mardesich, McDermott, Newschwander, Pullen, Scott, Woody—10.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 604, as amended by the Senate, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Keefe, Engrossed Substitute House Bill No. 604, as amended by the Senate, was ordered immediately transmitted to the House.

SECOND READING

SUBSTITUTE HOUSE BILL NO. 3, by Committee on Revenue (originally sponsored by Representatives Kilbury, Boldt and Oliver):

Taxing federal nuclear power generators.

The Senate resumed consideration of Substitute House Bill No. 3. On June 9, 1977, the amendment to page 2, beginning on line 13 by the Committee on Ways

June 21, 1977.

Mr. President: The House has concurred in the Senate amendment to ENGROSSED HOUSE BILL NO. 727, and has passed the bill as amended by the Senate.

DEAN R. FOSTER, Chief Clerk.

June 21, 1977.

Mr. President: The House has concurred in the Senate amendments to SUBSTITUTION HOUSE BILL NO. 255, and has passed the bill as amended.

DEAN R. FOSTER, Chief Clerk.

June 21, 1977.

Mr. President: The House has concurred in the Senate amendments to ENGROSSED SUBSTITUTE HOUSE BILL NO. 604, and has passed the bill as amended by the Senate.

DEAN R. FOSTER, Chief Clerk.

June 21, 1977.

Mr. President: The House has adopted: SENATE CONCURRENT RESOLUTION NO. 123, and the same is herewith transmitted.

DEAN R. FOSTER, Chief Clerk.

June 21, 1977.

Mr. President: The Speaker has signed: SUBSTITUTE SENATE BILL NO. 3109, and the same is herewith transmitted.

DEAN R. FOSTER, Chief Clerk.

June 21, 1977.

Mr. President: The Speaker has signed: SUBSTITUTE SENATE BILL NO. 2522, SUBSTITUTE SENATE BILL NO. 2537, and the same are herewith transmitted.

DEAN R. FOSTER, Chief Clerk.

June 21, 1977.

Mr. President: The House has adopted the report of the Free Conference Committee on SUBSTITUTE HOUSE BILL NO. 3, and has passed the bill as amended by the Free Conference Committee.

DEAN R. FOSTER, Chief Clerk.

STATEMENT FOR THE JOURNAL

June 21, 1977.

I would like to go on record as vigorously opposing HB 1009, a measure which extends the "temporary" sales tax and B & O tax increases enacted last year. I had been assured that the Senate would not vote on this measure until after 7:00 p.m. When I promptly returned at that hour, I was surprised and disappointed to learn that the Senate had already voted on the bill in my absence.

Signed:
Senator Kent Pullen

MESSAGE FROM THE HOUSE

June 21, 1977.

Mr. President: The House has passed: SUBSTITUTE SENATE BILL NO. 2235 with the following amendment:

On page 1, line 13, strike "ten million seven hundred fifty thousand" and insert "twenty million", and the same is herewith transmitted.

DEAN R. FOSTER, Chief Clerk.

MOTION

On motion of Senator Donohue, the Senate concurred in the House amendment to Substitute Senate Bill No. 2235.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 2235, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 37; nays, 1; absent or not voting, 5; excused, 6.

Voting yea: Senators Bausch, Beck, Benitz, Bluechel, Bottiger, Clarke, Day, Donohue, Francis, Gaspard, Goltz, Henry, Herr, Jones, Keefe, Lewis, Marsh, Matson, McDermott, Monohon, Newschwander, North, Odegaard, Pullen, Rasmussen, Ridder, Rohrbach, Sandison, Scott, Talley, Van Hollebeke, von Reichbauer, Walgren, Wanamaker, Washington, Wilson, Wojahn—37.

Voting nay: Senator Guess—1.

Absent or not voting: Senators Grant, Mardesich, Morrison, Peterson, Woody—5.

Excused: Senators Buffington, Fleming, Gould, Hayner, Murray, Sellar—6.

SUBSTITUTE SENATE BILL NO. 2235, as amended by the House, having received the constitutional sixty percent majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

June 21, 1977.

Mr. President: The House has passed: SUBSTITUTE SENATE BILL NO. 2274 with the following amendment:

On page 1, line 14, strike "eighteen million" and insert "nine million five hundred thousand", and the same is herewith transmitted.

DEAN R. FOSTER, Chief Clerk.

MOTION

On motion of Senator Donohue, the Senate concurred in the House amendment to Substitute Senate Bill No. 2274.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 2274, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 34; nays, 1; absent or not voting, 7; excused, 7.

Voting yea: Senators Bausch, Beck, Benitz, Bluechel, Bottiger, Clarke, Day, Donohue, Francis, Gaspard, Goltz, Herr, Jones, Keefe, Marsh, Matson, McDermott, Monohon, Newschwander, North, Odegaard, Pullen, Rasmussen, Ridder, Rohrbach, Scott, Talley, Van Hollebeke, von Reichbauer, Walgren, Wanamaker, Washington, Wilson, Wojahn—34.

Voting nay: Senator Guess—1.

Absent or not voting: Senators Grant, Henry, Lewis, Morrison, Peterson, Sandison, Woody—7.

Excused: Senators Buffington, Fleming, Gould, Hayner, Mardesich, Murray, Sellar—7.

SUBSTITUTE SENATE BILL NO. 2274, as amended by the House, having received the constitutional sixty percent majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

INSURANCE PLAN REVIEW COMMITTEE, STATE EMPLOYEE (under provisions of SFR 1977-97): Senators Gaspard, Grant, Jones, Mardesich and Rasmussen.

JUDICIAL COUNCIL (under provisions of RCW 2.52.010—SB 3004, Chapter 112, Laws of 1977 EX): Senators Clarke, Francis and Van Hollebeke.

LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE (under provisions of ESHB 660): Senators Donohue, Jones, Newschwander and Rasmussen.

MUNICIPAL RESEARCH COUNCIL (under provisions of RCW 43.110-.010): Senators Fleming, Lewis, North and Walgren.

NURSING HOME FISCAL AUDIT, SELECT COMMITTEE (under provisions of SFR 1977-10): Senators Buffington, Day, Fleming, Herr, Jones, McDermott, Morrison and North.

OCEANOGRAPHIC COMMISSION OF WASHINGTON (under provisions of RCW 43.94.020): Senators Murray, Rasmussen and Talley.

STATUTE LAW COMMITTEE (under provisions of RCW 1.08.001): Senators Clarke and Francis.

(SUNSET) COMMITTEES OF REFERENCE (under provisions of SHB 564): Senators Day, Gould, Matson, Monohon and Wilson.

TRADE FAIRS, ADVISORY COUNCIL ON INTERNATIONAL (under provisions of RCW 43.31.080): Senators Donohue and Lewis.

TRANSPORTATION COMMITTEE, LEGISLATION (under provisions of RCW 44.40.010): Senators Beck, Benitz, Guess, Henry, Keefe, Peterson, von Reichbauer, Sellar, Talley, Walgren and Wanamaker.

WASHINGTON/BRITISH COLUMBIA GOVERNMENTAL COOPERATION, JOINT COMMITTEE (under provisions of SCR 101): Senators Clarke, Goltz and Wilson.

WOMEN'S COMMISSION, WASHINGTON STATE (under provisions of 2SSH B 449, Chapter 289, Laws of 1977 EX): Senators North and Wojahn.

MOTION

On motion of Senator Walgren, the appointments were confirmed.

MESSAGE FROM THE HOUSE

June 21, 1977.

Mr. President: The Speaker has signed: SUBSTITUTE HOUSE BILL NO. 604, and the same is herewith transmitted.

DEAN R. FOSTER, Chief Clerk.

SIGNED BY THE PRESIDENT

The President signed:
SUBSTITUTE HOUSE BILL NO. 604.

MESSAGE FROM THE HOUSE

June 21, 1977.

Mr. President: The House has adopted the report of the Free Conference Committee on ENGROSSED SUBSTITUTE SENATE BILL NO. 3110, and has passed the bill as amended by the Free Conference Committee, and said report together with the bill are herewith transmitted.

DEAN R. FOSTER, Chief Clerk.

REPORT OF FREE CONFERENCE COMMITTEE

June 21, 1977.

Mr. Speaker:

Mr. President:

We, of your Free Conference Committee, to whom was referred ENGROSSED SUBSTITUTE SENATE BILL NO. 3110, as amended by the House, adopting the 1977-79 capital budget, have had the same under consideration, and that the bill be amended as recommended by the Conference Committee:

Signed by: Senators Mardesich, Walgren and Scott; Representatives Polk, Warmke and McKibbin.

MOTION

On motion of Senator Donohue, the report of the Free Conference Committee on Engrossed Substitute Senate Bill No. 3110 was adopted.

The President declared the question before the Senate to be the roll call on final passage of Engrossed Substitute Senate Bill No. 3110, as amended by the Free Conference Committee.

Debate ensued.

POINT OF INQUIRY

Senator Bausch: "Would Senator Scott yield? Senator Scott, inasmuch as the most of us have just received a copy of this capital budget about an hour ago, and I realize the committee did a lot of hard work, but they have also kept it basically from the rest of us for quite some time. I am a little disturbed about that. I am disturbed about a lot of things in this budget, and I am going to vote against it, but one thing I would like to know is, what is the rationale, as you explain, of cutting off maxi-prisons and taking hardened criminals out of Walla Walla, and putting them out somewhere in this state, we know not where yet because we had no right for a decision in that, and leaving the minimal prisons for prisoners at Walla Walla?"

Senator Scott: "Senator Bausch, the department of social and health services has been working on this concept for over four years now, and they have gone so far as to make environmental impact statements on various optional sites, and the best sites in the state for this kind of an institution have been pinpointed. The professionals in the field have testified before ways and means committee that when you put a maxi-prison on the site of another institution, for instance, Walla Walla, that when there is tension or when there is an uprising, it is transmitted from one institution to the other. The people that are running one institution through the con grapevine manage to communicate their plans into the other institution.

"This is not to say that we made a mistake at Monroe. It is to say that if they had their 'druthers' they would rather make these institutions separate.

"Secondly, I believe that it was Bobby Rhay said earlier in the session that it was fifteen percent of the prisoners at Walla Walla that created ninety percent of the difficulty. If we can isolate out those fifteen that are the most hardened individuals that cause most of the trouble, that teach the rest of the population more bad habits, then perhaps this is a technique that we should be embarking on.

"You know that we have a rate in our prisons now, a recidivism rate of sixty-six percent, and that tells us that we have got to try something different or face mounting costs. It costs us an average of eleven thousand dollars a year now for every individual that is in Walla Walla, and this is the best method that has been discovered to date, the best alternative to date to try and make an improvement on that record."

Senators Beck, Peterson and Walgren demanded the previous question and the demand was sustained.