

CHAPTER 50.

[S. B. 63.]

UNEMPLOYMENT COMPENSATION.

AN ACT relating to unemployment compensation, amending chapter 35 of the Laws of 1945.

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

SECTION 1. The title of Chapter VIII of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

CHAPTER VIII. EXPERIENCE RATING CREDITS.

SEC. 2. Section 108 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Definitions.

Section 108. *Meaning of Terms.* As used in this chapter,

"Computation date."

(a) "Computation date" means January first of any year.

"Cut-off date."

(b) "Cut-off date" means March thirty-first next following the computation date.

"Effective date."

(c) "Effective date" means June thirtieth next following the computation date.

"Credit year."

(d) "Credit year" means the four consecutive calendar quarters immediately following the effective date.

"Qualified employer."

(e) "Qualified employer" means any employer who had employment in each of the four consecutive calendar years immediately preceding the computation date and who filed contribution reports thereon on or before the cut-off date: *Provided, however,* That no employer shall be deemed a qualified employer if he has reported no employment for four or more consecutive calendar quarters in such four calendar years: *And provided further,* That when an employer or prospective employer has acquired all or substantially all the operating assets of an employing unit, the experience of both during such four calendar years shall be jointly considered

for the purpose of determining and establishing the acquiring party's qualification for and amount of credit; and the transferring employing unit shall be divested of his experience.

(f) "Payroll" means all wages paid (or, for the years 1944 and 1945, payable) by an employer to his employees. "Payroll."

(g) "Surplus" means the lesser of (1) that amount by which the moneys in the Unemployment Compensation Fund as of the effective date, after subtracting the amount of credits previously established under this chapter and outstanding as valid on such date, exceed four times the amount of contributions paid on the payrolls reported by all employers on or before the cut-off date for the preceding calendar year, or (2) an amount equal to forty per cent (40%) of the contributions so paid for the preceding calendar year. No portion of the surplus shall be credited to any employer unless the amount of the surplus is at least ten per cent (10%) of the amount of the contributions paid on the payrolls reported by all employers on or before the cut-off date for the preceding calendar year. "Surplus."

SEC. 3. Section 109 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Section 109. *Establishment of Credits.* The amount of credit for each qualified employer shall be established in the following manner: "Establishment of credits."

(a) Qualified employers shall be grouped into six credit classes, to be designated as classes 6, 5, 4, 3, 2, and 1, in accordance with the sum of the quotients of annual decreases of payroll in regard to the three consecutive calendar years immediately preceding the computation date, each such quotient to be obtained by dividing any decrease of the payroll of a qualified employer in any calendar year from the preceding calendar year by the amount of the payroll in such preceding calendar year, each divi- "Six credit classes of qualified employers."

sion being carried out to the fourth decimal place and the remaining fraction, if any, disregarded: *Except*, That, the Commissioner shall issue regulations to provide for an adjustment in the sum of the annual decline quotients of any employer to eliminate the effect on such sum due to any stoppage of work which has existed because of a labor dispute at the employer's place or places of business.

Each qualified employer shall be in the credit class which is listed below on the same horizontal line on which the sum of such employer's quotients of annual decrease of payroll appears.

<i>Sum of Annual Decrease Quotients</i>	<i>Credit Class</i>
0.0000 to 0.0999.....	6
0.1000 to 0.2999.....	5
0.3000 to 0.4999.....	4
0.5000 to 0.6999.....	3
0.7000 to 0.7999.....	2
0.8000 or more	1

"Class weight."

(b) A "class weight" shall be assigned to each credit class as follows:

<i>Credit Class</i>	<i>Class Weight</i>
6	6
5	5
4	4
3	3
2	2
1	0

"Class product."

(c) The "class product" shall be obtained by dividing the total of the payrolls for the calendar year immediately preceding the computation date for all qualified employers in the same class by the total of the payrolls of all qualified employers for such year, such division being carried out to the fourth decimal place, and multiplying the quotient by the class weight.

Surplus to be credited.

(d) The surplus to be credited to each class shall be the product obtained by dividing the class product for each class by the sum of the class products for all classes and multiplying the quotient by the surplus to be credited to all employers. No por-

tion of the surplus shall be credited to credit class 1.

(e) The "class credit factor" shall be the quotient obtained by dividing the portion of the surplus assigned to any class of qualified employers by the sum of the payrolls of all employers in that class for the calendar year immediately preceding the computation date, such division being carried out to the fourth decimal place and the remaining fraction, if any, disregarded.

"Class credit factor."

(f) The portion of the surplus which is to be credited to any qualified employer is the product obtained by multiplying his payroll in the calendar year immediately preceding the computation date by the class credit factor of his class.

(g) As soon as practicable after the effective date, each qualified employer shall be furnished a notice showing the amount of credit to which he is entitled, if any. The amount shown on the notice may be applied only against contributions which are payable by him on wages paid in the credit year and reported not later than the date prescribed by the Commissioner for payment of contributions on wages paid in the last quarter of such credit year, except that when an employer or prospective employer has acquired all or substantially all the operating assets of an employing unit, any unused portion of the credit of the transferring employing unit shall be transferred to the acquiring party: *Provided*, That the transferring employing unit has submitted all reports and has paid all contributions and interest due to the date of such acquisition.

Notice to qualified employers.

The first credit notices shall be effective with the credit year beginning July 1, 1947, and shall be determined by employers' payrolls for the years 1944, 1945 and 1946, if a surplus is found to exist.

(h) Corrections and Appeals:

(1) Corrections or modifications of an employer's payroll shall not be taken into account for the purpose of an increase of his credit unless such

Corrections and appeals.
No increase after cut-off date.

corrections or modifications were established on or before the cut-off date.

Reduction within three years.

(2) Corrections or modifications of an employer's payroll may be taken into account within three years after the cut-off date, for the purpose of a reduction of his credit.

May reconsider credits.

(3) Within one year from the effective date the Commissioner may reconsider the credit allowed any employer whenever he finds that there has been an error in the computation thereof. When an increase is due, he shall issue to such employer a supplementary credit notice reflecting the increase in the employer's credit; however, when a credit notice has been issued to an employer whose credit is reduced, such notice shall be recalled and a revised notice issued. If the credit shown by the incorrect notice has already been applied in payment of contributions in excess of the correct credit, the employer shall thereupon become liable for payment into the Fund of an amount equal to the excess of the credit taken by him over the credit to which he is entitled and such amount shall be deemed and collected as contributions payable under this act.

Increase.

Reduction.

Other competitors not affected.

(4) Increases or reductions of an employer's credit shall not effect [affect] the credits established or to be established for any other employer, and shall further not affect any other computation made under this chapter.

Request for readjustment.

(5) Any employer dissatisfied with the amount of credit shown on his credit notice may file a request for adjustment with the Commissioner within thirty days of the mailing of such credit notice to the employer, showing wherein the amount of credit may be in error. Should such request for adjustment be denied the employer may within ten days of the mailing of such notice of denial of adjustment file with the Appeal Tribunal a petition for hearing which shall be heard in the same manner as a petition for a denial of refund. The appellate pro-

Appeal.

cedure prescribed by this act for further appeal shall apply to all denials of adjustment.

Passed the Senate February 11, 1947.

Passed the House February 21, 1947.

Approved by the Governor February 28, 1947.

CHAPTER 51.

[S. B. 70.]

ALLOCATION OF STATE FUNDS—STATE CENSUS BOARD.

AN ACT relating to cities and towns and to state funds and monies paid and allocated thereto; prescribing a method for determining the population basis for such allocation and payment; making an appropriation; and declaring that this act shall take effect immediately.

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

SECTION 1. Whenever the cities and towns of the state are, under law, allocated or entitled to be paid any state funds or state monies from any source, and the allocation is required to be made on the basis of population, on and after the first day of April, 1947, the allocation shall be made on the population of the respective cities and towns, and the aggregate population of the cities and towns, as fixed by the State Census Board herein created, and as herein provided. Said Board shall, as of April 1, 1947, determine the population of each and all cities and towns of the state, and the allocation of said monies and funds shall be made for the year April, 1947, to April 1, 1948, on the basis of said population; and said Board shall fix and determine the population of each and all cities and towns of the state as of the first day of April, 1948, and the allocation of said funds and monies shall be made for the year April 1, 1948 to the year April 1, 1949 on the basis of said population.

Population as determined by State Census Board to control allocations.