

CHAPTER 265.

[S. B. 184.]

UNEMPLOYMENT COMPENSATION.

AN ACT relating to unemployment compensation, amending sections 50.04.260, 50.04.350, 50.04.320, 50.04.330, 50.04.180, 50.04.200, 50.24.160, 50.20.010, 50.20.070, 50.20.120 and 50.04-.340, R.C.W.; and declaring an emergency.

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

SECTION 1. Section 50.04.260, R.C.W., as derived from section 27, chapter 35, Laws of 1945, is amended to read as follows:

Amendment.

The term "employment" shall not include service performed in any calendar quarter in the employ of any of the following organizations, if (1) the remuneration for such services is less than fifty dollars; or (2) such service is in connection with the collection of dues or premiums for a fraternal benefit society, order, or association and is performed away from the home office or is ritualistic service in connection with any such society, order, or association; or (3) such service is performed by a student who is enrolled and who is regularly attending classes at a school, college or university:

"Employment" certain services excluded.

(a) labor organizations;

Labor organizations.

(b) mutual savings banks not having a capital stock represented by shares;

Certain mutual savings banks.

(c) fraternal beneficiary societies, orders, or associations,

Fraternal beneficiary societies.

(1) operating under the lodge system or for the exclusive benefit of members of a fraternity itself operating under the lodge system; and

(2) providing for the payment of life, sick, accident; or other benefits to the members of such society, order, or association or their dependents;

(d) domestic saving and loan associations substantially all the business of which is confined to making loans to members; and cooperative banks

Certain savings and loan associations.

without capital stock organized and operated for mutual purposes and without profit;

Certain cemetery companies.

(e) cemetery companies owned and operated exclusively for the benefit of their members or which are not operated for profit; and any corporation chartered solely for burial purposes as a cemetery corporation and not permitted by its charter to engage in any business not necessarily incident to that purpose, no part of the net earnings of which inures to the benefit of any private shareholder or individual;

Chambers of commerce, etc.

(f) business leagues, chambers of commerce, real estate boards, or boards of trade, not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual;

Civic leagues.

(g) civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare, or local associations of employees, the membership of which is limited to individuals in the employment of a designated person or persons in a particular municipality, and the net earnings of which are devoted exclusively to charitable, educational, or recreational purposes;

Pleasure clubs.

(h) clubs organized and operated exclusively for pleasure, recreation, and other nonprofitable purposes, no part of the net earnings of which inures to the benefit of any private shareholder;

Certain life insurance companies and cooperative utilities.

(i) benevolent life insurance associations of a purely local character, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations; but only if eighty five per cent or more of the income consists of amounts collected from members for the sole purpose of meeting losses and expenses;

Farmers' and other mutual insurance companies.

(j) farmers' or other mutual hail, cyclone, casualty, or fire insurance companies or associations (including inter-surers and reciprocal underwriters)

the income of which is used or held for the purpose of paying losses or expenses;

(k) farmers', fruit growers', or like associations organized and operated on a cooperative basis, (1) for the purpose of marketing the products of members or other producers, and turning back to them the proceeds of sales, less the necessary marketing expenses, on the basis of either the quantity or the value of the products furnished by them; or (2) for the purpose of purchasing supplies and equipment for the use of members or other persons, and turning over such supplies and equipment to them at actual cost, plus necessary expenses. Exemption shall not be denied any such association because it has capital stock, if the dividend rate of such stock is fixed at not to exceed the legal rate of interest in the state of incorporation or eight per cent a year, whichever is greater, on the value of the consideration for which the stock was issued, and if substantially all such stock (other than nonvoting preferred stock, the owners of which are not entitled or permitted to participate, directly or indirectly, in the profits of the association, upon dissolution or otherwise, beyond the fixed dividends) is owned by producers who market their products or purchase their supplies and equipment through the association; nor shall exemption be denied any such association because there is accumulated and maintained by it a reserve required by state law or a reasonable reserve for any necessary purpose. Such an association may market the products of nonmembers in an amount the value of which does not exceed the value of the products marketed for members, and may purchase supplies and equipment for nonmembers in an amount the value of which does not exceed the value of the supplies and equipment purchased for members, providing the value of the purchases made for persons who are neither mem-

Farmers',
etc.,
cooperative
associations.

bers nor producers does not exceed fifteen per cent of the value of all its purchases. Business done for the United States or any of its agencies shall be disregarded in determining the right to exemption under this paragraph;

Finance corporations in conjunction with farmers', etc., cooperative associations.

(l) corporations organized by an association exempt under the provisions of paragraph (k) or members thereof, for the purpose of financing the ordinary crop operations of such members or other producers, and operated in conjunction with such association. Exemption shall not be denied any such corporation because it has capital stock, if the dividend rate of such stock is fixed not to exceed the legal rate of interest in the state of incorporation or eight per cent a year, whichever is greater, on the value of the consideration for which the stock was issued, and if substantially all such stock (other than nonvoting preferred stock, the owners of which are not entitled or permitted to participate, directly or indirectly, in the profits of the corporation, upon dissolution or otherwise, beyond the fixed dividends) is owned by such association, or members thereof; nor shall exemption be denied any such corporation because there is accumulated and maintained by it a reserve required by state law or a reasonable reserve for any necessary purpose;

Corporations holding title for benefit of exempt organization.

(m) corporations organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization which itself is exempt from the tax imposed by this title;

Corporate instrumentalities of the United States.

(n) corporations organized under act of congress, if such corporations are instrumentalities of the United States and if, under such act, as amended and supplemented, such corporations are exempt from federal income taxes;

Certain teachers' retirement fund associations.

(o) teachers' retirement fund associations of a purely local character, if (1) no part of their net

earnings inures (other than through payment of retirement benefits) to the benefit of any private shareholder or individual; and (2) the income consists solely of amounts received from public taxation, amounts received from assessments upon the teaching salaries of members, and income in respect of investments;

(p) religious or apostolic associations or corporations, if such associations or corporations have a common treasury or community treasury, even if such association or corporations engage in business for the common benefit of the members, but only if the members thereof include (at the time of filing their returns) in their gross income their entire *pro rata* shares, whether distributed or not, of the net income of the association or corporation for such year. Any amount so included in the gross income of a member shall be treated as a dividend received.

Certain religious or apostolic associations or corporations.

[Am. Rem. Supp. 1945, § 9998-165.]

SEC. 2. Section 50.04.350, R.C.W., as derived from section 36, chapter 35, Laws of 1945, is amended to read as follows:

Amendment.

The term "wages" shall not include the payment by an employing unit (without deduction from the remuneration of the individual in its employ) of the tax imposed upon an individual in employment under section 1400 of the federal internal revenue code, as amended, or any amount paid to a person in the military service for any pay period during which he performs no service for the employer: *Provided, however,* That prior to January 1, 1952, the term "wages" shall not include dismissal payments which an employing unit is not legally required to make.

"Wages;" certain items not included.

[Am. Rem. Supp. 1945, § 9998-174.]

SEC. 3. Section 50.04.320, R.C.W., as derived from section 4, chapter 214, Laws of 1949, is amended to read as follows:

"Wages."

"Wages" means the first three thousand dollars of remuneration paid by one employer during any calendar year to an individual in its employment under this title or the unemployment compensation law of any other state. After December 31, 1950, if an employer (hereinafter referred to as successor employer) during any calendar year acquires substantially all the operating assets of another employer (hereinafter referred to as a predecessor employer) or assets used in a separate unit of a trade or business of a predecessor employer, and immediately after the acquisition employs in his trade or business an individual who immediately prior to the acquisition was employed in the trade or business of such predecessor employer, then, for the purposes of determining whether the successor employer has paid remuneration equal to three thousand dollars to such individual during such calendar year, any remuneration paid to such individual by such predecessor during such calendar year and prior to such acquisition shall be considered as having been paid by such successor employer.

"Remuneration."

"Remuneration" means all compensation paid for personal services, including commissions and bonuses and the cash value of all compensation paid in any medium other than cash. The reasonable cash value of compensation paid in any medium other than cash and the reasonable value of gratuities shall be estimated and determined in accordance with rules prescribed by the commissioner.

"Wage credits."

"Wage credits" applicable to eligibility for benefits means the same as "wages."

[Am. Rem. Supp. 1949, § 9998-171.]

Amendment.

SEC. 4. Section 50.04.330, R.C.W., as derived from section 5, chapter 214, Laws of 1949, is amended to read as follows:

"Wages;"
exceptions;
retirement,
disability,
etc.,
payments.

Prior to January 1, 1951, the term "wages" shall not include the amount of any payment by an em-

ploying unit for or on behalf of an individual in its employ under a plan or system established by such employing unit which makes provision for individuals in its employ generally, or for a class or classes of such individuals (including any amount paid by an employing unit for insurance or annuities or into a fund to provide for any payment) on account of retirement, sickness or accident disability, or medical and hospitalization expenses in connection with sickness or accident disability. After December 31, 1950, the term "wages" shall not include:

(a) the amount of any payment made (including any amount paid by an employing unit for insurance or annuities, or into a fund, to provide for any such payment), to, or on behalf of, an individual or any of his dependents under a plan or system established by an employing unit which makes provision generally for individuals performing service for it (or for such individuals generally and their dependents) or for a class or classes of such individuals (or for a class or classes of such individuals and their dependents), on account of (i) retirement, or (ii) sickness or accident disability, or (iii) medical or hospitalization expenses in connection with sickness or accident disability or (iv) death;

(b) the amount of any payment by an employing unit to an individual performing service for it (including any amount paid by an employing unit for insurance or annuities, or into a fund, to provide for any such payment) on account of retirement;

(c) the amount of any payment on account of sickness or accident disability, or medical or hospitalization expenses in connection with sickness or accident disability, made by an employing unit to, or on behalf of, an individual performing services for it after the expiration of six calendar months following the last calendar month in which the individual performed services for such employing unit;

"Wages;"
exception;
employees'
trusts and
annuities.

(d) the amount of any payment made by an employing unit to, or on behalf of, an individual performing services for it or his beneficiary (i) from or to a trust exempt from tax under section 165 (a) of the federal internal revenue code at the time of such payment unless such payment is made to an individual performing services for the trust as remuneration for such services and not as a beneficiary of the trust, or (ii) under or to an annuity plan which, at the time of such payments, meets the requirements of section 165 (a) (3), (4), (5), and (6) of the federal internal revenue code; or

"Wages;"
exception;
payment to
person over
65 not
performing
services.

(e) the amount of any payment (other than vacation or sick pay) made to an individual after the month in which he attains the age of sixty-five, if he did not perform services for the employing unit in the period for which such payment is made.

[Am. Rem. Supp. 1949, § 9998-172.]

Amendment.

SEC. 5. Section 50.04.340, R.C.W., as derived from section 6, chapter 214, Laws of 1949, is amended to read as follows:

"Wages;"
exception;
death
benefits.

Prior to January 1, 1951, the term "wages" shall not include the amount of any payment by an employing unit for or on behalf of an individual in its employ under a plan or system established by such employing unit which makes provision for individuals in its employ generally, or for a class or classes of such individuals (including any amount paid by an employing unit for insurance or annuities or into a fund to provide for any payment) on account of death, provided the individual in its employ

(a) has not the option to receive instead of provisions for such death benefits, any part of such payment, or, if such death benefit is insured, any part of the premium (or contributions to premiums) paid by his employing unit; and

(b) has not the right under the provisions of the plan or system or policy of insurance providing for

such death benefits to assign such benefits or to receive a cash consideration in lieu of such benefits, either upon his withdrawal from the plan or system providing for such benefits or upon termination of such plan or system or policy of insurance or of his services with such employing unit.

[Am. Rem. Supp. 1949, § 9998-173.]

SEC. 6. Section 50.04.180, R.C.W., as derived from section 19, chapter 35, Laws of 1945, is amended to read as follows: Amendment.

The term "employment" shall not include service performed by an individual in the employ of his or her spouse, or by a child under the age of twenty-one in the employ of his father or mother. "Employment;" exemption; service in employ of spouse or parent.

[Am. Rem. Supp. 1945, § 9998-158.]

SEC. 7. Section 50.04.200, R.C.W., as derived from section 21, chapter 35, Laws of 1945, is amended to read as follows:

The term "employment" shall not include service performed in the employ of this state, or of any political subdivision thereof, or of any instrumentality of this state or its political subdivision: *Provided*, That this exemption shall not be deemed to apply if the state or any political subdivision thereof or any instrumentality of this state or its political subdivisions voluntarily elects coverage for all or any distinct class or group of individuals in its employ: *And provided further*, That the state or any political subdivision thereof or any instrumentality of this state or its political subdivisions is hereby authorized to pay to the unemployment compensation division for the unemployment compensation fund contributions required of employers by the provisions of this title. "Employment;" exemption; service in employ of state or political subdivisions. Effect of elective coverage. State, political subdivisions authorized to contribute.

[Am. Rem. Supp. 1945, § 9998-160.]

SEC. 8. Section 50.24.160, R.C.W., as derived from section 104, chapter 35, Laws of 1945, is amended to read as follows: Amendment.

Services not constituting employment; elective coverage; procedure.

Any employing unit for which services that do not constitute employment as defined in this title are performed, or this state or any political subdivisions thereof or any instrumentality of this state or its political subdivisions, may file with the commissioner a written election that all such services performed by any distinct class or group of individuals or by all individuals in its employ in one or more distinct establishments or places of business shall be deemed to constitute employment for all the purposes of this title for not less than two calendar years. Upon the written approval of such election by the commissioner, such services shall be deemed to constitute employment subject to this title from and after the date stated in such approval. Such services shall cease to be deemed employment subject hereto as of January first of any calendar year subsequent to such two calendar years, only if the employing unit files with the commissioner prior to the fifteenth day of January of such year a written application for termination of coverage.

[Am. Rem. Supp. 1945, § 9998-242.]

[This section (R.C.W. 50.24.160) was also amended by sec. 9. ch. 215, Laws of 1951.]

Amendment.

SEC. 9. Section 50.20.010, R.C.W., as derived from section 9, chapter 214, Laws of 1949, is amended to read as follows:

Waiting period credit or benefits; prerequisites.

An unemployed individual shall be eligible to receive waiting period credit or benefits with respect to any week only if the commissioner finds that

Registration for work.

(a) he has registered for work at, and thereafter has continued to report at, an employment office in accordance with such regulation as the commissioner may prescribe, except that the commissioner may by regulation waive or alter either or both of the requirements of this subdivision as to individuals attached to regular jobs and as to such other types of cases or situations with respect to which he finds that the compliance with such requirements would

be oppressive, or would be inconsistent with the purposes of this title;

(b) he has filed an application for an initial determination and made a claim for waiting period credit or for benefits in accordance with the provisions of this title;

Application and claim.

(c) he is able to work, and is available for work in any trade, occupation, profession, or business for which he is reasonably fitted. To be available for work an individual must be ready, able and willing, immediately to accept any suitable work which may be offered to him and must be actively seeking work pursuant to customary trade practices and through other methods when so directed by the commissioner or his agents;

Able and available for work.

(d) he has been unemployed for a waiting period of one week; and

Unemployed for waiting period.

(e) he has within the base year been paid wages of not less than the minimum amount now or hereafter fixed by law as the minimum amount to be earned in order to allow the individual to receive unemployment benefits.

Base year minimum wages.

[Am. Rem. Supp. 1949, § 9998-206.]

[This section (R.C.W. 50.20.010) was also amended by sec. 11, ch. 215, Laws of 1951.]

SEC. 10. Section 50.20.070, R.C.W., as derived from section 14, chapter 214, Laws of 1949, is amended to read as follows:

Amendment.

Irrespective of any other provisions of this title an individual shall be disqualified for benefits for any week with respect to which he has knowingly made a false statement or representation involving a material fact or knowingly failed to report a material fact and has thereby obtained or attempted to obtain any benefits under the provisions of this title, and for an additional twenty-six weeks commencing with the first week for which he completes a claim for waiting period or benefits following the date of the delivery or mailing of the determination of disqualification under this section: *Provided*, That

Disqualification for benefits; false representation.

such disqualification shall not be applied after two years have elapsed from the date of the delivery or mailing of the determination of disqualification under this section, but all over-payments established by such determination of disqualification shall be collected as otherwise provided by this title.

[Am. Rem. Supp. 1949, § 9998-213.]

Amendment. SEC. 11. Section 50.20.120, R.C.W., as derived from section 16, chapter 214, Laws of 1949, is amended to read as follows:

Schedule of benefits. Subject to the other provisions of this title benefits shall be payable to any eligible individual during the benefit year in accordance with the weekly benefit amount and the maximum benefits potentially payable shown in the following schedule for such base year wages shown in the schedule as are applicable to such individual:

| <i>Base Year Wages</i> | <i>Weekly Benefit Amount</i> | <i>Maximum Benefits Potentially Payable</i> |
|------------------------|------------------------------|---|
| \$000- 599.99..... | \$00 | \$000 |
| 600- 699.99..... | 10 | 150 |
| 700- 799.99..... | 11 | 176 |
| 800- 899.99..... | 12 | 204 |
| 900- 999.99..... | 13 | 234 |
| 1000-1099.99..... | 14 | 266 |
| 1100-1199.99..... | 15 | 300 |
| 1200-1299.99..... | 16 | 336 |
| 1300-1399.99..... | 17 | 374 |
| 1400-1499.99..... | 18 | 414 |
| 1500-1599.99..... | 20 | 480 |
| 1600-1699.99..... | 21 | 525 |
| 1700-1799.99..... | 22 | 572 |
| 1800-1899.99..... | 23 | 598 |
| 1900-1999.99..... | 24 | 624 |
| 2000-2099.99..... | 25 | 650 |
| 2100-2199.99..... | 26 | 676 |
| 2200-2299.99..... | 27 | 702 |
| 2300-2399.99..... | 28 | 728 |

| | | |
|------------------------------------|----|-----|
| 2400-2499.99 | 29 | 754 |
| 2500 and over | 30 | 780 |
| [Am. Rem. Supp. 1949, § 9998-218.] | | |

SEC. 12. A new section is added to chapter 50.20, R.C.W., as derived from chapter 35, Laws of 1945, to read as follows: New section.

When an unemployed individual is qualified for receipt of unemployment compensation benefits by the specific provisions of sections 50.20.010, 50.20.120 and 50.20.130, R.C.W., and such individual is not specifically disqualified from receiving such benefits by reason of the provisions of sections 50.20.030, 50.20.040, 50.20.090, 50.20.050, 50.20.060, 50.20.070 or 50.20.080, R.C.W., he shall, for all purposes of the unemployment compensation act, be deemed to be involuntarily unemployed and entitled to unemployment compensation benefits: *Provided*, That the cessation of operations by an employer for the purpose of granting vacations, whether by union contract or other reasons, shall in no manner be construed to be a voluntary quit nor a voluntary unemployment on the part of the employees. Involuntary unemployed.

[R.C.W. 50.20 is Rem. Supp. 1945, §§ 9998-206 to 9998-226 as amended.]

[R.C.W. 50.20.010 appears as sec. 9, *supra*; 50.20.120 appears as sec. 11, *supra*; 50.20.130 is Rem. Supp. 1949, § 9998-219; 50.20.030 is Rem. Supp. 1945, § 9998-208; 50.20.040 is Rem. Supp. 1945, § 9998-209; 50.20.090 is Rem. Supp. 1945, § 9998-215; 50.20.050 and 50.20.060 are respectively Rem. Supp. 1949, §§ 9998-211 and 9998-212; 50.20.070 appears as sec. 10, *supra*; 50.20.080 is Rem. Supp. 1949, § 9998-214.]

Cessation of operations by employer for purpose of granting vacations; effect.

SEC. 13. A new section is added to chapter 50.36, R.C.W., as derived from chapter 35, Laws of 1945, to read as follows: New section.

Employing units or agents thereof supplying information to the employment security department pertaining to the cause of a benefit claimant's separation from work, which cause stated to the department is contrary to that given the benefit claimant by such employing unit or agent thereof at the time of his separation from the employing unit's employ, Employing unit; contrary information concerning cause for separation; misdemeanor.

Penalty.

shall be guilty of a misdemeanor and shall be punished by a fine of not less than twenty dollars nor more than two hundred and fifty dollars or by imprisonment in the county jail for not more than ninety days.

[Chapter 50.36 R.C.W. is Rem. Supp. § 9998-319 to 9998-320.]

Partial invalidity.

SEC. 14. If any section, sentence, clause or word of this act shall be held unconstitutional, the invalidity of such section, sentence, clause or word shall not affect the validity of any other portion of this act, it being the intent of this legislative assembly to enact the remainder of this act notwithstanding such part so declared unconstitutional should or may be so declared.

Emergency.

SEC. 15. An emergency exists and this act is necessary for the preservation of the public peace, health, safety and welfare, and shall take effect immediately, except section 11 which shall not become effective until the first day of July, 1951.

Passed the Senate March 8, 1951.

Passed the House March 8, 1951.

Approved by the Governor March 20, 1951.

CHAPTER 266.

[H. B. 393.]

SALE OF TIMBER ON STATE LANDS.

AN ACT relating to state land; providing for the sale of timber thereon on a scale basis and prescribing the duties of the commissioner of public lands in connection therewith.

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

Sale of timber or certain state lands.

SECTION 1. The commissioner of public lands may sell timber upon state school and granted lands on a stumpage or scale basis for a price per thousand feet not less than the appraised value thereof. All