

for the payment of expenses of vocational training, college or university education. For the purpose of this section the term "college or university education" means education at an institution which provides an education program for which it awards a doctoral, master's or a bachelor's degree, or provides not less than a two-year program which is acceptable for full credit towards such a degree. Any person under the age of twenty-one years securing an educational loan under this section or an educational loan made by a federal association shall be deemed to have full legal capacity to contract and shall have all the rights, powers, privileges and obligations of a person of full age with respect thereto.

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CHAPTER 43

[Engrossed House Bill No. 277]

INDUSTRIAL INSURANCE

AN ACT Relating to industrial insurance; amending section 51.04.010, chapter 23, Laws of 1961 and RCW 51.04.010; amending section 51.04.080, chapter 23, Laws of 1961 and RCW 51.04.080; amending section 67, chapter 289, Laws of 1971 ex. sess. and RCW 51.04.110; amending section 51.08.015, chapter 23, Laws of 1961 and RCW 51.08.015; amending section 88, chapter 289, Laws of 1971 ex. sess. and RCW 51.08.175; amending section 51.12.010, chapter 23, Laws of 1961 as amended by section 2, chapter 289, Laws of 1971 ex. sess. and RCW 51.12.010; amending section 51.12.020, chapter 23, Laws of 1961 as amended by section 3, chapter 289, Laws of 1971 ex. sess. and RCW 51.12.020; amending section 51.12.050, chapter 23, Laws of 1961 and RCW 51.12.050; amending section 51.12.080, chapter 23, Laws of 1961 and RCW 51.12.080; amending section 51.12.090, chapter 23, Laws of 1961 and RCW 51.12.090; amending section 51.12.100, chapter 23, Laws of 1961 and RCW 51.12.100; amending section 82, chapter 289, Laws of 1971 ex. sess. and RCW 51.12.120; amending section 27, chapter 289, Laws of 1971 ex. sess. and RCW 51.14.020; amending section 51.16.120, chapter 23, Laws of 1961 and RCW 51.16.120; amending section 51.16.130, chapter 23, Laws of 1961 and RCW 51.16.130; amending section 51.16.150, chapter 23, Laws of 1961 and RCW 51.16.150; amending section 51.28.030, chapter

23, Laws of 1961 as amended by section 6, chapter 289, Laws of 1971 ex. sess. and RCW 51.28.030; amending section 51.32.04C, chapter 23, Laws of 1961 as last amended by section 43, chapter 289, Laws of 1971 ex. sess. and RCW 51.32.04C; amending section 51.32.050, chapter 23, Laws of 1961 as last amended by section 7, chapter 289, Laws of 1971 ex. sess. and RCW 51.32.050; amending section 51.32.060, chapter 23, Laws of 1961 as last amended by section 8, chapter 289, Laws of 1971 ex. sess. and RCW 51.32.060; amending section 17, chapter 289, Laws of 1971 ex. sess. and RCW 51.32.073; amending section 51.32.080, chapter 23, Laws of 1961 as last amended by section 10, chapter 289, Laws of 1971 ex. sess. and RCW 51.32.080; amending section 51.32.090, chapter 23, Laws of 1961 as last amended by section 11, chapter 289, Laws of 1971 ex. sess. and RCW 51.32.090; amending section 12, chapter 289, Laws of 1971 ex. sess. and RCW 51.32.095; amending section 47, chapter 289, Laws of 1971 ex. sess. and RCW 51.32.190; amending section 51.44.040, chapter 23, Laws of 1961 and RCW 51.44.040; amending section 51.44.060, chapter 23, Laws of 1961 and RCW 51.44.060; amending section 51.44.080, chapter 23, Laws of 1961 as amended by section 57, chapter 289, Laws of 1971 ex. sess. and RCW 51.44.080; amending section 58, chapter 289, Laws of 1971 ex. sess. and RCW 51.44.140; amending section 51.44.090, chapter 23, Laws of 1961 and RCW 51.44.090; amending section 51.52.110, chapter 23, Laws of 1961 as last amended by section 24, chapter 289, Laws of 1971 ex. sess. and RCW 51.52.110; adding a new section to chapter 23, Laws of 1961 and to chapter 51.08 RCW; adding new sections to chapter 23, Laws of 1961 and to chapter 51.48 RCW; repealing section 51.08.080, chapter 23, Laws of 1961 and RCW 51.08.080; repealing section 51.08.090, chapter 23, Laws of 1961 and RCW 51.08.090; repealing section 51.08.120, chapter 23, Laws of 1961 and RCW 51.08.120; repealing section 51.08.130, chapter 23, Laws of 1961 and RCW 51.08.130; repealing section 51.08.170, chapter 23, Laws of 1961 and RCW 51.08.170; repealing section 51.08.190, chapter 23, Laws of 1961 and RCW 51.08.190; repealing section 51.12.030, chapter 23, Laws of 1961 and RCW 51.12.030; repealing section 51.12.040, chapter 23, Laws of 1961 and RCW 51.12.040; repealing sections 51.20.005 through 51.20.600, chapter 23, Laws of 1961 and RCW 51.20.005 through 51.20.600; and prescribing penalties.

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

Section 1. Section 51.04.010, chapter 23, Laws of 1961 and RCW 51.04.010 are each amended to read as follows:

The common law system governing the remedy of workmen against employers for injuries received in ((hazardous work)) employment is inconsistent with modern industrial conditions. In practice it proves to be economically unwise and unfair. Its administration has produced the result that little of the cost of the employer has reached the workman and that little only at large expense to the public. The remedy of the workman has been uncertain, slow and inadequate. Injuries in such works, formerly occasional, have become frequent and inevitable. The welfare of the state depends upon its industries, and even more upon the welfare of its wage worker. The state of Washington, therefore, exercising herein its police and sovereign power, declares that all phases of the premises are withdrawn from private controversy, and sure and certain relief for workmen, injured in ((extrahazardous)) their work, and their families and dependents is hereby provided regardless of questions of fault and to the exclusion of every other remedy, proceeding or compensation, except as otherwise provided in this title; and to that end all civil actions and civil causes of action for such personal injuries and all jurisdiction of the courts of the state over such causes are hereby abolished, except as in this title provided.

Sec. 2. Section 51.04.080, chapter 23, Laws of 1961 and RCW 51.04.080 are each amended to read as follows:

On all claims under this title, ((the division of industrial insurance shall not forward)) claimants' written notices, orders, ((and)) or warrants shall not be forwarded to, or in care of, any representative of the claimant, but shall ((forward such notices, orders and warrants)) be forwarded directly to the claimant until such time as ((the supervisor of industrial insurance shall have)) there has been entered an order on the claim appealable to the board of industrial insurance appeals.

Sec. 3. Section 51.08.015, chapter 23, Laws of 1961 and RCW 51.08.015 are each amended to read as follows:

Wherever and whenever in any of the provisions of this title relating to any payments by an employer or workman the words "amount" and/or "amounts," "payment" and/or "payments," "premium" and/or "premiums," "contribution" and/or "contributions" and assessment and/or "assessments" appear said words shall be construed to mean taxes, which are the money payments by an employer or workman which are required by this title to be made to the state treasury for the accident fund ((and for)), the medical aid fund, the supplemental pension fund, or any other fund created by this title.

NEW SECTION. Sec. 4. There is added to chapter 23, Laws of 1961 and to chapter 51.08 RCW a new section to read as follows:

"Employee" shall have the same meaning as "workman" when the context would so indicate, and shall include all officers of the

state, state agencies, counties, municipal corporations, or other public corporations, or political subdivisions.

Sec. 5. Section 88, chapter 289, Laws of 1971 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 mean those funds held by the state or any agency thereof for the purposes of this title. The director shall manage the state fund and shall have such powers as are necessary to carry out its functions and may reinsurance any risk insured by the state fund.

Sec. 6. Section 51.12.010, chapter 23, Laws of 1961 as amended by section 2, chapter 289, Laws of 1971 ex. sess. and RCW 51.12.010 are each amended to read as follows:

There is a hazard in all employment and it is the purpose of this title to embrace all employments which are within the legislative jurisdiction of the state ((within the term "extrahazardous" wherever used in this title)).

This title shall be liberally construed for the purpose of reducing to a minimum the suffering and economic loss arising from injuries and/or death occurring in the course of employment.

Sec. 7. Section 51.12.020, chapter 23, Laws of 1961 as amended by section 3, chapter 289, Laws of 1971 ex. sess. and RCW 51.12.020 are each amended to read as follows:

The following are the only employments which shall not be ((deemed extrahazardous and thus not)) 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 ((or payable)) by ((the)) or due from any one employer in ((any)) 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.

Sec. 8. Section 51.12.050, chapter 23, Laws of 1961 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 ((extrahazardous)) 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 entitled to the benefits of this title and 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 ((from the department)) under this title such employee shall be entitled to the benefits of this title and may be included in the payroll of the municipality.

Sec. 9. Section 51.12.080, chapter 23, Laws of 1961 and RCW 51.12.080 are each amended to read as follows:

Inasmuch as it has proved impossible in the case of employees of common carriers by railroad, engaged in maintenance and operation of railways doing interstate, foreign and intrastate commerce, and in maintenance and construction of their equipment, to separate and distinguish the connection of such employees with interstate or foreign commerce from their connection with intrastate commerce, and such employees have, in fact, received no compensation under this title, the provisions of this title shall not apply to work performed by such employees in the maintenance and operation of such railroads or performed in the maintenance or construction of their equipment, or to the employees of such common carriers by railroad engaged therein, but nothing herein shall be construed as excluding from the

operation of this title railroad construction work, or the employees engaged thereon: PROVIDED, That common carriers by railroad engaged in such interstate or foreign commerce and in intrastate commerce shall, in all cases where liability does not exist under the laws of the United States, be liable in damages to any person suffering injury while employed by such carrier, or in case of the death of such employee, to his surviving wife and child, or children, and if no surviving wife or child or children, then to the parents, sisters, or minor brothers, residents of the United States at the time of such death, and who were dependent upon such deceased for support, to the same extent and subject to the same limitations as the liability now existing, or hereafter created, by the laws of the United States governing recoveries by railroad employees injured while engaged in interstate commerce: PROVIDED FURTHER, That if any interstate common carrier by railroad shall also be engaged in one or more intrastate enterprises or industries (including street railways and power plants) other than its railroad, the foregoing provisions of this section shall not exclude from the operation of the other sections of this title or bring under the foregoing proviso of this section any ((extrahazardous)) work of such other enterprise or industry, the payroll of which may be clearly separable and distinguishable from the payroll of the maintenance or operation of such railroad, or of the maintenance or construction of its equipment: PROVIDED FURTHER, That nothing in this section shall be construed as relieving an independent contractor engaged through or by his employees in performing ((extrahazardous)) work for a common carrier by railroad, from the duty of complying with the terms of this title, nor as depriving any employee of such independent contractor of the benefits of this title.

Sec. 10. Section 51.12.090, chapter 23, Laws of 1961 and RCW 51.12.090 are each amended to read as follows:

The provisions of this title shall apply to employers and workmen (other than railways and their workmen) engaged in intrastate and also in interstate or foreign commerce, for whom a rule of liability or method of compensation now exists under or may hereafter be established by the congress of the United States, only to the extent that the payroll of such workmen may and shall be clearly separable and distinguishable from the payroll of workmen engaged in interstate or foreign commerce: PROVIDED, That as to workmen whose payroll is not so clearly separable and distinguishable the employer shall in all cases be liable in damages for injuries to the same extent and under the same circumstances as is specified in the case of railroads in the first proviso of RCW 51.12.080: PROVIDED FURTHER, That nothing in this title shall be construed to exclude goods or materials and/or workmen brought into this state for the

purpose of engaging in ((extrahazardous)) work.

Sec. 11. Section 51.12.100, chapter 23, Laws of 1961 and RCW 51.12.100 are each amended to read as follows:

The provisions of this title shall apply to all employers and workmen, except a master or member of a crew of any vessel, engaged in maritime occupations for whom no right or obligation exists under the maritime laws for personal injuries or death of such workmen.

If an accurate segregation of payrolls ((covering any class or classes)) of workmen engaged in maritime occupations and working part time on shore and part time off shore cannot be made by the employer, the director is hereby authorized and directed to fix from time to time a basis for the appropriate *[approximate] segregation of the payrolls ((of such class or classes)) of employees to cover the shore part of their work, and the employer, if not a self-insurer, shall pay ((to the accident fund)) premiums on that basis for the time such workmen are engaged in their work.

Where two or more employers are simultaneously engaged in a common enterprise at one and the same site or place in maritime occupations under circumstances in which no right or obligation exists under the maritime laws for personal injuries or death of such workmen, such site or place shall be deemed for the purposes of this title to be the common plant of such employers.

Sec. 12. Section 82, chapter 289, Laws of 1971 ex. sess. and RCW 51.12.120 are each amended to read as follows:

(1) If a workman, while working outside the territorial limits of this state, suffers an injury on account of which he, or his beneficiaries, would have been entitled to compensation under this title had such injury occurred within this state, such workman, or his beneficiaries, shall be entitled to compensation under this title: PROVIDED, That if (([fat])) at the time of such injury:

(a) His employment is principally localized in this state; or
(b) He is working under a contract of hire made in this state for employment not principally localized in any state; or

(c) He is working under a contract of hire made in this state for employment principally localized in another state whose workmen's compensation law is not applicable to his employer; or

(d) He is working under a contract of hire made in this state for employment outside the United States and Canada.

(2) The payment or award of compensation under the workmen's compensation law of another state, territory, province, or foreign nation to a workman or his beneficiaries otherwise entitled on account of such injury to compensation under this title shall not be a bar to a claim for compensation under this title: PROVIDED, That claim under this title is timely filed. If compensation is paid or awarded under this title, the total amount of compensation paid or

awarded the workman or beneficiary under such other workmen's compensation law shall be credited against the compensation due the workman or beneficiary under this title.

(3) If a workman or beneficiary is entitled to compensation under this title by reason of an injury sustained in this state while in the employ of an employer who is domiciled in another state and who has ((either [neither])) neither opened an account with the department nor qualified as a self-insurer under this title, such an employer or his insurance carrier shall file with the director a certificate issued by the agency which administers the workmen's compensation law in the state of the employer's domicile, certifying that such employer has secured the payment of compensation under the workmen's compensation law of such other state and that with respect to said injury such workman or beneficiary is entitled to the benefits provided under such law. In such event:

(a) The filing of such certificate shall constitute appointment by the employer or his insurance carrier of the director as its agent for acceptance of the service of process in any proceeding brought by any claimant to enforce rights under this title;

(b) The director shall send to such employer or his insurance carrier, by registered or certified mail to the address shown on such certificate, a true copy of any notice of claim or other process served on the director by the claimant in any proceeding brought to enforce rights under this title;

(c) (i) If such employer is a self-insurer under the workmen's compensation law of such other state, such employer shall, upon submission of evidence or security, satisfactory to the director, of his ability to meet his liability to such claimant under this title, be deemed to be a qualified self-insurer under this title;

(ii) If such employer's liability under the workmen's compensation law of such other state is insured, such employer's carrier, as to such claimant only, shall be deemed to be subject to this title: PROVIDED, That unless its contract with said employer requires it to pay an amount equivalent to the compensation benefits provided by this title, the insurer's liability for compensation shall not exceed its liability under the workmen's compensation law of such other state;

(d) If the total amount for which such employer's insurer is liable under (c) (ii) above is less than the total of the compensation to which such claimant is entitled under this title, the director may require the employer to file security satisfactory to the director to secure the payment of compensation under this title; and

(e) If such employer has neither qualified as a self-insurer

nor secured insurance coverage under the workmen's compensation law of another state, such claimant shall be paid compensation by the department;

(f) Any such employer shall have the same rights and obligations as other employers subject to this title and where he has not provided coverage or sufficient coverage to secure the compensation provided by this title to such claimant, the director may impose a penalty payable to the department of a sum not to exceed fifty percent of the cost to the department of any deficiency between the compensation provided by this title and that afforded such claimant by such employer or his insurance carrier if any.

(4) As used in this section:

(a) A person's employment is principally localized in this or another state when (i) his employer has a place of business in this or such other state and he regularly works at or from such place of business, or (ii) if clause (i) foregoing is not applicable, he is domiciled in and spends a substantial part of his working time in the service of his employer in this or such other state;

(b) "Workmen's compensation law" includes "occupational disease law" for the purposes of this section.

(5) A workman whose duties require him to travel regularly in the service of his employer in this and one or more other states may agree in writing with his employer that his employment is principally localized in this or another state, and, unless such other state refuses jurisdiction, such agreement shall govern as to any injury occurring after the effective date of the agreement.

(6) The director shall be authorized to enter into agreements with the appropriate agencies of other states and provinces of Canada which administer their workmen's compensation law with respect to conflicts of jurisdiction and the assumption of jurisdiction in cases where the contract of employment arises in one state or province and the injury occurs in another, and when any such agreement has been executed and promulgated as a regulation of the department under chapter 34.04 RCW, it shall bind all employers and workmen subject to this title and the jurisdiction of this title shall be governed by this regulation.

Sec. 13. Section 51.16.120, chapter 23, Laws of 1961 and RCW 51.16.120 are each amended to read as follows:

Whenever a workman has sustained a previous bodily infirmity or disability from any previous injury or disease and shall suffer a further injury or disease in employment covered by this title and become totally and permanently disabled from the combined effects thereof, then the ((accident cost rate)) experience record of the employer at the time of said further injury or disease shall be charged 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 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 ((account)) fund.

Sec. 14. Section 51.16.130, chapter 23, Laws of 1961 and RCW 51.16.130 are each amended to read as follows:

Whenever there shall occur an accident in which three or more employees of an employer insured with the state fund are fatally injured or ((receive injuries consisting of loss of both eyes or sight thereof; or loss of both hands or use thereof; or loss of both feet or use thereof; or loss of one hand and one foot or use thereof)) sustain permanent total disability, the amount of total cost other than medical aid costs arising out of ((this)) such accident that shall be charged to ((the proper class of the accident fund and to)) the account of the employer, shall be twice the average cost of the pension claims ((chargeable under REW 51.16.020, and the balance of costs)) arising out of ((the)) such accident. The entire cost of such accident, exclusive of medical aid costs, shall be charged against and defrayed by the catastrophe injury account.

Sec. 15. Section 51.16.150, chapter 23, Laws of 1961 and RCW 51.16.150 are each amended to read as follows:

If any employer shall default in any payment to ((the accident)) any fund ((or the medical aid fund,)) the sum due shall be collected by action at law in the name of the state as plaintiff, and such right of action shall be in addition to any other right of action or remedy. If such default occurs after demand, there shall also be collected a penalty equal to twenty-five percent of the amount of the defaulted payment or payments, and the director may require from the defaulting employer a bond to the state for the benefit of ((the accident and medical aid funds)) any fund, with surety to the director's satisfaction, in the penalty of double the amount of the estimated payments which will be required from such employer into the said funds for and during the ensuing one year, together with any penalty or penalties incurred. In case of refusal or failure after written demand personally served to furnish such bond, the state shall be entitled to an injunction restraining the delinquent from prosecuting an ((extrahazardous)) occupation or work until such bond is furnished, and until all delinquent premiums, penalties, interest and costs are paid, conditioned for the prompt and punctual making of all payments into said funds during such periods, and any sale, transfer, or lease attempted to be made by such delinquent during the period of any of the defaults herein mentioned, of his works, plant, or lease thereto, shall be invalid

until all past delinquencies are made good, and such bond furnished.

Sec. 16. Section 27, chapter 289, Laws of 1971 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 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.

(2) A self-insurer may establish sufficient 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 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 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.

(3) Securities or money deposited by an employer pursuant to subsection (2) of this section shall be returned to him upon his 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 proper share of any deficit or insufficiency in the ((employer's class account)) state fund as a condition to certification as a self-insurer.

(5) A self-insurer may reinsure a portion of his 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. 17. Section 51.28.030, chapter 23, Laws of 1961 as amended by section 6, chapter 289, Laws of 1971 ex. sess. and RCW 51.28.030 are each amended to read as follows:

Where death results from injury the parties entitled to compensation under this title, or someone in their behalf, shall make application for the same to the department or self-insurer as the case may be, which application must be accompanied with proof of death and proof of relationship showing the parties to be entitled to compensation under this title, certificates of attending physician, if any, and such proof as required by the rules of the department.

Upon receipt of notice of accident under RCW 51.28.010, the director shall immediately forward to the party or parties required to make application for compensation under this section, notification, in nontechnical language, of their rights under this title.

Sec. 18. Section 51.32.040, chapter 23, Laws of 1961 as last amended by section 43, chapter 289, Laws of 1971 ex. sess. and RCW 51.32.040 are each amended to read as follows:

No money paid or payable under this title shall, except as provided for in RCW 74.20A.090 and 74.20A.100, prior to the issuance and delivery of the check or warrant therefor, be capable of being assigned, charged, or ever be taken in execution or attached or garnished, nor shall the same pass, or be paid, to any other person by operation of law, or by any form of voluntary assignment, or power of attorney. Any such assignment or charge shall be void: PROVIDED, That if any workman suffers a permanent partial injury, and dies from some other cause than the accident which produced such injury before he shall have received payment of his award for such permanent partial injury, or if any workman suffers any other injury and dies from some other cause than the accident which produced such injury before he shall have received payment of any monthly installment covering any period of time prior to his death, the amount of such permanent partial award, or of such monthly payment or both, shall be paid to his widow, if he leaves a widow, or to his child or children if he leaves a child or children and does not leave a widow: PROVIDED FURTHER, That, if any workman suffers an injury and dies therefrom before he shall have received payment of any monthly installment covering time loss for any period of time prior to his death, the amount of such monthly payment shall be paid to his widow, if he leaves a widow, or to his child or children, if he leaves a child or children and does not leave a widow: PROVIDED FURTHER, That any application for compensation under the foregoing provisos of this section shall be filed with the department or self-insuring employer within one year of the date of death: PROVIDED FURTHER, That if the injured workman resided in the United States as long as three years prior to the date of the injury, such payment shall not be made to any widow or child who was at the time of the injury a nonresident of the United States: PROVIDED FURTHER, That any workman receiving

benefits under this title who is subsequently confined in, or who subsequently becomes eligible therefor while confined in any institution under conviction and sentence shall have all payments of such compensation canceled during the period of confinement but after discharge from the institution payment of benefits thereafter due shall be paid if such workman would, but for the provisions of this proviso, otherwise be entitled thereto: PROVIDED FURTHER, That if such incarcerated workman has during such confinement period, any beneficiaries, they shall be paid directly the monthly benefits which would have been paid to him for himself and his beneficiaries had he not been so confined. Any lump sum benefits to which the workman would otherwise be entitled but for the provisions of this proviso shall be paid on a monthly basis to his beneficiaries.

Sec. 19. Section 51.32.050, chapter 23, Laws of 1961 as last amended by section 7, chapter 289, Laws of 1971 ex. sess. and RCW 51.32.050 are each amended to read as follows:

(1) Where death results from the injury the expenses of burial not to exceed eight hundred dollars shall be paid ((to the undertaker conducting the funeral)).

(2) A widow or invalid widower of a deceased workman shall receive monthly throughout his or her life the following sums:

(a) If there are no children of the deceased workman, sixty percent of the wages of the deceased workman but not less than one hundred eighty-five dollars.

(b) If there is one child of the deceased workman, sixty-two percent of the wages of the deceased workman but not less than two hundred twenty-two dollars.

(c) If there are two children of the deceased workman, sixty-four percent of the wages of the deceased workman but not less than two hundred fifty-three dollars.

(d) If there are three children of the deceased workman, sixty-six percent of the wages of the deceased workman but not less than two hundred seventy-six dollars.

(e) If there are four children of the deceased workman, sixty-eight percent of the wages of the deceased workman but not less than two hundred ninety-nine dollars.

(f) If there are five or more children of the deceased workman, seventy percent of the wages of the deceased workman but not less than three hundred twenty-two dollars.

Payments to the surviving spouse of the deceased workman shall cease at the end of the month in which remarriage occurs: PROVIDED, That the portion of the monthly payment made for the benefit of the children shall not be affected by such remarriage. In no event shall the monthly payments provided in this subsection exceed seventy-five percent of the average monthly wage ((of)) in the state as computed

under RCW ((51.08.178)) 51.08.018.

In addition to the monthly payments above provided for, a surviving widow, or invalid widower, or dependent parent or parents, if there is no surviving widow or invalid widower of any such deceased workman shall be forthwith paid the sum of eight hundred dollars.

Upon remarriage of a widow she shall receive, once and for all, a lump sum of seventy-five hundred dollars or fifty percent of the then remaining annuity value of her pension, whichever is the lesser, and the monthly payments to such widow shall cease at the end of the month in which remarriage occurs, but the monthly payments for the child or children shall continue as before.

(3) If there is a child or children and no widow or widower of the deceased workman, a sum equal to thirty-five percent of the average monthly wage of the deceased workman shall be paid monthly for one child and a sum equivalent to fifteen percent of such wage shall be paid monthly for each additional child, the total of such sum to be divided among such children, share and share alike: PROVIDED, That benefits under this subsection or subsection (4) shall not exceed sixty-five percent of the monthly wages of the deceased workman at the time of his death or seventy-five percent of the average monthly wage ((ef)) in the state as defined in RCW ((51.08.178)) 51.08.018, whichever is the lesser of the two sums.

(4) In the event a surviving spouse receiving monthly payments dies, leaving a child or children, each shall receive the same payment as provided in subsection (3) of this section.

(5) If the workman leaves no widow, widower or child, but leaves a dependent or dependents, a monthly payment shall be made to each dependent equal to fifty percent of the average monthly support actually received by such dependent from the workman during the twelve months next preceding the occurrence of the injury, but the total payment to all dependents in any case shall not exceed sixty-five percent of the monthly wages of the deceased workman at the time of his death or seventy-five percent of the average monthly wage ((ef)) in the state as defined in RCW ((51.08.178)) 51.08.018, whichever is the lesser of the two sums. If any dependent is under the age of eighteen years at the time of the occurrence of the injury, the payment to such dependent shall cease when such dependent reaches the age of eighteen years except such payments shall continue until the dependent reaches age twenty-one while permanently enrolled at a full time course in an accredited school. The payment to any dependent shall cease if and when, under the same circumstances, the necessity creating the dependency would have ceased if the injury had not happened.

(6) If the injured workman dies during the period of permanent

total disability, whatever the cause of death, leaving a widow, invalid widower, or child, or children, the surviving widow or invalid widower shall receive benefits as if death resulted from the injury as provided in subsections (2) through (5) of this section. Upon remarriage the payments on account of the child or children shall continue as before to such child or children.

Sec. 20. Section 51.32.060, chapter 23, Laws of 1961 as last amended by section 8, chapter 289, Laws of 1971 ex. sess. and RCW 51.32.060 are each amended to read as follows:

When the supervisor of industrial insurance shall determine that permanent total disability results from the injury, the workman shall receive monthly during the period of such disability:

(1) If married at the time of injury, sixty-five percent of his wages but not less than two hundred fifteen dollars per month.

(2) If married with one child at the time of injury, sixty-seven percent of his wages but not less than two hundred fifty-two dollars per month.

(3) If married with two children at the time of injury, sixty-nine percent of his wages but not less than two hundred eighty-three dollars.

(4) If married with three children at the time of injury, seventy-one percent of his wages but not less than three hundred six dollars per month.

(5) If married with four children at the time of injury, seventy-three percent of his wages but not less than three hundred twenty-nine dollars per month.

(6) If married with five or more children at the time of injury, seventy-five percent of his wages but not less than three hundred fifty-two dollars per month.

(7) If unmarried at the time of the injury, sixty percent of his wages but not less than one hundred eighty-five dollars per month.

(8) If unmarried with one child at the time of injury, sixty-two percent of his wages but not less than two hundred twenty-two dollars per month.

(9) If unmarried with two children at the time of injury, sixty-four percent of his wages but not less than two hundred fifty-three dollars per month.

(10) If unmarried with three children at the time of injury, sixty-six percent of his wages but not less than two hundred seventy-six dollars per month.

(11) If unmarried with four children at the time of injury, sixty-eight percent of his wages but not less than two hundred ninety-nine dollars per month.

(12) If unmarried with five or more children at the time of

injury, seventy percent of his wages but not less than three hundred twenty-two dollars per month.

(13) For any period of time where both husband and wife are entitled to compensation as temporarily or totally disabled workmen, only that spouse having the higher wages of the two shall be entitled to claim their child or children for compensation purposes.

(14) In case of permanent total disability, if the character of the injury is such as to render the workman so physically helpless as to require the services of an attendant, the monthly payment to such workman shall be increased by an amount equal to forty percent of the average monthly wage ((ef)) in the state as computed in RCW ((51-08-178)) 51.08.018 per month as long as such requirement continues, but such increases shall not obtain or be operative while the workman is receiving care under or pursuant to the provisions of chapters 51.36 and 51.40.

(15) Should any further accident result in the permanent total disability of an injured workman, he shall receive the pension to which he would be entitled, notwithstanding the payment of a lump sum for his prior injury.

(16) In no event shall the monthly payments provided in this section exceed seventy-five percent of the average monthly wage ((ef)) in the state as computed under the provisions of RCW ((51-08-178)) 51.08.018.

Sec. 21. Section 51.32.080, chapter 23, Laws of 1961 as last amended by section 10, chapter 289, Laws of 1971 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 workman 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).....	\$18,000.00
of leg at or above knee joint with functional stump.....	16,200.00
of leg below knee joint	14,400.00
of leg at ankle (Syme).....	12,600.00
of foot at mid-metatarsals.....	6,300.00
of great toe with resection of metatarsal bone.....	3,780.00
of great toe at metatarsophalangeal joint.....	2,268.00
of great toe at interphalangeal joint.....	1,200.00
of lesser toe (2nd to 5th) with resection of metatarsal bone.....	1,380.00
of lesser toe at metatarsophalangeal joint.....	672.00
of lesser toe at proximal interphalangeal joint.....	498.00
of lesser toe at distal interphalangeal joint.....	126.00
of arm at or above the deltoid insertion or by disarticulation at the shoulder.....	18,000.00

Of arm at any point from below the deltoid insertion
to below the elbow joint at the insertion of
the biceps tendon..... 17,100.00

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... 16,200.00

Of all fingers except the thumb at metacarpophalangeal
joints..... 9,720.00

Of thumb at metacarpophalangeal joint or with
resection of carpometacarpal bone..... 6,480.00

Of thumb at interphalangeal joint..... 3,240.00

Of index finger at metacarpophalangeal joint or with
resection of metacarpal bone..... 4,050.00

Of index finger at proximal interphalangeal joint..... 3,240.00

Of index finger at distal interphalangeal joint..... 1,782.00

Of middle finger at metacarpophalangeal joint or with
resection of metacarpal bone..... 3,240.00

Of middle finger at proximal interphalangeal joint..... 2,592.00

Of middle finger at distal interphalangeal joint..... 1,458.00

Of ring finger at metacarpophalangeal joint or with
resection of metacarpal bone..... 1,620.00

Of ring finger at proximal interphalangeal joint..... 1,296.00

Of ring finger at distal interphalangeal joint..... 810.00

Of little finger at metacarpophalangeal joint or with
resection of metacarpal bone..... 810.00

Of little finger at proximal interphalangeal joint..... 648.00

Of little finger at distal interphalangeal joint..... 324.00

MISCELLANEOUS

Loss of one eye by enucleation..... 7,200.00

Loss of central visual acuity in one eye..... 6,000.00

Complete loss of hearing in both ears..... 14,400.00

Complete loss of hearing in one ear..... 2,400.00

(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 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 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 workman if permanent total disability compensation had been paid in the first instance, shall be deducted from the pension reserve of such injured workman and his monthly compensation payments shall be reduced accordingly.

(3) Should a workman receive an injury to a member or part of his 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 workman, his 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 times the average monthly wage ((for all workmen entitled to compensation under this title)) 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 workman in full, except that the first monthly payment shall be in an amount equal to three times the average monthly wage ((for all workmen entitled to compensation under this title)) 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 workman 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 workman 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 workman 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.

Sec. 22. Section 51.32.090, chapter 23, Laws of 1961 as last amended by section 11, chapter 289, Laws of 1971 ex. sess. and RCW 51.32.090 are each amended to read as follows:

(1) When the total disability is only temporary, the schedule of payments contained in subdivisions (1) through (13) of RCW 51.32.060 as amended shall apply, so long as the total disability continues.

(2) Any compensation payable under this section for children not in the custody of the injured workman as of the date of injury shall be payable only to such person as actually is providing the support for such child or children pursuant to the order of a court of record providing for support of such child or children.

(3) As soon as recovery is so complete that the present earning power of the workman, at any kind of work, is restored to that existing at the time of the occurrence of the injury, the payments shall cease. If and so long as the present earning power is only partially restored, the payments shall continue in the proportion which the new earning power shall bear to the old. No compensation shall be payable ((out of the accident fund)) unless the loss of earning power shall exceed five percent.

(4) No workman shall receive compensation ((out of the accident fund)) for or during the day on which injury was received or the three days following the same, unless his disability shall continue for a period of fourteen consecutive calendar days from date of injury.

(5) Should a workman suffer a temporary total disability and should his employer at the time of the injury continue to pay him the wages which he was earning at the time of such injury, such injured workman shall not receive any payment provided in subsection (1) of this section ((from the accident fund)) during the period his employer shall so pay such wages.

(6) In no event shall the monthly payments provided in this section exceed seventy-five percent of the average monthly wage ((of)) in the state as computed under the provisions of RCW ((51-08-178)) 51.08.018.

Sec. 23. Section 12, chapter 289, Laws of 1971 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 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 for employment consistent with his physical and mental status. Where, after evaluation and recommendation by such individuals and prior to final evaluation of the workman'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 to a form of gainful employment, the supervisor may, in his sole discretion, continue the temporary total disability compensation under RCW 51.32.090 while the workman is actively and successfully undergoing a formal program of vocational rehabilitation or retraining: PROVIDED, That such compensation may not be authorized for a period of more than fifty-two weeks: PROVIDED FURTHER, That such period may, in the sole discretion of the supervisor after his review, be extended for an additional fifty-two weeks or portion thereof by written order of the supervisor.

In cases where the workman is required to reside away from his customary residence, the reasonable cost of board and lodging shall also be paid. Said costs shall (~~(net)~~) be chargeable to the employer's cost experience (~~(but shall be paid out of the accident fund and charged back to each class on June 30th and December 31st of each year in proportion to its premium contribution for the preceding calendar year)~~) 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.

Sec. 24. Section 17, chapter 289, Laws of 1971 ex. sess. and RCW 51.32.073 are each amended to read as follows:

Each employer shall retain from the earnings of each workman that ~~((number of cents)) amount~~ as shall be fixed from time to time by the director ~~((for each day or part thereof the workman is employed))~~ ~~as 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 ((created by this 1971 amendatory act)).~~ The moneys so collected shall be used exclusively for the additional payments prescribed in RCW 51.32.070 and shall be no more than necessary to make such payments on a current basis.

Sec. 25. Section 47, chapter 289, Laws of 1971 ex. sess. and RCW 51.32.190 are each amended to read as follows:

(1) ((Written notice of acceptance or denial of a claim for benefits shall be mailed by a self-insurer to the claimant and the director within seven days after the self-insurer has notice of the claim))

((2))) If the self-insurer denies a claim for compensation, written notice of such denial, clearly informing the claimant of the ((right of appeal under this title)) reasons therefor and that the director will rule on the matter shall be mailed or given to the claimant and the director within seven days after the self-insurer has notice of the claim.

((3))) (2) Until such time as the department has entered an order in a disputed case acceptance of compensation by the claimant shall not be considered a binding determination of his rights under this title. Likewise the payment of compensation shall not be considered a binding determination of the obligations of the self-insurer as to future compensation payments.

((4))) (3) Upon making the first payment of income benefits, and upon stopping or changing of such benefits except where a determination of the permanent disability has been made as elsewhere provided in this title, the self-insurer shall immediately notify the director in accordance with a form to be prescribed by the director that the payment of income benefits has begun or has been stopped or changed. Where temporary disability compensation is payable, the first payment thereof shall be made within fourteen days after notice of claim and shall continue at regular semimonthly or biweekly intervals.

((5))) (4) If, after the payment of compensation without an award, the self-insurer elects to controvert the right to compensation, the payment of compensation shall not be considered a binding determination of the obligations of the self-insurer as to future compensation payments. The acceptance of compensation by the workman or his beneficiaries shall not be considered a binding determination of their rights under this title.

((6))) (5) The director (a) may, upon his own initiative at any time in a case in which payments are being made without an award, and (b) shall, upon receipt of information from any person claiming to be entitled to compensation, from the self-insurer, or otherwise that the right to compensation is controverted, or that payment of compensation has been opposed, stopped or changed, whether or not claim has been filed, promptly make such inquiry as circumstances require, cause such medical examinations to be made, hold such hearings, require the submission of further information, make such orders, decisions or awards, and take such further action as he considers will properly determine the matter and protect the rights of all parties.

((17)) (6) The director, upon his own initiative, may make such inquiry as circumstances require or is necessary to protect the rights of all the parties and he may enact rules and regulations providing for procedures to ensure fair and prompt handling by self-insurers of the claims of workmen and beneficiaries.

NEW SECTION. Sec. 26. There is added to chapter 23, Laws of 1961 and to chapter 51.32 RCW a new section to read as follows:

Claims of injured workmen of employers who have secured the payment of compensation by insuring with the department shall be promptly acted upon by the department. Where temporary disability compensation is payable, the first payment thereof shall be mailed within fourteen days after receipt of the claim at the department's offices in Olympia and shall continue at regular semimonthly intervals. The payment of this or any other benefits under this title, prior to the entry of an order by the department in accordance with RCW 51.52.050 as now or hereafter amended, shall be not considered a binding determination of the obligations of the department under this title. The acceptance of compensation by the workman or his beneficiaries prior to such order shall likewise not be considered a binding determination of their rights under this title.

Sec. 27. Section 51.44.040, chapter 23, Laws of 1961 and RCW 51.44.040 are each amended to read as follows:

(1) There shall be ((a special account within the accident)) in the office of the state treasurer, a fund to be known and designated as the "second injury ((account)) fund," which shall be used only for the purpose of defraying charges against it as provided in RCW 51.16.120. 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.

((The charge to each class of the accident fund to defray charges against the second injury account shall be made on June 30th and December 31st of each year, and the total industrial insurance premium contributions of each class for the preceding calendar year shall be used in determining the proportionate charge to each class for the second injury account.)) (2) Payments to the second injury fund from the accident fund shall be made pursuant to rules and regulations promulgated by the director.

Sec. 28. Section 51.44.060, chapter 23, Laws of 1961 and RCW 51.44.060 are each amended to read as follows:

The charge to ((each class of)) the accident fund to defray charges against the catastrophe injury account shall be made ((on June 30th and December 31st of each year, and the total industrial insurance premium contributions of each class for the preceding

calendar year shall be used in determining the proportionate charge to each class for the catastrophe injury account)) pursuant to rules and regulations promulgated by the director.

Sec. 29. Section 51.44.080, chapter 23, Laws of 1961 as amended by section 57, chapter 289, Laws of 1971 ex. sess. and RCW 51.44.080 are each amended to read as follows:

The department shall notify the state treasurer from time to time, of such transfers as a whole from the ((accident)) state fund to the reserve fund and the interest or other earnings of the reserve fund shall become a part of the reserve fund itself. ((The department shall, on June 30th of each year, apportion the interest or other earnings of the reserve fund, as certified to it by the state treasurer, to the various class reserve funds according to the average class balance for the preceding year))) As soon as possible after June 30th of each year the state insurance commissioner shall expert the reserve fund ((of each class)) to ascertain its standing as of June 30th of that year and the relation of its outstanding annuities at their then value on the bases currently employed for new cases to the cash on hand or at interest belonging to ((that)) the fund. He shall promptly report the result of his examination to the department and to the state treasurer in writing not later than September 30th following. If the report shows that there was on said June 30th, in the reserve fund ((of any class)) in cash or at interest, a greater sum than the then annuity value of the outstanding pension obligations ((of that class)), the surplus shall be forthwith turned over to the ((accident)) state fund ((of that class)) but, if the report shows the contrary condition of ((any class)) the reserve fund, the deficiency shall be forthwith made good out of the ((accident)) state fund ((of that class)).

Sec. 30. Section 58, chapter 289, Laws of 1971 ex. sess. and RCW 51.44.140 are each amended to read as follows:

Each self-insurer shall make such deposits, into the reserve fund, as the department shall require pursuant to RCW 51.44.070, as are necessary to guarantee the payments of the pensions established pursuant to RCW 51.32.050 and 51.32.060.

Each self-insurer shall have an account within the reserve fund. Each such account shall be credited with its proportionate share of interest or other earnings as determined in RCW 51.44.080.

Each such account in the reserve fund shall be experted by the insurance commissioner as required ((for each class account)) in RCW 51.44.080. Any surpluses shall be forthwith returned to the respective self-insurers, and each deficit shall forthwith be made good to the reserve fund by the self-insurer.

Sec. 31. Section 51.44.090, chapter 23, Laws of 1961 and RCW 51.44.090 are each amended to read as follows:

The state treasurer shall keep accurate accounts of the reserve fund and the investment and earnings thereof, to the end that the total reserve fund shall at all times, as nearly as may be, be properly and fully invested and, to meet current demands for pension or lump sum payments, may, if necessary, make temporary loans to the reserve fund out of the accident fund ((for that class)), repaying the same from the earnings of ((that)) the reserve fund or from collections of its investments or, if necessary, sales of the same.

NEW SECTION. Sec. 32. There is added to chapter 23, Laws of 1961 and to chapter 51.48 RCW a new section to read as follows:

If any employer should default in any payment due to the state fund the director or his designee may issue a notice of assessment certifying the amount due, which notice shall be served upon the employer by mailing such notice to the employer by registered mail to his last known address, accompanied by an affidavit of service by mailing, or served in the manner prescribed for the service of a summons in a civil action. Such notice shall contain the information that a petition for review must be filed with the superior court within thirty days of the date of service of the notice of assessment.

NEW SECTION. Sec. 33. There is added to chapter 23, Laws of 1961 and to chapter 51.48 RCW a new section to read as follows:

Any employer who is served with a notice of assessment may within thirty days from the date of service upon the employer of the notice of assessment appeal such notice of assessment by serving the director by registered mail with a petition for review and file the same with the clerk of the superior court of the county wherein the work covered by the provisions of the industrial insurance act was performed. Such petition shall set forth the reasons why the tax should be reduced or abated. Within ten days after the filing of the petition for review the employer shall file with the clerk a good and sufficient surety bond in the sum of one hundred dollars, conditioned to diligently prosecute the appeal and pay all the department's costs that may be awarded if the appeal of the employer is not sustained.

The trial in the superior court on appeal shall be de novo and without the necessity of any pleading other than the petition for review, and the burden of proof shall rest upon the employer to prove that the tax assessed upon the employer in the notice of assessment is incorrect, either in whole or in part, and to establish the correct amount of the tax, if any. In such proceeding the employer shall be deemed the plaintiff and the department of labor and industries the defendant; and both parties shall be entitled to subpoena the attendance of witnesses as in other civil actions and to produce evidence that is relevant, competent and material to determine the correct amount of the tax. Either party shall be

allowed to appeal to the court of appeals or the supreme court in the same manner as other civil actions are appealed to those courts. No court action or proceeding shall be maintained by any employer to dispute the amount of notice of assessment except as herein provided.

NEW SECTION. Sec. 34. There is added to chapter 23, Laws of 1961 and to chapter 51.48 RCW a new section to read as follows:

If a petition for review is not filed with the clerk of the superior court and served upon the director within thirty days from the date of service of the notice of assessment, as indicated in the affidavit of service by mailing of the department, or in the event of a final decree of any court in favor of the department in a petition for review, which is not appealed within the time allowed by law, the amount of the notice of assessment shall be deemed final and established and the director or his designee may file with the clerk of any county within the state a warrant in the amount of the notice of assessment. The clerk of the county wherein the warrant is filed shall immediately designate a superior court cause number for such warrant, and the clerk shall cause to be entered in the judgment docket under the superior court cause number assigned to the warrant, the name of such employer mentioned in the warrant, the amount of the taxes and penalties due thereon, and the date when such warrant was filed. The aggregate amount of such warrant as docketed shall become a lien upon the title to, and interest in all real and personal property of the employer against whom the warrant is issued, the same as a judgment in a civil case duly docketed in the office of such clerk. The sheriff shall thereupon proceed upon the same in all respects and with like effect as prescribed by law with respect to execution or other process issued against rights or property upon judgment in the superior court. Such warrant so docketed shall be sufficient to support the issuance of writs of garnishment in favor of the state in a manner provided by law in case of judgment, wholly or partially unsatisfied. The clerk of the court shall be entitled to a filing fee of five dollars, which shall be added to the amount of the warrant. A copy of such warrant shall be mailed to the employer within three days of filing with the clerk.

NEW SECTION. Sec. 35. There is added to chapter 23, Laws of 1961 and to chapter 51.48 RCW a new section to read as follows:

The director or his designee is hereby authorized to issue to any person, firm, corporation, municipal corporation, political subdivision of the state, a public corporation, or any agency of the state, a notice and order to withhold and deliver property of any kind whatsoever when he has reason to believe that there is in the possession of such person, firm, corporation, municipal corporation, political subdivision of the state, public corporation, or any agency of the state, property which is due, owing, or belonging to any

employer upon whom a notice of assessment has been served by the department for payments due to the state fund. The notice and order to withhold and deliver shall be served by the sheriff of the county or by his deputy, or by any duly authorized representatives of the director. Any person, firm, corporation, municipal corporation, political subdivision of the state, public corporation or any agency of the state upon whom service has been made is hereby required to answer the notice within twenty days exclusive of the day of service, under oath and in writing, and shall make true answers to the matters inquired of in the notice and order to withhold and deliver. In the event there is in the possession of the party named and served with a notice and order to withhold and deliver, any property which may be subject to the claim of the department, such property shall be delivered forthwith to the director or his duly authorized representative upon demand to be held in trust by the director for application on the employer's indebtedness to the department, or for return without interest, in accordance with a final determination of a petition for review, or in the alternative such party shall furnish a good and sufficient surety bond satisfactory to the director conditioned upon final determination of liability. Should any party served and named in the notice to withhold and deliver fail to make answer to such notice and order to withhold and deliver, within the time prescribed herein, it shall be lawful for the court, after the time to answer such order has expired, to render judgment by default against the party named in the notice to withhold and deliver for the full amount claimed by the director in the notice to withhold and deliver together with costs. In the event that a notice to withhold and deliver is served upon an employer and the property found to be subject thereto is wages, then the employer shall be entitled to assert in the answer to all exemptions provided for by chapter 7.33 RCW to which the wage earner may be entitled.

Sec. 36. Section 51.52.110, chapter 23, Laws of 1961 as last amended by section 24, chapter 289, Laws of 1971 ex. sess. and RCW 51.52.110 are each amended to read as follows:

Within thirty days after a decision of the board to deny the petition or petitions for review upon such appeal has been communicated to such workman, beneficiary, employer or other person, or within thirty days after the final decision and order of the board upon such appeal has been communicated to such workman, beneficiary, employer or other person, or within thirty days after the appeal is deemed denied as herein provided, such workman, beneficiary, employer or other person aggrieved by the decision and order of the board may appeal to the superior court.

In cases involving injured workmen such appeal shall be to the superior court of the county of residence of the workman or

beneficiary, as shown by the department's records, the superior court for Thurston county, or to the superior court of the county wherein the injury occurred. In all other cases the appeal shall be to the superior court of Thurston county. Such appeal shall be perfected by filing with the clerk of the court a notice of appeal and by serving a copy thereof by mail, or personally, on the director and on the board. If the case is one involving a self-insurer, a copy of the notice of appeal shall also be served by mail, or personally, on such self-insurer. The department shall, in all cases not involving a self-insurer, within twenty days after the receipt of such notice of appeal, serve and file its notice of appearance and such appeal shall thereupon be deemed at issue. If the case is one involving a self-insurer, such self-insurer shall, within twenty days after receipt of such notice of appeal, serve and file its notice of appearance and such appeal shall thereupon be deemed to be at issue. In such cases the department may appear and take part in any proceedings. The board shall serve upon the appealing party, the director, the self-insurer if the case involves a self-insurer, and any other party appearing at the board's proceeding, and file with the clerk of the court before trial, a certified copy of the board's official record which shall include the notice of appeal and other pleadings, testimony and exhibits, and the board's decision and order, which shall become the record in such case. No bond shall be required on appeals to the superior court or on appeals to the supreme court or the court of appeals, except that an appeal by the employer from a decision and order of the board under RCW 51.48.070, shall be ineffectual unless, within five days following the service of notice thereof, a bond, with surety satisfactory to the court, shall be filed, conditioned to perform the judgment of the court. Except in the case last named an appeal shall not be a stay: PROVIDED, HOWEVER, That whenever the board has made any decision and order reversing an order of the supervisor of industrial insurance on questions of law or mandatory administrative actions of the director, the department shall have the right of appeal to the superior court.

Sec. 37. Section 67, chapter 289, Laws of 1971 ex. sess. and RCW 51.04.110 are each amended to read as follows:

The director shall appoint a workmen's compensation advisory committee composed of ((eight)) nine members: Three representing subject workmen, three representing subject employers, and ((two)) three ex officio members, without a vote, one of whom represents the department, who shall be chairman, ((and)) one of whom represents self-insurers, and one of whom represents employees of self-insurers. This committee shall conduct a continuing study of any aspects of workmen's compensation as the committee shall determine require their consideration. The committee shall report its findings to the

department or the board of industrial insurance appeals for such action as deemed appropriate. The members of the committee shall be appointed for a term of three years commencing on July 1, 1971 and the terms of the members representing the workmen and employers shall be staggered so that the director shall designate one member from each such group initially appointed whose term shall expire on June 30, 1972 and one member from each such group whose term shall expire on June 30, 1973. The members shall serve without compensation, but shall be entitled to expenses as provided in RCW 43.03.050 and 43.03.060. The committee may hire such experts, if any, as it shall require to discharge its duties, and may utilize such personnel and facilities of the department and board of industrial insurance appeals as it shall need without charge. All expenses of this committee shall be paid by the department.

The workmen's compensation advisory committee created by this section shall conduct a study of the advisability and necessity of deposits by self-insurers into the reserve fund to guarantee the payments of pensions established pursuant to this title, and shall report its findings and recommendations on this study to the department, and the department shall transmit said findings and recommendations to the next regular session of the legislature.

NEW SECTION. Sec. 38. If any provision of this 1972 amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provisions to other persons or circumstances is not affected.

NEW SECTION. Sec. 39. Sections 51.20.005 through 51.20.600, chapter 23, Laws of 1961 and RCW 51.20.005 through 51.20.600 are each repealed.

NEW SECTION. Sec. 40. The following acts or parts of acts are each repealed:

- (1) Section 51.08.080, chapter 23, Laws of 1961 and RCW 51.08.080;
- (2) Section 51.08.090, chapter 23, Laws of 1961 and RCW 51.08.090;
- (3) Section 51.08.120, chapter 23, Laws of 1961 and RCW 51.08.120;
- (4) Section 51.08.130, chapter 23, Laws of 1961 and RCW 51.08.130;
- (5) Section 51.08.170, chapter 23, Laws of 1961 and RCW 51.08.170;
- (6) Section 51.08.190, chapter 23, Laws of 1961 and RCW 51.08.190;
- (7) Section 51.12.030, chapter 23, Laws of 1961 and RCW 51.12.030; and

(8) Section 51.12.040, chapter 23, Laws of 1961 and RCW 51.12.040.

Passed the House February 1, 1972.

Passed the Senate February 11, 1972.

Approved by the Governor February 20, 1972.

Filed in Office of Secretary of State February 21, 1972.

CHAPTER 44

[Engrossed House Bill No. 348]

PORT TOWNSEND-KEYSTONE FERRY

AN ACT Relating to ferry routes and operations; creating new sections.

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

NEW SECTION. Section 1. The Washington toll bridge authority and the Washington state highway commission are authorized to operate a ferry service between Port Townsend and Keystone on Admiralty Inlet in the event that the certificate of convenience and necessity for the ferry operation is theretofore surrendered, rights thereunder are abandoned, and the ferry service is discontinued. In no event shall the authority and the commission undertake such a ferry service preceding events as set forth herein or before April 1, 1973.

NEW SECTION. Sec. 2. The purpose of this act is to provide service on the ferry route between Port Townsend and Keystone to be determined by the toll bridge authority. Operation of this route is necessary for the economic health, safety and welfare of the people of the state. Additionally, state operation of this route will further benefit the people of the state by providing better access to important installations maintained by the United States Navy and the United States Coast Guard.

Passed the House February 2, 1972.

Passed the Senate February 11, 1972.

Approved by the Governor February 20, 1972.

Filed in Office of Secretary of State February 21, 1972.

CHAPTER 45

[Engrossed House Bill No. 446]

POLITICAL PARTIES--STATE COMMITTEES

AN ACT Relating to political parties; and amending section 29.42.020, chapter 9, Laws of 1965 and RCW 29.42.020.