

so much thereof as may be necessary, to carry out the purposes of the small business assistance coordinating council.

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

NEW SECTION. Sec. 18. Sections 1 through 6 of this act shall expire on December 31, 1984.

NEW SECTION. Sec. 19. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House March 6, 1984.

Passed the Senate March 6, 1984.

Approved by the Governor March 29, 1984, with the exception of sections 3, 9, 10, 11 and 12, which was vetoed.

Filed in Office of Secretary of State March 29, 1984.

Note: Governor's explanation of partial veto is as follows:

I am returning herewith without my approval, as to certain sections, Second Substitute House Bill No. 689, entitled:

"AN ACT Relating to small business."

This measure creates both the Small Business Assistance Advisory Council and the Small Business Improvement Council. The purpose of the two councils is to identify and resolve small business program duplications in state government and to recommend actions to remove governmental restrictions that would inhibit the growth of small businesses.

Clearly, two councils are unnecessary and duplicative. Therefore, I have vetoed section 3 of this measure. The council created therein is unduly restrictive in its appointment process, jeopardizing the separation of powers between the executive and legislative branches.

In addition, I have vetoed sections 9, 10, 11, and 12 of the bill as these provisions specifically provide the internal organization structure of the remaining council, a subject which is better left to the council to determine after its formation.

With the exception of sections 3, 9, 10, 11, and 12, Second Substitute House Bill No. 689 is approved.

CHAPTER 283

[House Bill No. 880]

PAYMENT OF HEALTH CARE SERVICES

AN ACT Relating to health care services; amending section 1, chapter 168, Laws of 1982 and RCW 48.44.026; and adding a new section to Article 3 of Title 62A RCW.

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

Sec. 1. Section 1, chapter 168, Laws of 1982 and RCW 48.44.026 are each amended to read as follows:

Checks in payment for claims pursuant to any health care service contract for health care services provided by persons licensed or regulated under chapters 18.22, 18.25, 18.29, 18.32 ((or)), 18.53, 18.57, 18.71, 18.74, 18.83, or 18.88 RCW, where the provider is not a participant under a contract with the health care service contractor, shall be made out to both the provider and the insured, jointly, to require endorsement by each: PROVIDED, That payment shall be made in the single name of the insured if the insured as part of his or her claim furnishes evidence of prepayment to the health care service provider: AND PROVIDED FURTHER, That nothing in this section shall preclude a health care service contractor from voluntarily issuing payment in the single name of the provider.

****NEW SECTION. Sec. 2. There is added to Article 3 of Title 62A RCW a new section to read as follows:***

If an instrument under RCW 48.44.026 requires indorsement by more than one person and the instrument is not so indorsed, the initial party who accepts the negotiation of the instrument is liable for the value of the instrument and the costs of collection, including reasonable attorneys' fees.

*Sec. 2. was vetoed, see message at end of chapter.

Passed the House March 6, 1984.

Passed the Senate March 6, 1984.

Approved by the Governor March 29, 1984, with the exception of section 2, which was vetoed.

Filed in Office of Secretary of State March 29, 1984.

Note: Governor's explanation of partial veto is as follows:

I am returning herewith without my approval, as to section 2, House Bill No. 880, entitled:

"AN ACT Relating to health care services."

This measure, in section 1, adds to existing law a number of additional health care providers to whom checks and payments for claims under any health service contract must be made payable to both the provider and the insured, jointly.

Section 2, however, adds to the Uniform Commercial Code a provision establishing liability on the initial party accepting negotiation without obtaining the endorsement of all the payees for the value of the instrument, cost of collection and reasonable attorneys' fees. This section is ill-advised. First, the language is inconsistent with other provisions of Article 3 of the Uniform Commercial Code. Second, the provision would appear to be unnecessary. Under current law, a joint payee whose endorsement is not obtained on a check which is paid absent that endorsement has remedies available against all other parties in the collection process. This provision may reduce the joint payee's possibility of recovery except against the "initial party."

With the exception of section 2, House Bill No. 880 is approved.