

The county legislative authority shall be the governing body of a county rail district. The county treasurer shall act as the ex officio treasurer of the county rail district. The electors of a district are all registered voters residing within the district.

This authority and that provided in RCW 36.60.030 may only be exercised outside the boundaries of the county rail district if such extraterritorial rail services, equipment, or facilities are found, by resolution of the county legislative authority exercising such authority, to be reasonably necessary to link the rail services, equipment, and facilities within the rail district to an interstate railroad system; however, if such extraterritorial rail services, equipment, or facilities are in or are to be located in one or more other counties, the legislative authority of such other county must consent by resolution to the proposed plan of the originating county which consent shall not be unreasonably withheld.

Passed the Senate March 7, 1985.

Passed the House April 12, 1985.

Approved by the Governor April 25, 1985.

Filed in Office of Secretary of State April 25, 1985.

CHAPTER 188

[Senate Bill No. 3569]

RISK MANAGEMENT OFFICE AUTHORITY EXPANDED

AN ACT Relating to risk management; amending RCW 43.19.1935, 43.19.19361, 43.19.19362, 43.19.19366, 4.92.100, 4.92.110, 4.92.140, and 4.92.150; and adding a new section to chapter 43.19 RCW.

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

Sec. 1. Section 43.19.1935, chapter 8, Laws of 1965 as last amended by section 6, chapter 270, Laws of 1977 ex. sess. and RCW 43.19.1935 are each amended to read as follows:

As a means of providing for the procurement of insurance and bonds on a volume rate basis, the director of general administration through the risk management office shall purchase or contract for the needs of state agencies in relation to all such insurance and bonds: PROVIDED, That ~~((the individual statutory bonds of elected state officials, insurance requirements of colleges and universities, insurance requirements of toll project agencies, and insurance covering proprietary activities of state agencies, other than motor vehicle coverage, may be procured directly and independently by them after consultation with the risk management office. PROVIDED FURTHER, That))~~ authority to purchase insurance may be delegated to state agencies. Insurance in force shall be reported to the risk management office periodically under rules established by the director. Nothing contained in this section shall prohibit the use of licensed agents or brokers for the procurement and service of insurance.

The amounts of insurance or bond coverage shall be as fixed by law, or if not fixed by law, such amounts shall be as fixed by the director of the department of general administration.

The premium cost for insurance acquired and bonds furnished shall be paid from appropriations ~~((made))~~ or other appropriate resources available to the state agency or agencies for which procurement is made, and all vouchers drawn in payment therefor shall bear the written approval of the risk management office prior to the issuance of the ~~((state))~~ warrant in payment therefor. Where deemed advisable the premium cost for insurance and bonds may be paid by the central stores revolving fund which fund shall be reimbursed by the agency or agencies for which procurement is made.

Sec. 2. Section 1, chapter 270, Laws of 1977 ex. sess. and RCW 43-19.19361 are each amended to read as follows:

It is the policy of the state for the management of risks to which it is exposed to apply the following principles consistently in a state program of risk management:

(1) To identify those liability and property risks which may have a significant economic impact on the state;

(2) To evaluate risk in terms of the state's ability to fund potential loss rather than the ability of an individual agency to fund potential loss;

(3) To eliminate or improve conditions and practices which contribute to loss whenever practical;

(4) To assume risks to the maximum extent practical;

(5) To provide flexibility within the state program to meet the unique requirements of any state agency for insurance coverage or service;

(6) To purchase commercial insurance:

(a) When the size and nature of the potential loss make it in the best interest of the state to purchase commercial insurance; or

(b) When the fiduciary of encumbered property insists on commercial insurance; or

(c) When the interest protected is not a state interest and an insurance company is desirable as an intermediary; or

(d) When services provided by an insurance company are considered necessary; or

(e) When services or coverages provided by an insurance company are cost-effective; or

(f) When otherwise required by statute; and

(7) To develop plans for the management and protection of the revenues and assets of the state.

Sec. 3. Section 2, chapter 270, Laws of 1977 ex. sess. and RCW 43-19.19362 are each amended to read as follows:

There is hereby created a risk management office within the department of general administration. The director of general administration shall implement the risk management policy in RCW 43.19.19361 through the

risk management office. The director of general administration shall appoint a risk manager to supervise the risk management office. The risk management office shall make recommendations when appropriate to state agencies on the application of prudent safety, security, loss prevention, and loss minimization methods so as to reduce or avoid risk or loss. ~~((The state supply management advisory board shall serve as the advisory board for the risk management office.))~~ The director of general administration shall submit a risk management ~~((progress))~~ report to the governor, with a copy to the standing committees having jurisdiction on judiciary and insurance in the senate and the house of representatives ~~((at the first scheduled legislative session after December 31, 1977))~~ on or before January 10, 1986, and January 10 of every even-numbered year thereafter. The management report shall ~~((include appropriate recommendations for new or amended legislation, as required,))~~ describe the plans, policies, and operation of the risk management office and shall at least ~~((address))~~ include the following:

(1) Success in implementing stated goals and objectives for the risk management office;

(2) Improving loss control and prevention practices;

~~((2))~~ (3) Self-insuring risks of loss to state-owned property except where bond indentures or other special considerations require the purchase of insurance;

~~((3))~~ (4) Consolidating ~~((fire))~~ insurance coverages for properties requiring insurance by bond indenture;

~~((4))~~ (5) Establishing an emergency fund to provide assistance to state agencies in the event of serious property loss ~~((from fire or other peril))~~;

~~((5))~~ (6) Self-insuring liability risks to public and professional third parties;

~~((6) Increasing))~~ (7) Funding of the tort claims revolving fund ~~((to reflect an expanded and formalized self-insurance system))~~ on an actuarial basis;

~~((7) Purchasing))~~ (8) A program of excess liability coverage above a selected self-insurance limit;

~~((8) Inhibiting factors which have prevented full and prompt implementation of risk management policies established by the legislature in RCW 43.19.19361.~~

~~((9) Listing of state-wide savings and))~~ (9) Identification of cost savings and cost avoidances ~~((which are expected to be achieved in the 1977=79 biennium, and each biennium thereafter, as a result of implementation of established risk management policies))~~ achieved during the preceding two years; and

~~((The effectiveness of the supply management advisory board as the advisory board for the risk management office))~~ Appropriate recommendations for new or amended legislation.

Sec. 4. Section 1, chapter 112, Laws of 1981 and RCW 43.19.19366 are each amended to read as follows:

The risk management office shall cease to exist on June 30, (~~(1987)~~) 1989, unless extended by law for an additional fixed period of time.

NEW SECTION. Sec. 5. A new section is added to chapter 43.19 RCW to read as follows:

The director of general administration, through the risk management office, may purchase, or contract for the purchase of, property and liability insurance for any municipality upon request of the municipality.

As used in this section, "municipality" means any city, town, county, special purpose district, municipal corporation, or political subdivision of the state of Washington.

**Sec. 6. Section 3, chapter 159, Laws of 1963 as last amended by section 3, chapter 151, Laws of 1979 and RCW 4.92.100 are each amended to read as follows:*

All claims against the state for damages arising out of tortious conduct shall be presented to and filed with the director of financial management and the risk management office. All such claims shall be verified and shall accurately describe the conduct and circumstances which brought about the injury or damage, describe the injury or damage, state the time and place the injury or damage occurred, state the names of all persons involved, if known, and shall contain the amount of damages claimed, together with a statement of the actual residence of the claimant at the time of presenting and filing the claim and for a period of six months immediately prior to the time the claim arose. If the claimant is incapacitated from verifying, presenting, and filing his claim or if the claimant is a minor, or is a nonresident of the state, the claim may be verified, presented, and filed on behalf of the claimant by any relative, attorney, or agent representing him.

With respect to the content of such claims this section shall be liberally construed so that substantial compliance will be deemed satisfactory.

**Sec. 6 was vetoed, see message at end of chapter.*

**Sec. 7. Section 4, chapter 159, Laws of 1963 as last amended by section 4, chapter 151, Laws of 1979 and RCW 4.92.110 are each amended to read as follows:*

No action shall be commenced against the state for damages arising out of tortious conduct until a claim has first been presented to and filed with the director of financial management and the risk management office. The requirements of this section shall not affect the applicable period of limitations within which an action must be commenced, but such period shall begin and shall continue to run as if no claim were required.

**Sec. 7 was vetoed, see message at end of chapter.*

Sec. 8. Section 8, chapter 159, Laws of 1963 as last amended by section 1, chapter 144, Laws of 1979 ex. sess. and RCW 4.92.140 are each amended to read as follows:

The head or governing body of any agency or department of state government or the designee of any such agency, with the approval of the attorney general and the risk management office, may consider, ascertain, adjust, determine, compromise, and settle any claim arising out of tortious conduct or under and pursuant to 42 U.S.C. Sec. 1981 et seq. for which the state of Washington or any of its officers or employees would be liable in law for money damages of ten thousand dollars or less. The acceptance by the claimant of any such award, compromise, or settlement shall be final and conclusive on the claimant; and upon the state of Washington, unless procured by fraud, and shall constitute a complete release of any claim against the state of Washington or its affected officer or employee. A request for administrative settlement shall not preclude a claimant from filing a court action pending administrative determination, limit the amount recoverable in such a suit, or constitute an admission against interest of either the claimant or the state.

Sec. 9. Section 9, chapter 159, Laws of 1963 as last amended by section 2, chapter 144, Laws of 1979 ex. sess. and RCW 4.92.150 are each amended to read as follows:

After commencement of an action in a court of competent jurisdiction upon a claim against the state, or any of its officers or employees arising out of tortious conduct or pursuant to 42 U.S.C. Sec. 1981 et seq., or upon petition by the state, the attorney general, with the prior approval of the risk management office and with the approval of the court, following such testimony as the court may require, may compromise and settle the same and stipulate for judgment against the state, the affected officer or employee.

Passed the Senate March 21, 1985.

Passed the House April 11, 1985.

Approved by the Governor April 25, 1985, with the exception of certain items which are vetoed.

Filed in Office of Secretary of State April 25, 1985.

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

"I am returning herewith without my approval as to two sections, Senate Bill No. 3569, entitled:

"AN ACT Relating to risk management."

Sections 6 and 7 of this bill would require claims against the state for damages arising out of tortious conduct to be filed with the Risk Management Office in addition to the currently required filing with the Office of Financial Management. This dual claim filing could be unnecessarily burdensome and confusing to the public. However, notice to the Risk Management Office is necessary to the improvement of our risk management program, which I support.

Therefore, I have directed the Office of Financial Management to provide the Risk Management Office with a copy of all filings. This will accomplish the purpose

of these sections at no inconvenience to the public. State government should avoid requiring duplicate filings by the public when possible.

With the exceptions of Sections 6 and 7, Senate Bill No. 3569 is approved.

CHAPTER 189

[Engrossed House Bill No. 222]

MARTIN LUTHER KING, JR.'S BIRTHDAY—LEGAL HOLIDAY— PRESIDENTS' DAY MODIFIED

AN ACT Relating to legal holidays; and amending RCW 1.16.050 and 28A.02.061.

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

Sec. 1. Section 1, chapter 51, Laws of 1927 as last amended by section 1, chapter 77, Laws of 1979 and RCW 1.16.050 are each amended to read as follows:

The following are legal holidays: Sunday; the first day of January, commonly called New Year's Day; ~~((the twelfth day of February, being the anniversary of the birth of Abraham Lincoln; the third Monday of February, being celebrated as the anniversary of the birth of George Washington))~~ the third Monday of January, being celebrated as the anniversary of the birth of Martin Luther King, Jr.; the third Monday of February to be known as Presidents' Day and to be celebrated as the anniversary of the births of Abraham Lincoln and George Washington; the last Monday of May, commonly known as Memorial Day; the fourth day of July, being the anniversary of the Declaration of Independence; the first Monday in September, to be known as Labor Day; the eleventh day of November, to be known as Veterans' Day; the fourth Thursday in November, to be known as Thanksgiving Day; the day immediately following Thanksgiving Day; and the twenty-fifth day of December, commonly called Christmas Day.

Employees of the state and its political subdivisions, except employees of school districts and except those nonclassified employees of institutions of higher education who hold appointments or are employed under contracts to perform services for periods of less than twelve consecutive months, shall be entitled to one paid holiday per calendar year in addition to those specified in this section. Each employee of the state or its political subdivisions may select the day on which the employee desires to take the additional holiday provided for herein after consultation with the employer pursuant to guidelines to be promulgated by rule of the appropriate personnel authority, or in the case of local government by ordinance or resolution of the legislative authority.

If any of the above specified state legal holidays are also federal legal holidays but observed on different dates, only the state legal holidays shall be recognized as a paid legal holiday for employees of the state and its political subdivisions except that for port districts and the law enforcement