

more efficient use of energy, is validly submitted and is approved and ratified by the voters at a general election held in November, 1983. If the proposed amendment is not so approved and ratified, this 1983 act shall be null and void in its entirety.

Passed the House March 17, 1983.

Passed the Senate April 12, 1983.

Approved by the Governor April 21, 1983.

Filed in Office of Secretary of State April 21, 1983.

CHAPTER 63

[Engrossed House Bill No. 371]

HEALTH CARE SERVICE CONTRACTORS—INSURANCE COMMISSION INSPECTIONS—ASSESSMENTS

AN ACT Relating to insurance; amending section 12, chapter 115, Laws of 1969 and RCW 48.44.145; and amending section 13, chapter 290, Laws of 1975 1st ex. sess. and RCW 48.46.120.

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

Sec. 1. Section 12, chapter 115, Laws of 1969 and RCW 48.44.145 are each amended to read as follows:

~~(1) ((On receipt of a verified complaint alleging that a health care service contractor is insolvent or that its manner of transacting business is contrary to this chapter, the commissioner may demand from the health care service contractor a statement, under oath, setting forth its assets and liabilities or course of conduct, as applicable. He may, for the purpose of verifying the correctness of such statement, examine the books and business affairs of the health care service contractor.~~

~~(2) If such a statement is not furnished within twenty days from the time of such demand by the commissioner or if, upon the examination of such records the statement furnished or any record examined is found to include any material misstatement of fact, the expense of the examination shall be paid by the health care service contractor.~~

~~(3)) The commissioner may make an examination of the operations of any health care service contractor as often as he deems necessary in order to carry out the purposes of this chapter.~~

~~(2) Every health care service contractor shall submit its books and records relating to its operation for financial condition and market conduct examinations and in every way facilitate them. For the purpose of examinations, the commissioner may issue subpoenas, administer oaths, and examine the officers and principals of the health care service contractor.~~

~~(3) The commissioner may elect to accept and rely on audit reports made by an independent certified public accountant for the health care~~

service contractor in the course of that part of the commissioner's examination covering the same general subject matter as the audit. The commissioner may incorporate the audit report in his report of the examination.

(4) Health care service contractors licensed in the state shall be equitably assessed to cover the cost of financial condition and market conduct examinations. The assessments shall be levied not less frequently than once every twelve months and shall be in an amount expected to fund the examinations, including a reasonable margin for cost variations. The assessments shall be established by rules promulgated by the commissioner but shall not exceed one-half cent per month per person entitled to health care services pursuant to an agreement under RCW 48.44.020(1), excluding such persons who are not residents of this state. Assessment receipts shall be deposited in the general fund, shall be accounted for separately, and shall be used for the sole purpose of funding the examinations authorized in subsection (1) of this section. Amounts remaining in the separate account at the end of a biennium shall be applied to reduce the assessments in the succeeding biennium.

(5) Whenever any health care service contractor applies for initial admission, the commissioner may make, or cause to be made, an examination of the applicant's business and affairs. Whenever such an examination is made, all of the provisions of chapter 48.03 RCW not inconsistent with this chapter shall be applicable. In lieu of making an examination himself the commissioner may, in the case of a foreign health care service contractor, accept an examination report of the applicant by the regulatory official in its state of domicile.

Sec. 2. Section 13, chapter 290, Laws of 1975 1st ex. sess. and RCW 48.46.120 are each amended to read as follows:

(1) The commissioner may make an examination of the operations of any health maintenance organization as often as he deems necessary in order to carry out the purposes of this chapter.

(2) Every health maintenance organization shall submit its books and records relating its operation for ~~((such))~~ financial condition and market conduct examinations and in every way facilitate them. The quality or appropriateness of medical services or systems shall not be examined except to the extent that such items are incidental to an examination of the financial condition or the market conduct of a health maintenance organization. For the purpose of examinations, the commissioner may issue subpoenas, administer oaths, and examine the officers and ~~((agents))~~ principals of the health maintenance organization and the principals of such providers concerning their business.

(3) The commissioner may elect to accept and rely on audit reports made by an independent certified public accountant for the health maintenance organization in the course of that part of the commissioner's examination covering the same general subject matter as the audit. The

commissioner may incorporate the audit report in his report of the examination.

(4) Health maintenance organizations licensed in the state shall be equitably assessed to cover the cost of financial condition and market conduct examinations. The assessments shall be levied not less frequently than once every twelve months and shall be in an amount expected to fund the examinations, including a reasonable margin for cost variations. The assessments shall be established by rules promulgated by the commissioner but shall not exceed one-half cent per month per person entitled to health care services pursuant to a health maintenance agreement as defined in RCW 48.46.020(6), excluding such persons who are not residents of this state. Assessment receipts shall be deposited in the general fund, shall be accounted for separately, and shall be used for the sole purpose of funding the examinations authorized in subsection (1) of this section. Amounts remaining in the separate account at the end of a biennium shall be applied to reduce the assessments in the succeeding biennium.

Passed the House March 23, 1983.

Passed the Senate April 11, 1983.

Approved by the Governor April 21, 1983.

Filed in Office of Secretary of State April 21, 1983.

CHAPTER 64

[Engrossed House Bill No. 413]

PORT DISTRICTS—LEASE OPTION—THIRTY YEAR EXTENSIONS

AN ACT Relating to port districts; and amending section 9, chapter 65, Laws of 1955 as last amended by section 1, chapter 87, Laws of 1973 and RCW 53.08.080.

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

Sec. 1. Section 9, chapter 65, Laws of 1955 as last amended by section 1, chapter 87, Laws of 1973 and RCW 53.08.080 are each amended to read as follows:

A district may lease all lands, wharves, docks and real and personal property owned and controlled by it, upon such terms as the port commission deems proper: PROVIDED, That no lease shall be for a period longer than fifty years with option for extensions for up to an additional thirty years, except where the property involved is or is to be devoted to airport purposes the port commission may lease said property for such period as may equal the estimated useful life of such work or facilities, but not to exceed seventy-five years: PROVIDED FURTHER, That where the property is held by the district under lease from the United States government or the state of Washington, or any agency or department thereof, the port commission may sublease said property, with option for extensions, up to the