

CERTIFICATION OF ENROLLMENT

SENATE BILL 5571

Chapter 325, Laws of 1997

(partial veto)

55th Legislature
1997 Regular Session

REPORTING OF UNEMPLOYMENT CONTRIBUTIONS AND INDUSTRIAL INSURANCE
PREMIUMS AND ASSESSMENTS

EFFECTIVE DATE: 7/27/97

Passed by the Senate April 22, 1997
YEAS 29 NAYS 16

BRAD OWEN

President of the Senate

Passed by the House April 17, 1997
YEAS 96 NAYS 0

CLYDE BALLARD

**Speaker of the
House of Representatives**

Approved May 12, 1997, with the
exception of section 4, which is
vetoed.

GARY LOCKE

Governor of the State of Washington

CERTIFICATE

I, Mike O Connell, Secretary of the
Senate of the State of Washington, do
hereby certify that the attached is
SENATE BILL 5571 as passed by the
Senate and the House of
Representatives on the dates hereon
set forth.

MIKE O'CONNELL

Secretary

FILED

May 12, 1997 - 3:35 p.m.

**Secretary of State
State of Washington**

SENATE BILL 5571

AS AMENDED BY THE HOUSE

Passed Legislature - 1997 Regular Session

State of Washington 55th Legislature 1997 Regular Session

By Senators Newhouse, Schow, Anderson, Horn, Heavey, Franklin, Fraser, Long and Oke; by request of Joint Task Force on Nonpayment of Employer Obligations

Read first time 01/31/97. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to reporting payments under unemployment insurance
2 and industrial insurance; amending RCW 51.04.030, 51.32.110, 50.29.070,
3 51.32.140, and 51.08.050; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that failure to
6 report and underreporting of industrial insurance premiums and
7 unemployment insurance contributions creates, among other problems, a
8 serious economic disadvantage for those employers who comply with the
9 law. Based on the recommendations of a legislative task force that
10 reviewed these issues, the legislature finds that some employers who
11 comply with one of these laws, but fail to comply with the other, may
12 be more likely to comply with both laws if employers were required to
13 file their reports on a unified form. In addition, the agencies may be
14 better able to coordinate efforts to enforce the reporting requirements
15 if reporting information is provided to both agencies.

16 (2) By January 1, 1998, the department of labor and industries and
17 the employment security department shall jointly develop a plan, and
18 report the plan to the appropriate committees of the legislature, for
19 implementing a unified form for reporting industrial insurance premiums

1 under Title 51 RCW and unemployment insurance contributions under Title
2 50 RCW beginning with reports due in calendar year 1999. The
3 implementation plan must address at least the following:

4 (a) The use of separate pages or separate sections on the form for
5 each agency's report. The agencies may review but are not required to
6 change coverage or reporting requirements in developing a unified form;

7 (b) Procedures for employers to mail or electronically transmit the
8 report to a central location with distribution to the agencies or other
9 distribution alternative that provides the agencies with notice of the
10 employers' filings; and

11 (c) Methods to permit employers to make payment to both agencies in
12 a single payment.

13 (3) By January 1, 1998, the department of labor and industries and
14 the employment security department shall report to the appropriate
15 committees of the legislature the results of a study that cross-matches
16 the names or the unified business identifier numbers, or both, of
17 employers who file reports under Title 50 RCW or Title 51 RCW, or both.
18 At a minimum, the report must include the number of employers who file
19 a report under only one title and the results of the agency's
20 investigating the failure to file a report under both titles.

21 **Sec. 2.** RCW 51.04.030 and 1994 c 164 s 25 are each amended to read
22 as follows:

23 (1) The director shall supervise the providing of prompt and
24 efficient care and treatment, including care provided by physician
25 assistants governed by the provisions of chapters 18.57A and 18.71A
26 RCW, acting under a supervising physician, and including chiropractic
27 care, to workers injured during the course of their employment at the
28 least cost consistent with promptness and efficiency, without
29 discrimination or favoritism, and with as great uniformity as the
30 various and diverse surrounding circumstances and locations of
31 industries will permit and to that end shall, from time to time,
32 establish and adopt and supervise the administration of printed forms,
33 rules, regulations, and practices for the furnishing of such care and
34 treatment: PROVIDED, That, the department may recommend to an injured
35 worker particular health care services and providers where specialized
36 treatment is indicated or where cost effective payment levels or rates
37 are obtained by the department: AND PROVIDED FURTHER, That the
38 department may enter into contracts for goods and services including,

1 but not limited to, durable medical equipment so long as state-wide
2 access to quality service is maintained for injured workers.

3 (2) The director shall, in consultation with interested persons,
4 establish and, in his or her discretion, periodically change as may be
5 necessary, and make available a fee schedule of the maximum charges to
6 be made by any physician, surgeon, chiropractor, hospital, druggist,
7 physicians' assistants as defined in chapters 18.57A and 18.71A RCW,
8 acting under a supervising physician or other agency or person
9 rendering services to injured workers. The department shall coordinate
10 with other state purchasers of health care services to establish as
11 much consistency and uniformity in billing and coding practices as
12 possible, taking into account the unique requirements and differences
13 between programs. No service covered under this title, including
14 services provided to injured workers, whether aliens or other injured
15 workers, who are not residing in the United States at the time of
16 receiving the services, shall be charged or paid at a rate or rates
17 exceeding those specified in such fee schedule, and no contract
18 providing for greater fees shall be valid as to the excess. The
19 establishment of such a schedule, exclusive of conversion factors, does
20 not constitute "agency action" as used in RCW 34.05.010(3), nor does
21 such a fee schedule constitute a "rule" as used in RCW 34.05.010(15).

22 (3) The director or self-insurer, as the case may be, shall make a
23 record of the commencement of every disability and the termination
24 thereof and, when bills are rendered for the care and treatment of
25 injured workers, shall approve and pay those which conform to the
26 adopted rules, regulations, established fee schedules, and practices of
27 the director and may reject any bill or item thereof incurred in
28 violation of the principles laid down in this section or the rules,
29 regulations, or the established fee schedules and rules and regulations
30 adopted under it.

31 **Sec. 3.** RCW 51.32.110 and 1993 c 375 s 1 are each amended to read
32 as follows:

33 (1) Any worker entitled to receive any benefits or claiming such
34 under this title shall, if requested by the department or self-insurer,
35 submit himself or herself for medical examination, at a time and from
36 time to time, at a place reasonably convenient for the worker and as
37 may be provided by the rules of the department. An injured worker,
38 whether an alien or other injured worker, who is not residing in the

1 United States at the time that a medical examination is requested may
2 be required to submit to an examination at any location in the United
3 States determined by the department or self-insurer.

4 (2) If the worker refuses to submit to medical examination, or
5 obstructs the same, or, if any injured worker shall persist in
6 unsanitary or injurious practices which tend to imperil or retard his
7 or her recovery, or shall refuse to submit to such medical or surgical
8 treatment as is reasonably essential to his or her recovery or refuse
9 or obstruct evaluation or examination for the purpose of vocational
10 rehabilitation or does not cooperate in reasonable efforts at such
11 rehabilitation, the department or the self-insurer upon approval by the
12 department, with notice to the worker may suspend any further action on
13 any claim of such worker so long as such refusal, obstruction,
14 noncooperation, or practice continues and reduce, suspend, or deny any
15 compensation for such period: PROVIDED, That the department or the
16 self-insurer shall not suspend any further action on any claim of a
17 worker or reduce, suspend, or deny any compensation if a worker has
18 good cause for refusing to submit to or to obstruct any examination,
19 evaluation, treatment or practice requested by the department or
20 required under this section.

21 (3) If the worker necessarily incurs traveling expenses in
22 attending the examination pursuant to the request of the department,
23 such traveling expenses shall be repaid to him or her out of the
24 accident fund upon proper voucher and audit or shall be repaid by the
25 self-insurer, as the case may be.

26 (4)(a) If the medical examination required by this section causes
27 the worker to be absent from his or her work without pay:

28 (i) In the case of a worker insured by the department, the worker
29 shall be paid compensation out of the accident fund in an amount equal
30 to his or her usual wages for the time lost from work while attending
31 the medical examination; or

32 (ii) In the case of a worker of a self-insurer, the self-insurer
33 shall pay the worker an amount equal to his or her usual wages for the
34 time lost from work while attending the medical examination.

35 (b) This subsection (4) shall apply prospectively to all claims
36 regardless of the date of injury.

37 ****Sec. 4. RCW 50.29.070 and 1990 c 245 s 8 are each amended to read***
38 ***as follows:***

1 (1) Within a reasonable time after the computation date each
2 employer shall be notified of the employer's rate of contribution as
3 determined for the succeeding rate year and factors used in the
4 calculation. The commissioner shall include on the notice sent to each
5 employer in 1997 and 1998 the following information for the rate year
6 immediately preceding the computation date:

7 (a) The taxable wages reported by the employer;

8 (b) The employer's contribution rate;

9 (c) The contributions paid by the employer;

10 (d)(i) The benefits charged to the employer's experience rating
11 account; and

12 (ii) The benefits not charged to the employer's experience rating
13 account under RCW 50.29.020(2)(e); and

14 (e) The dollar amount that represents the difference between (c)
15 and (d) of this subsection, to be termed "share of employer's
16 contribution that is socialized cost." The notice must include an
17 explanation in plain language of socialized cost and the relationship
18 of the employer's contribution to the support of socialized cost.

19 (2) Any employer dissatisfied with the benefit charges made to the
20 employer's account for the twelve-month period immediately preceding
21 the computation date or with his or her determined rate may file a
22 request for review and redetermination with the commissioner within
23 thirty days of the mailing of the notice to the employer, showing the
24 reason for such request. Should such request for review and
25 redetermination be denied, the employer may, within thirty days of the
26 mailing of such notice of denial, file with the appeal tribunal a
27 petition for hearing which shall be heard in the same manner as a
28 petition for denial of refund. The appellate procedure prescribed by
29 this title for further appeal shall apply to all denials of review and
30 redetermination under this section.

31 *Sec. 4 was vetoed. See message at end of chapter.

32 **Sec. 5.** RCW 51.32.140 and 1971 ex.s. c 289 s 45 are each amended
33 to read as follows:

34 Except as otherwise provided by treaty or this title, whenever
35 compensation is payable to a beneficiary who is an alien not residing
36 in the United States, (~~there shall be paid fifty percent of~~) the
37 department or self-insurer, as the case may be, shall pay the
38 compensation ((herein otherwise provided)) to ((such)) which a resident

1 beneficiary is entitled under this title. But if a nonresident alien
2 beneficiary is a citizen of a government having a compensation law
3 which excludes citizens of the United States, either resident or
4 nonresident, from partaking of the benefit of such law in as favorable
5 a degree as herein extended to nonresident aliens, he or she shall
6 receive no compensation. No payment shall be made to any beneficiary
7 residing in any country with which the United States does not maintain
8 diplomatic relations when such payment is due.

9 **Sec. 6.** RCW 51.08.050 and 1977 ex.s. c 350 s 11 are each amended
10 to read as follows:

11 "Dependent" means any of the following named relatives of a worker
12 whose death results from any injury and who leaves surviving no widow,
13 widower, or child, viz: father, mother, grandfather, grandmother,
14 stepfather, stepmother, grandson, granddaughter, brother, sister, half-
15 sister, half-brother, niece, nephew, who at the time of the accident
16 are actually and necessarily dependent in whole or in part for their
17 support upon the earnings of the worker(~~(:—PROVIDED, That unless~~
18 ~~otherwise provided by treaty, aliens other than father or mother, not~~
19 ~~residing within the United States at the time of the accident, are not~~
20 ~~included))~~).

Passed the Senate April 22, 1997.

Passed the House April 17, 1997.

Approved by the Governor May 12, 1997, with the exception of
certain items that were vetoed.

Filed in Office of Secretary of State May 12, 1997.

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

2 "I am returning herewith, without my approval as to section 4,
3 Senate Bill No. 5571 entitled:

4 "AN ACT Relating to reporting payments under unemployment insurance
5 and industrial insurance;"

6 This bill requires the Department of Labor and Industries and the
7 Employment Security Department to jointly develop a plan for
8 implementing a unified form for reporting both industrial insurance
9 premiums and unemployment insurance contributions by January 1, 1998,
10 and to report that plan to the legislature.

11 Section 4 of SB 5571 would require the Employment Security
12 Department to add new information to employer notification forms. This
13 addition is not related to the primary intent of this bill, which is to
14 address non-compliance with reporting requirements. There are many
15 complicated issues regarding the unemployment tax structure. Rather
16 than deal with unemployment insurance on a piecemeal basis, those

1 issues should be considered separately, and properly dealt with in the
2 context of the entire unemployment tax structure.

3 For the reason stated above, I have vetoed section 4 of Senate Bill
4 No. 5571.

5 With the exception of section 4, Senate Bill No. 5571 is approved."