

By LYLE BURT
Times Olympia Bureau

The Legislature

Up? No-fault car-insurance rates Down?

OLYMPIA — Automobile insurance rates would go down if the Legislature approves a no-fault insurance bill proposed by State Insurance Commissioner Karl Herrmann, a group of legislators was told last night by an aide of Herrmann.

An insurance industry representative disputed this, however.

William Bennett, Herrmann's consumer-protection specialist, said the bill would require insurance companies to reduce rates on liability insurance by at least 15 per cent.

"And, we would not permit increases in other rates to make up for the 15 per cent reduction," Bennett declared. "If we get the rate control we are asking for we would be able to hold rates down and give the people more."

Bennett testified before a joint hearing of the House Financial Institutions and Judiciary Committees and the Senate Judiciary Committee studying four no-fault bills.

Earlier in the day Gov. Dan Evans called on the Legislature to pass a no-fault insurance law.

BENNETT'S statements were contradicted by Bruce Mains, vice president of the Safeco Insurance Co.

"Both the commissioner's bill and the one submitted by the State Bar Association will increase costs," Mains declared.

The reason, he said, is that neither proposal provides any "threshold" nor limits lawsuits.

"They simply impose an additional layer of benefits and costs," he asserted.

A "threshold" in a no-fault insurance law is a figure below which injury and damage claims cannot be submitted to lawsuit.

More serious cases with damages in excess of the threshold would be permitted to go into the courts.

The questions of whether

and suffering" damages as the type a court should decide.

Stanley McNaughton, president of the Pemco Insurance Co. who described the insurance business as a "legalized bookie shop," said his company already has instituted a form of no-fault insurance.

A Pemco policy holder who is injured in an automobile accident receives, after 15 days, 85 per cent of his or her income loss up to \$200 a week and a total of \$10,000 for the period the person was unable to work.

McNaughton said the benefit was initiated at essentially no cost to the insurance holder as an experiment and to get the company into the no-fault field.

"We don't know what the cost will be," he said, adding that cost would be determined later when the company has had more experience.

A CHICAGO attorney and no-fault expert, Leonard Ring, told the committee that "no-fault" benefits have been available in in-

and suffering" damages as the type a court should decide.

After discussing an Illinois case which resulted in that state's no-fault law being declared unconstitutional, Ring stated that Safeco's bill would meet the same fate.

The reason, he said, was that it would not deal equally with the poor and the wealthy.

Medical costs for the poor are about one fourth as large as those for the wealthy, he asserted, so it would take a poor person four times the costs to pass the threshold above which he could sue if he desired.

As to reducing automobile insurance rates, Ring said Maryland accomplished this by having a state insurance fund, controlling rates and threatening to put the state into the insurance business in competition with private companies.

Most of Bennett's testimony was based on what he said were consumer-protection features.

These included, he said, prohibiting a company from rejecting an insurance ap-

licant with a valid driver's license and money to pay the premiums and prohibiting cancellation or refusal to renew a policy except for driver's license suspension or revocation or failure to pay premiums. He also mentioned broadening of the insurance commissioner's rate control, establishment of standard uniform and minimal policy provisions and requiring that insurance companies' rate-and-claim-experience information be made available to the public.

ALSO URGING consumer consideration, Dwayne Richards, a Seattle attorney who deals with personal-injury cases, said:

"People who come to me with small claims are those who have experienced unfairness in settling of their claims.

"The insurance commissioner's bill was designed for the benefit of consumers," he added.

Representative David Ceccarelli, chairman of the House Financial Institutions Committee, said more hearings will be scheduled.

Snagged supplemental budget readied for Senate action

Associated Press and Times Olympia Bureau

OLYMPIA — After being snagged for days in political infighting, the \$16.2 state supplemental budget was being readied for consideration by the Senate today.

The spending measure — which includes pay raises for state employees — has been held up by several objections.

Both Republicans and Democrats — perhaps a majority — have criticized the more than \$10 million cost of the raises.

Senator Robert Ridder, Seattle Democrat and a critic of the budget, said the supplemental budget — a special addendum to the regular 1971-73 biennial budget — isn't the proper vehicle to begin a new salary schedule. He added the raises could unbalance the 1973-75 regular budget.

Senate leadership has held the supplemental budget for several days, perhaps apprehensive of its chances of passage.

Senator Martin J. Durkan,

Issaquah Democrat and chairman of the Senate Ways and Means Committee, has been out of town since Friday.

But he was back in the capital today, apparently ready to pilot the bill through debate. And Senator August Mardesich, Senate majority leader, said the time had come to move the bill.

IN OTHER legislative action, the Senate Rules Committee spiked a plan of Senator R. R. Greive, Seattle Democrat, to put legislative employees under civil service.

"I just want it out of here," was the only comment of Senator August P. Mardesich, Everett Democrat, who deposed Greive as majority leader last year, when he moved that the Greive proposal be indefinitely postponed — a move tantamount to killing it.

The move was quickly approved by voice vote without further discussion. Left alive, however, was another

Greive-sponsored proposal that would require all legislative committees to publish agendas and record votes.

Both proposals were made by Greive and Ridder as changes in joint House-Senate rules.

A MEASURE requiring slow-moving vehicles blocking five cars or more to pull off two-lane highways squeaked through the Senate.

In the House, urban legislators lost a move to change the makeup of an Agriculture Department advisory committee.

The Senate Rules Committee also moved one step closer to reinstate action on a bill to reinstate mandatory death penalties for selected crimes. The committee voted to consider the bill at its next meeting.

Set for final House action today was a measure setting up an 11-member advisory committee for the state agriculture director.

It would include eight members who are farmers,

two consumers and a representative of farm labor interests. Representative Rick Smith, Bremerton Democrat, tried with three amendments to weight the committee more in favor of consumers.

One of Smith's amendments, giving consumers three representatives, failed 64 to 28. Urban Republicans joined rural lawmakers in defeating the move.

Sleepwear bill dies in House

OLYMPIA — (UPI) — A proposal to prohibit the sale and manufacture of flammable children's sleepwear through size 14 was killed today by the House Commerce Committee.

The action followed an appearance by a Federal Trade Commission official who said the F. T. C. is now extending its range of control from size 6X through size 14, the same as proposed in the state bill.



Legislative Building's Ulcer Gulch

This marbled hallway in the Legislative Building is called "Ulcer Gulch." The gulch is frequented by the lobbyists who flock to legislative sessions to watchdog the interests of their clients, to whom they report by telephone in the privacy of a booth. The booths flank a desk housing a telephone-information specialist who also operates a message center.—Staff photo by Greg Gilbert.

Demo takes a swing at ports

By LYLE BURT
Times Olympia Bureau

OLYMPIA — Representative King Lysen, who has an ax or two to grind with the Port of Seattle, is thinking of yapping ports where they hurt most — in the pocketbook.

Lysen, a Democrat who represents the 31st District in South King County, is considering introducing legislation to take away the authority of ports to levy taxes against property.

Ports for years have had authority to levy, without a vote of the people, 1 mill for general purposes and about 1/2 mill for retirement of general obligation bonds floated to finance improvements.

Originally, this authority was designed to assist new ports to get on their financial feet. But a number of them have levied their millage year after year.

Theirs is the only case where millage outside the 40-mill limit can be imposed without a vote.

Lysen is upset at the Port of Seattle for a number of reasons, not the least of which is the noise problem experienced by his constituents in the Seattle-Tacoma Airport area.

On the tax situation, Lysen said today:

"The Port of Seattle now is clearly a strong, established operation.

"With the current pressure on the property tax this type of subsidy at homeowners' expense is simply not justified."

The legislator cites a case in which he says steel imported from Japan gets favorable wharfage rates, is not subject to inventory or property taxes and is in direct competition with steel produced at the Bethlehem Steel plant in Seattle.

Lysen also is disturbed by ports on Puget Sound competing among themselves for handling the same specialized products. This, he says, results in unnecessary and expensive duplication of costly facilities with property owners too often forced to pay the bill.

The King County Democrat is author of a bill to expand the Seattle Port Commission from five to nine members and have them elected by districts—the ward system. This is Lysen's answer to getting more consideration for his noise-racked constituents.

Comment: Numerous attempts have been made in recent years to attack the existing port structure but all have failed. Lysen is not likely to have much better success. But it may get him more attention from port officials on the airplane-noise problem.

Focus on Olympia

Comment: The governor may have difficulty persuading the legislators that the net effect of his plan is not to force all property taxes up to the 5 per cent level, which in many cases would be much higher than they now are. A strong feeling that true property-tax relief must be accompanied by a state income tax will make trouble for this plan.

Too much job security?

Governor Evans was given a chance today to solve what he has contended is one of the principal problems in the administration of state government.

Evans has argued for a long time that too many persons in policy-making positions are protected by the job security of state civil service.

This has led, he has said, to directors not being able to control the top-echelon people.

The solution, Evans has stated, is to increase the number of top management people who are exempt from civil service.

This morning Norm Schut, head of the Washington Federation of State Employees, informed the governor that his union is in agreement and ready to do something about it.

A change in the exempt-position structure would require a change in state law. There is strong support for this in the Democratic leadership of both the House and Senate.

What Evans' answer was is not yet known. But yesterday at his press conference the governor said he thought the subject should have a year's study and (despite his complaints in the past) he did not plan to propose any legislation this session.

The core of the situation is whether state agencies will carry out the wishes of the governor and his directors or whether high-level career employees will be able to ignore their bosses, saying in effect, "to heck with it—I'll be here longer than you will."

Administration officials contend this has been one of the big problems in trying to get the huge new Social and Health Services Department into gear.

Comment: Evans apparently has been placed in a "fish-or-cut-bait" position.

No opposition to lot of lottery talk

By RICHARD W. LARSEN
Times Political Writer

OLYMPIA — Exultant, optimistic, perhaps looking for a fight, proponents of a state lottery went into a Senate committee hearing yesterday like a gung-ho Marine division hitting the beach.

But, eerily, they found no opposition. No church groups spoke against it. There were no serious detractors. No one from the governor's office appeared to testify.

Sensors Gordon Herr of Seattle and Joe Stortini of Tacoma, both Democrats, told the hearing that a lottery would provide fun for residents, diversion for tourists and, above all, money for the state.

Their plan: A five-member commission would be set up. It would establish rules for the lottery operation. Example: Vending machines would be deployed in various establishments where one might buy a ticket for 50 cents.

There would be regular drawings — perhaps weekly. Winners would collect handsome payoffs.

If the state's take were fixed at 30 per cent of proceeds — the rest going to running the lottery and providing prizes — the yield next year could be \$18 million.

Herr proposed that money go to institutions. Senator William Day, Spokane Democrat, suggested an amend-

ment earmarking the revenues for the care, education and training of the handicapped.

Such a lottery has worked in New Jersey, Stortini said. Pennsylvania and Michigan also have adopted such a plan. "I think it deserves a try here," Stortini added.

"There is no evidence that lotteries cause corruption," he went on.

Herr reported he conducted five surveys of his constituents (the 31st District, in the White Center-Burien area) "and always the support has been over 70 per cent."

"People want some gambling," Herr added.

A GOVERNOR — appointed ad hoc committee on gambling, at work in recent weeks considering various forms of gambling for the state, officially scorned a lottery.

Senator Reuben Knoblauch, Sumner Democrat, spluttered a criticism of that committee decision.

"When the people voted on the gambling initiative (the proposition approved last November to remove the constitutional lottery ban) they weren't voting for an ad hoc committee to tell us what we should do," Knoblauch said.

Legislators should make the decision on whether or not to have a lottery, Knoblauch continued. "I hope that this session will come out with one."

"Not one person has contacted me with opposition to a lottery bill," he concluded.

Senator A. L. (Slim) Rasmussen of Tacoma, chairman of the State Government Committee, left no doubt that the bill — perhaps with some minor changes — will be reported and pointed toward eventual debate in the Senate.

Meanwhile the political atmosphere surrounding the lottery idea — like that surrounding bingo, cardrooms, pinball machines and other gambling proposals, all yet to be considered — is murky.

No hard-core opposition — inevitably expected — has emerged. And many legislators — apprehensive of budget trouble — are tempted by plans which would produce money.

THE COMMITTEE listened attentively to Mel Johnsen of Port Townsend, who proposed another form of lottery — a variation on the numbers game. Citizens could buy cards with 50 numbers. The player could punch out any four to six numbers. Winning numbers would be drawn weekly, with payoffs going to those who had all winning numbers.

That plan, at 90 cents per card, would net more than \$37 million a year to the state, it was estimated.

Johnsen alluded to the drama produced when numbers are drawn in such a lottery in Germany. He said interest might be heightened by putting the drawing on television — except that the F. C. C. frowns on such things.

That conjured up all kinds of variations, though: The TV show could feature Gov. Dan Evans emceeing a version of "Let's Make a Deal," where winners could bet their bundle against mystery prizes behind curtains—prizes like the Narrows Bridge.

That's the kind of nezany, unstructured legislative climate into which the lottery proposal moves forward.

Evans' property-tax reform

Gov. Dan Evans' property-tax "reform" plan probably is a shocker to a lot of people.

The governor wants to relate property taxes to income of property owners.

The proposal is in two parts — a constitutional amendment to authorize the procedure and a bill spelling out the details.

Before it could become effective the constitutional amendment would have to win a two-thirds majority in the Legislature and approval of the voters at the next general election.

The plan is very complicated. But, generally, it would set a ceiling on residence property taxes equal to 5 per cent of the income of all persons in a single household. Taxes paid in excess of 5 per cent could be rebated if a property owner claimed a rebate, but the rebate could not exceed \$300.

There are provisions for applying this yardstick to persons who rent residence property.

Income on which the 5 per cent figure would be based would be adjusted gross income for federal-income-tax purposes.

But, it also would include some income now exempt from income taxes, such as veterans' disability pensions and interest on municipal bonds.

Also included would be alimony, support money, exempt capital gains, nontaxable strike benefits, cash public assistance and relief, pensions and annuities, social security, jobless benefits and other income.

Digest of bills filed in the Legislature

- Associated Press
- BILLS PASSED BY THE SENATE AND SENT TO HOUSE**
- S. B. 262 — Change from December to January mandatory meeting dates for organizing county political central committees. (6-4)
 - S. B. 278 — Changing reporting dates, reports required on priority programming from the State Highway Commission to the Legislature and Governor. (14-4)
 - S. B. 286 — Allows state patrol to hire specialists who are not troopers (44-0)
 - S. B. 288 — Requires slow-moving vehicles to get off highway if five or more cars are following (24-17)
 - S. B. 289 — Provides method for increasing from 22 to 25 the number of judges of the state district in more than one county (45-4)
- BILLS FILED IN SENATE**
- S. B. 292 — Grant, Kent Democrat — Providing for nuclear regulation of power.
 - S. B. 293 — Day, Seattle Democrat, and Scott, Seattle Republican — Creating a state message scanning board to regulate the practice of the message business.
 - S. B. 294 — Henry Lewis, Olympia Republican, and Rasmussen, Tacoma Democrat — Directing state and higher-education personnel boards to award contracts including awards to environmentalists.
 - S. B. 295 — Bellinger, Tacoma Democrat, and Clark, Seattle Republican — Providing for the secretary of state for receiving service of process as agent of court and others.
 - S. B. 296 — Woody, Woodville Democrat, and others — Adjoining administrative judge in counties with more than one justice court or municipal court.
 - S. B. 297 — Woody and Clark — Providing for reinstatement of corporate privilege to do business after lapse of license.
 - S. B. 298 — Henry, White Salmon Democrat, and others — Providing changes in the laws relating to day-labor construction of county roads.
 - S. B. 299 — Nelson, Selah Republican — Placing certain school-district certificated employees under the Public Employees' Collective Bargaining Act.
 - S. B. 300 — Henry and others — Distributing revenues from the lease of public forest lands obtained by tax incentives.
 - S. B. 301 — Woody and others — Changing the laws regulating collection agencies.
 - S. B. 302 — Grant, Kent Democrat, and others — Including the lieutenant governor with voting-disclosure provisions.
 - S. B. 303 — Goss, Spokane Republican — Preventing the state purchasing supervisor from giving preference in purchasing to products from industries approved by the Institutional Industries Commission.
 - S. B. 304 — Grant and Conner, Seattle Democrat — Requiring self-interest to issue a record describing their administration within their establishments.
 - S. B. 305 — Grant — Providing procedures for receipt of voters' pamphlets to be mailed to voters.
 - S. B. 306 — Goss and Henry — Extending the Department of Highways to include the state highway and public works operations of the Institutional Industries Commission.
 - S. B. 307 — Grant and Stortini, Tacoma Democrat — Requiring county officials to be registered voters or clerical lists of registered voters or clerical lists of poll books at the cost of reproduction.
 - S. B. 288 — Von Holtebeke, Seattle Democrat, and others — Removing requirements for tests if a person pleads guilty to driving under the influence of alcohol and allowing him to keep his license.
 - S. B. 289 — Day and Woody — Providing a title only bill relating to nursing homes.
 - S. B. 290 — Grant — Providing for state control over conditions. (Executive request).
- MEMORIALS PASSED IN SENATE AND SENT TO HOUSE**
- S. J. 111 — Asks Congress to provide funds for second Snohomish River bridge.
 - S. J. 112 — Asks Congress to provide funds for state control over bridge.
- BILLS FILED IN HOUSE**
- H. B. 297 — Thompson, Kent Democrat, and Zimmerman, Camas Republican — Requiring public water-supply systems.
 - H. B. 298 — Lysen, Seattle Democrat, and Julia, Bellevue Republican — Providing for state control over conditions. (Executive request).
 - H. B. 299 — Hurley, Spokane Democrat, and others — Removing tolls from the Spokane River toll bridge and providing that bridge tolls be paid from the motor-vehicle fund.
 - H. B. 300 — Parker, Seattle Democrat, and others — Revising voter-registration procedures.
 - H. B. 301 — Bogoroff, Burien Democrat, and others — Providing for industry-of-insurance coverage of borrower's property.
 - H. B. 302 — Bogoroff, Burien Democrat, and others — Providing for industry-of-insurance coverage of borrower's property.
 - H. B. 303 — Goggin, Harbor Republican, and others — Prohibiting uniformity in imposition of local business taxes upon life insurers.
 - H. B. 304 — Kuehne, Spokane Republican, and others — Allowing licensed real-estate salesmen to sell mobile homes with the property on which they rest.
 - H. B. 305 — Hurley and Walsh, Tacoma Democrat — Providing for slot machines on ferries on a trial basis.
 - H. B. 306 — Johnson, Kennewick Democrat — Requiring approval of irrigation rights of water for short or final plans.
 - H. B. 307 — Johnson, Tacoma Democrat, and others — Regulating the activities of tow trucks.
 - H. B. 308 — Grant and others — Providing additional items of priority for urban-erect leaders.
 - H. B. 309 — Lysen, Seattle Democrat — Providing a title only bill relating to cities and towns.
 - H. B. 310 — Lysen — Increasing from 25 to 21 the number of Superior Court judges in King County.
 - H. B. 311 — Zimmerman, Camas Republican, and Thompson — Providing for public water-supply-system planning.
 - H. B. 312 — Beck, Port Orchard Democrat, and Kitch, Toledo Democrat — Providing changes in the laws relating to day-labor construction of county roads.
 - H. B. 313 — Savage, Shelton Democrat, and Conner, Sumner Democrat — Providing for further reductions on Puget Sound Ferry System toll bridge.
 - H. B. 314 — Johnson and Kelly, Tacoma Democrat — Permitting vintage motor vehicles to be used for daily transportation with antique license plates.
- CONCURRENCE RESOLUTIONS FILED IN HOUSE**
- H. CR 297 — Conner and others — Declaring the basic rights of persons afflicted with mental retardation.

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