

HOUSE BILL REPORT

HB 1137

*As Reported By House Committee on:
Local Government*

Title: An act relating to local government.

Brief Description: Clarifying "criminal justice purposes" for local government criminal justice assistance.

Sponsor(s): Representatives Haugen, Horn, Wang, Prince, Scott, Wilson, Zellinsky, Riley, Morris, Rayburn, Dorn, Wood, Paris, Orr, Ferguson, Winsley, Bray, Ludwig, Chandler, Inslee, Ogden, Ballard, Forner, Rasmussen, Roland, R. Johnson, Vance, Sheldon, Appelwick, Spanel, Leonard, Broback, D. Sommers, Hine, Kremen, Hargrove, Jones, May, Edmondson, Brough, Holland, Betrozoff, Wynne, Nealey, Miller, Bowman and Moyer; by request of Task Force on City/County Finances.

Brief History:

Reported by House Committee on:
Local Government, February 1, 1991, DPS.

**HOUSE COMMITTEE ON
LOCAL GOVERNMENT**

Majority Report: *That Substitute House Bill No. 1137 be substituted therefor, and the substitute bill do pass.*
Signed by 15 members: Representatives Haugen, Chair; Cooper, Vice Chair; Ferguson, Ranking Minority Member; Mitchell, Assistant Ranking Minority Member; Bray; Edmondson; Franklin; Horn; Nealey; Nelson; Rayburn; Roland; Wood; Wynne; and Zellinsky.

Staff: Jim Lux (786-7841).

Background: The 1990 Legislature during the 2nd Extraordinary Session made available \$99.4 million to counties and cities to help support the local criminal justice system. The public's demand for increased services from law enforcement, prosecutors, public defenders, courts and jails exceeded local governments' ability to provide adequate funding. To ensure the funding was spent where intended, the Legislature specified no supplanting of existing local criminal justice monies and restricted the expenditure of new funds to "criminal justice purposes."

Local governments reacted to the legislative supplanting and criminal justice purposes requirements with questions to the State Auditor regarding; (1) the basis for determining existing levels of service, and (2) what services were included in the definition of criminal justice purposes. To provide direction to local governments the State Auditor sought assistance from the State Attorney General.

Based on a memorandum from the Attorney General, the State Auditor issued an interpretation for local governments to follow. The basis for determining existing funds was identified as the legally adopted budget for criminal justice services, including any amendments as of July 1, 1990. This date was chosen because the section in the legislation containing the supplanting language took effect on that date. Criminal justice purposes were defined as activities relating to the enforcement and administration of the criminal law including; dealing with persons suspected of, accused of, charged with, or convicted of crimes. Costs associated with civil matters were not eligible and needed to be isolated. If local accounting systems did not separate criminal costs from civil costs, a rational method of allocating such costs had to be developed and implemented. Circumstances where both the criminal and civil justice systems are supported (ie. court clerks, bailiffs, prosecutors, computer support, RCWs etc.) could require extensive administrative effort to properly allocate the costs to establish eligibility for funding provided by the 1990 Legislature. Many small jurisdictions do not have the computing or accounting systems in place to distinguish these costs.

Some local governments are issuing checks rather than warrants. Currently, the abandon property statute does not allow local governments to retain uncashed checks.

Summary of Substitute Bill: To simplify the determination of existing funds, the use of calendar year 1989 actual operating expenditures for criminal justice purposes is used. This approach avoids the complexities found in analyzing and judging the nuances and assumptions contained in budget estimates and related amendments for inclusion or exclusion in the base. To reduce the administrative burden on local governments and still retain the definition of criminal justice purposes, certain civil justice costs are authorized. Criminal justice purposes are defined as activities that substantially assist the criminal justice system, which may include circumstances where ancillary benefit to the civil justice system occurs. Activities that may support both the criminal and civil justice systems (ie. court clerks, bailiffs, computer support, RCW's etc.) are eligible for funding, only in circumstances where the

criminal justice system is the clearly demonstrated expenditure priority.

Uncashed checks are included in the abandon property statute and are authorized to be held locally. After such abandon property is held for more than five years, the proceeds may be deposited in the local jurisdiction's General Expense Fund.

Substitute Bill Compared to Original Bill: The original bill established the base for monitoring the supplanting of existing levels of local funding as 1989 actual operating expenditures for criminal justice purposes. Certain exclusions are identified for determining the base. Expenditures resulting from extraordinary events (e.g. indigent defense costs associated with Asotin County murder case) that are non-recurring, changes in contractual provisions beyond the control of the jurisdiction receiving the services and major non-recurring capital expenditures are excluded.

The 1989 actual operating expenditures for criminal justice purposes' "benchmark" is retroactively authorized to July 1, 1990. This is to establish one point in time as the benchmark for the State Auditor to monitor the antissupplanting requirements placed on local governments as required in the original enabling legislation.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Greater expenditure flexibility is provided for small jurisdictions receiving funding for criminal justice purposes. Small jurisdictions are assisted with the allocation and reporting requirements of eligible costs and related expenditures.

Testimony Against: None.

Witnesses: Harley Williams, Asotin County (Pro); Gary Lowe, Washington State Association of Counties (Pro); and Stan Finkelstein, Association of Washington Cities (Pro).