

HOUSE BILL REPORT

HB 1561

*As Reported By House Committee on:
State Government*

Title: An act relating to the tort claims revolving fund.

Brief Description: Creating the tort claims revolving fund.

Sponsor(s): Representatives Anderson, McLean, Belcher and Bowman; by request of Department of General Administration.

Brief History:

Reported by House Committee on:
State Government, March 6, 1991, DPA.

**HOUSE COMMITTEE ON
STATE GOVERNMENT**

Majority Report: *Do pass as amended.* Signed by 10 members: Representatives Anderson, Chair; Pruitt, Vice Chair; McLean, Ranking Minority Member; Bowman, Assistant Ranking Minority Member; Chandler; R. Fisher; Grant; Moyer; O'Brien; and Sheldon.

Staff: Linda May (786-7135).

Background: The state treasurer keeps an account for the sole purpose of paying liability settlements and judgments against the state and for tort claims filed against state officers, employees, and volunteers. Before 1989, this account was called the Tort Claims Revolving Fund. During the 1989 session, the Legislature abolished this fund and created the Liability Account. No funds were appropriated to the new Liability Account until the 1990 session.

In seeking to implement the 1989 legislation, the Department of General Administration (GA) was asked to keep the Tort Claims Revolving Fund for paying off claims assessed prior to the 1989 legislation. The Office of Financial Management has also authorized GA to use this fund to pay for claims assessed prior to the appropriation of funds to the new Liability Account. The Liability Account is to be used exclusively for payment of tort claims incurred on or after July 1, 1990. A change in statute is necessary to re-establish the abolished tort claims fund.

Summary of Amended Bill: The Tort Claims Revolving Fund is created again in the custody of the state treasurer. It is to be used solely and exclusively for the payment of tort claims against the state taking place prior to July 1, 1990.

Amended Bill Compared to Original Bill: The amendment makes technical changes to clarify the conditions under which monies are to be paid from the revolving fund.

Fiscal Note: Not requested.

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

Testimony For: (original bill): The new Liability Account operates with premiums like an insurance company and is tied to new loss control responsibilities. Outstanding debt is not the fault of current agency operations. Outstanding debt would be retired in approximately 10 years using the Tort Claims Revolving Fund.

Testimony Against: (original bill): The language regarding payments from the fund needs clarification.

Witnesses: Gary Alexander, Department of General Administration (in favor); and Michele Radosevich, Washington State Trial Lawyers Association.