

FINAL BILL REPORT

SSB 5168

C 121 L 04

Synopsis as Enacted

Brief Description: Authorizing reduction of interest on legal financial obligations.

Sponsors: Senate Committee on Children & Family Services & Corrections (originally sponsored by Senator Hargrove).

Senate Committee on Children & Family Services & Corrections
House Committee on Judiciary

Background: Under current law, certain offenders are subject to court ordered legal financial obligations. These include victim restitution and certain court and trial costs. These legal financial obligations are subject to interest on the principal amount. The interest does not compound. By statute, legal financial obligations are paid in the following order: victim restitution, other legal financial obligations, interest on restitution, then other interest. In some cases, the amount of the obligations is so substantial that the monthly interest exceeds the monthly payment and it becomes impossible for the offender to satisfy the obligation. Concerns have been raised that there is little mechanism available to the courts to provide offenders an incentive to pay the principal in these cases with the result that victims receive no restitution payments.

Summary: When an offender has personally made a good faith effort to pay his or her legal financial obligations, he or she may petition the court to reduce or waive the interest on legal financial obligations other than the interest on restitution. A good faith effort to pay means that the offender has either paid the principal amount in full or has made 24 consecutive payments, excluding any automatic deductions taken by the Department of Corrections (DOC), under his or her payment agreement with the court.

To obtain relief from the interest, the offender's petition must show:

- the good faith effort to pay;
- the interest accrual is causing a significant hardship;
- that he or she will be unable to pay the total interest and principal in full; and
- reduction or waiver will likely enable the offender to pay the principal and any remaining interest.

The court may reduce or waive the interest as an incentive for the offender to pay the principal. The court may not waive interest on the restitution principal. It may only reduce interest on the restitution principal after the principal is paid in full. The court may establish a payment schedule and retain jurisdiction over the offender for purposes of reviewing and revising the reduction or waiver of interest.

This applies to both juvenile and adult offenders.

When an offender is subject to sentence requirements and the payment of legal financial obligations and either is not subject to DOC supervision or the requirements are not complete at the end of the supervision, it is the offender's responsibility to provide the court with adequate verification of the completion of sentence requirements, except that the county clerk will notify the court when the offender has completed payment of his or her legal financial obligations for the purpose of restoring the offender's civil rights.

The county clerk may access employment security information for the purposes of verifying employment or income or for pursuing collection of legal financial obligations.

The provision related to civil collection of legal financial obligations is amended to clarify that monthly payment amounts are not to be construed as a limitation for purposes of credit reporting.

Provisions related to setting the amount of an offender's monthly payment are corrected to provide county clerks with the necessary authority to set amounts for those offenders from whom they are collecting. In the event that a county clerk is unable to continue collections, the responsibility reverts to the department.

Votes on Final Passage:

Senate	48	0	
House	96	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: June 10, 2004