

HOUSE BILL REPORT

E2SSB 6504

As Passed House - Amended:
March 5, 2010

Title: An act relating to the crime victims' compensation program.

Brief Description: Modifying provisions of the crime victims' compensation program.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senator Hargrove; by request of Department of Labor & Industries).

Brief History:

Committee Activity:

Public Safety & Emergency Preparedness: 2/23/10 [DPA];
Ways & Means: 2/27/10 [DPA(PSEP)].

Floor Activity:

Passed House: 3/5/10, 95-3.

**Brief Summary of Engrossed Second Substitute Bill
(As Amended by House)**

- Changes the eligibility and benefits (for burial costs, medical treatment, and lost wages) that a person is eligible for under the Crime Victims' Compensation Program.

HOUSE COMMITTEE ON PUBLIC SAFETY & EMERGENCY PREPAREDNESS

Majority Report: Do pass as amended. Signed by 7 members: Representatives Hurst, Chair; O'Brien, Vice Chair; Klippert, Assistant Ranking Minority Member; Appleton, Goodman, Kirby and Ross.

Minority Report: Without recommendation. Signed by 1 member: Representative Pearson, Ranking Minority Member.

Staff: Yvonne Walker (786-7841).

HOUSE COMMITTEE ON WAYS & MEANS

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: Do pass as amended by Committee on Public Safety & Emergency Preparedness. Signed by 20 members: Representatives Linville, Chair; Ericks, Vice Chair; Sullivan, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Chandler, Cody, Conway, Darneille, Haigh, Hinkle, Hunt, Hunter, Kagi, Kenney, Kessler, Pettigrew, Ross, Schmick and Seaquist.

Minority Report: Do not pass. Signed by 2 members: Representatives Dammeier, Assistant Ranking Minority Member; Priest.

Staff: Trista Zugel (786-7157).

Background:

The Washington Crime Victims' Compensation Program (Program) administered by the Department of Labor and Industries (L&I) provides benefits to innocent victims of criminal acts. Generally, persons injured by a criminal act in Washington, or their surviving spouses and dependents, are eligible to receive benefits (burial costs, medical treatment, and lost wages) under the Program provided that:

- the criminal act for which compensation is being sought is punishable as a gross misdemeanor or felony;
- the crime was reported to law enforcement within one year of its occurrence or within one year from the time a report could reasonably have been made; and
- the application for crime victims' benefits is made within two years after the crime was reported to law enforcement or the rights of the beneficiaries or dependents accrued.

A criminal act is defined as: (1) an act committed or attempted in Washington, which is punishable as a felony or gross misdemeanor under the laws of Washington or federal statutes; (2) an act committed outside of Washington against a resident of Washington which would be compensable had it occurred inside the state, and the crime occurred in a state which does not have a Program; or (3) an act of terrorism.

In case of the death of the victim, the Program provides burial expenses and a monthly income to the surviving spouse for life or until remarriage, based on a percentage of the victim's monthly income, provided that the income does not exceed 120 percent of the average monthly wage in the state. Total compensation can reach a cap of \$190,000 per victim, including up to \$150,000 in medical benefits per injury or death and \$40,000 for time loss, disability, and pension. The surviving spouse of a victim who was not employed at the time of death receives burial expenses and a lump sum payment of \$7,500 to be divided with any surviving children.

In the event of a permanent total disability, the victim is eligible for monthly benefits of up to a total compensation amount of \$40,000. If a permanent partial disability occurs, the victim is eligible for a lump sum payment of \$7,000, plus an amount based on a percentage of the victim's wages up to a total amount of \$15,000 for time loss. Time loss benefits are available for victims who either were employed at the time of the criminal act or were employed for any three consecutive months of the 12 months preceding the criminal act.

The L&I is required to operate the Program within the appropriations and the conditions and limitations on the appropriations provided for this Program. The L&I reports that it will have exhausted its current appropriation for crime victims compensation as of April 2010.

Summary of Amended Bill:

Total claim payments for a single claim for crime victims' compensation are limited to \$50,000. A person is not eligible for crime victims compensation benefits if the person has:

- Been convicted of a current felony that is violent felony offense or a crime against persons or a prior felony offense (within the last five years) that is violent felony offense or a crime against persons; and
- Not completely satisfied paying any legal financial obligations that may be owed.

In the event of the death of a victim, the disbursement of lump sum payments are eliminated and benefits paid for burial expenses are reduced to \$5,000. A person must apply for burial benefits under the Program within 12 months of the date that the death of the victim is officially recognized as a homicide. If there is a delay in the recovery of the remains then the application for the benefits must be received within 12 months of the date of the release of the remains for burial.

The benefits of any victim who becomes permanently and totally disabled as a result of a criminal act must be calculated as a percentage of the average monthly wage in the state. Total compensation available in a case of permanent partial disability is limited to \$7,000 per claim and compensation in the event of a temporary total disability remains unchanged. A victim must be gainfully employed at the time of the criminal act in order to be eligible for disability benefits under the Program.

The reduction in crime victims' compensation benefits take effective April 1, 2010, for all claims of criminal acts occurring after July 1, 1981. The reduction in benefits will remain in effect until July 1, 2015.

A new non-appropriated Crime Victims' Compensation Account (account) is created in the custody of the State Treasurer. Expenditures from the account may be used only for the Program.

Within current available funds, by July 1, 2010, the Program is required to post on the L&I's public website, the current amount of funding available in the Crime Victims' Compensation fund, the total amount disbursed to victims in the previous 30 days, and the total amount paid in overhead and administrative costs in the previous 30 days. The Program must maintain and update the crime victims' compensation information on the website every 30 days.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed, except for sections 1 and 2, relating to the reduction of benefits under the Crime Victims' Compensation Program, which contain an emergency

clause and takes effective April 1, 2010, for all claims of criminal acts occurring after July 1, 1981.

Staff Summary of Public Testimony (Public Safety & Emergency Preparedness):

(In support) This is an L&I request bill. The L&I's caseloads have increased significantly with the current recession, and as a result the L&I is projecting to have a \$3.5 million deficit this year. This bill is being brought forward to reduce benefits so that the L&I can manage within the current appropriation. The L&I does request to extend the sunset clause in the bill as it is predicted that the caseloads will not return to the previous recession numbers and will be looking at some difficult financial situations.

(In support with concerns) The Crime Victims' Compensation fund is in deep trouble and this bill attempts to manage the fund by reducing benefits to victims temporarily and creating a dedicated source of funding so that the state can have more of a stable fund for the benefit of crime victims.

(Opposed) None.

Staff Summary of Public Testimony (Ways & Means):

(In support) This is an unfortunate but necessary piece of legislation that makes changes to ensure the program functions within its current appropriation. This program is still a generous Crime Victims' Benefit program relative to other states.

(In support with concerns) This bill does not come to you under the happiest of circumstances. We have worked to make certain that this bill makes changes that are sufficient to cover the shortfall in the program. We continue to have concerns about the impact on claimants and the possible liability of the state. Some claimants will have exhausted their benefits immediately. It is not clear whether the state is actually liable for these benefits regardless of the changes made to the statute. This is a quasi-insurance program that is not given the tools to manage itself in a quasi-insurance manner. We are concerned about the provision that requires a claim for burial expenses within one year of the homicide when sometimes it takes longer than that for a death to be ruled a homicide. These changes protect the funding and ensure that the program can continue to function into the future.

(Opposed) None.

Persons Testifying (Public Safety & Emergency Preparedness): (In support) Carole Washburn, Department Labor & Industries.

(In support with concerns) Lonnie Johns-Brown, Washington Coalition of Sexual Assault Programs.

Persons Testifying (Ways & Means): (In support) Dick Dorsett, Department of Labor and Industries.

(In support with concerns) Lonnie Johns-Brown; and Toni McKinley, Washington Coalition of Crime Victims.

Persons Signed In To Testify But Not Testifying (Public Safety & Emergency Preparedness): None.

Persons Signed In To Testify But Not Testifying (Ways & Means): None.