1783-S2 AMH KLIP ADAM 150

**2SHB 1783** - H AMD **182**

By Representative Klippert

**NOT ADOPTED 03/02/2017**

Beginning on page 1, line 9, strike all of subsections (1) and (2) and insert the following:

"(1) Except as provided in subsection (2) of this section, ((~~financial obligations~~)) restitution imposed in a judgment shall bear interest from the date of the judgment until payment, at the rate applicable to civil judgments. As of the effective date of this section, nonrestitution legal financial obligations imposed in a judgment shall bear interest from the date of the judgment until payment at the rate of three and seventy-six hundredths percent. All nonrestitution interest retained by the court shall be split twenty-five percent to the state treasurer for deposit in the state general fund, twenty-five percent to the state treasurer for deposit in the judicial information system account as provided in RCW 2.68.020, twenty-five percent to the county current expense fund, and twenty-five percent to the county current expense fund to fund local courts.

(2) The court may, on motion by the offender, following the offender's release from total confinement, reduce or waive the interest on legal financial obligations levied as a result of a criminal conviction as follows:

(a) The court shall waive all interest on the portions of the legal financial obligations that are not restitution that accrued during the term of total confinement for the conviction giving rise to the financial obligations, provided the offender shows that the interest creates a hardship for the offender or his or her immediate family;

(b) The court may reduce interest on the restitution portion of the legal financial obligations only if the principal has been paid in full;

(c) The court may otherwise reduce or waive the interest on the portions of the legal financial obligations that are not restitution if the offender shows that he or she has personally made a good faith effort to pay and that the interest accrual is causing a significant hardship. For purposes of this section, "good faith effort" means that the offender has either (i) paid the principal amount in full; or (ii) made at least fifteen monthly payments within an eighteen-month period, excluding any payments mandatorily deducted by the department of corrections;

(d) For purposes of (a) through (c) of this subsection, the court may reduce or waive interest on legal financial obligations only as an incentive for the offender to meet his or her legal financial obligations. The court may grant the motion, establish a payment schedule, and retain jurisdiction over the offender for purposes of reviewing and revising the reduction or waiver of interest."

On page 3, line 27, after "shall" strike "not accrue interest" and insert "accrue interest at the rate of three and seventy-six hundredths percent"

On page 4, line 40, after "shall" strike "not accrue interest" and insert "accrue interest at the rate of three and seventy-six hundredths percent"

On page 6, line 3, after "shall" strike "not accrue interest" and insert "accrue interest at the rate of three and seventy-six hundredths percent"

On page 7, line 13, after "shall" strike "not accrue interest" and insert "accrue interest at the rate of three and seventy-six hundredths percent"

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|  | EFFECT:   Imposes an interest rate of 3.76 percent on non-restitution legal financial obligations (LFOs) as of the effective date of the act.  Reinstates current law provisions governing the standards for a court to waive or reduce interest on legal financial obligations. These standards include: (1) requiring the court to waive interest on non-restitution LFOs that accrued during incarceration upon a showing of undue hardship; and (2) allowing the court to otherwise reduce or waive interest on non-restitution LFOs if the offender has made a good faith effort to pay and interest accrual is causing an undue hardship. |

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