

SENATE BILL REPORT

SB 5007

As of January 27, 1997

Title: An act relating to liens filed by the department of social and health services.

Brief Description: Revising provisions for liens filed by the department of social and health services.

Sponsors: Senators Long, Hargrove, Franklin, Zarelli and Winsley; by request of Department of Social and Health Services.

Brief History:

Committee Activity: Commerce & Labor: 1/28/97.

SENATE COMMITTEE ON COMMERCE & LABOR

Staff: Jack Brummel (786-7428)

Background: When a person accepts public assistance from the Department of Social and Health Services (DSHS), the department has a right to recover any time-loss compensation payable up to the amount of the public assistance provided. DSHS has a lien to secure reimbursement of the public assistance paid.

DSHS can assert the lien by serving the Department of Labor and Industries (L&I) or a self-insurer with a signed statement of the lien and a notice to withhold and deliver. The notice must identify the recipient of both time-loss and public assistance and make a demand to withhold and deliver the amount claimed. The statute permits personal service or service by regular mail.

Notice of the lien must also be sent to the recipient by certified mail no later than the next business day after the notice is mailed or delivered to L&I.

The director of L&I must deliver to the secretary of DSHS any time-loss funds, up to the amount claimed in the lien notice.

A recipient who is aggrieved by the action against his or her time-loss compensation must file a notice requesting a hearing within 28 days after the notice to withhold and deliver has been mailed to or served on L&I.

Current law allows DSHS to serve liens and notices to withhold and deliver property in child support cases by personal service or certified mail.

Summary of Bill: The requirements that the lien and notice to withhold and deliver be signed and include a demand to withhold and deliver are deleted.

DSHS may serve the lien and the notice to withhold and deliver by electronic device.

The statement of lien sent to the worker must be mailed within two business days, rather than by the next business day, after the notice is received by L&I.

Repeated references to "the period" for which time-loss compensation is payable are deleted.

A recipient who wishes to request a hearing before DSHS concerning the impoundment of his or her time-loss compensation may file a hearing application within 28 days after the notice was mailed to the recipient. A hearing may be held if an application is filed more than 28 days after but within one year of the date the notice was mailed and the applicant can show good cause for not filing within 28 days. Collection actions may continue until good cause is shown.

The Secretary of DSHS may serve support liens and orders to withhold and deliver property by electronic means.

Appropriation: None.

Fiscal Note: Not requested.

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