

# HOUSE BILL REPORT

## SSB 6402

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### As Passed House:

March 7, 2002

**Title:** An act relating to legal financial obligation deductions from inmate funds and wages.

**Brief Description:** Providing for legal financial obligation deductions from inmate funds and wages.

**Sponsors:** By Senate Committee on Human Services & Corrections (originally sponsored by Senators Costa, Long, Thibaudeau and Kline).

### Brief History:

#### Committee Activity:

Criminal Justice & Corrections: 2/22/02, 2/28/02 [DP].

#### Floor Activity:

Passed House: 3/7/02 93-0.

### Brief Summary of Substitute Bill

- Requires that a certain percentage of an inmate's wages or gratuities be deducted for payment of legal financial obligations.

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## HOUSE COMMITTEE ON CRIMINAL JUSTICE & CORRECTIONS

**Majority Report:** Do pass. Signed by 7 members: Representatives O'Brien, Chair; Lovick, Vice Chair; Ballasiotes, Ranking Minority Member; Ahern, Kagi, Kirby and Morell.

**Staff:** Yvonne Walker (786-7841).

### Background:

#### *Legal Financial Obligation:*

The Department of Corrections (DOC) is responsible for deducting legal financial obligations (LFO) from the gross wages and gratuities of each inmate working in a correctional industry program, however specific amounts to be deducted for those LFOs are not defined in statute.

Under the Sentencing Reform Act, a "legal financial obligation" or "LFO" is a court-imposed obligation to pay money and may consist of any of the following: restitution to the victim; statutorily imposed crime victims' compensation fees; court costs; county or inter-local drug fund assessments; court-appointed attorneys' fees and costs of defense; fines; reimbursement for emergency response expenses in the case of a DWI-related vehicular assault or vehicular homicide conviction; and any other financial obligation assessed to the offender as a result of a felony conviction. The sentence must specify the total amount of LFOs owed, and require the offender to pay a specified monthly sum toward that obligation.

Interest accrues on the LFO from the date the judgment is entered, including the time during which the offender is incarcerated, at the rate applicable to civil judgments.

*Inmate Wage Deductions:*

Class I & II Correctional Industries. Aside from the deductions for taxes and LFOs, the DOC is required to develop a formula to take other deductions from the wages and gratuities earned by inmates. The formula must include the following mandatory deductions:

- Class I Industries (and others earning at least minimum wage): 5 percent for crime victims' compensation; 10 percent for an inmate savings account; and 20 percent to the DOC for costs of incarceration. (Class I Industries, also known as "free venture" industries, are generally operated and managed by for-profit or non-profit organizations under contract with the department.)
- Class II Industries: 5 percent for crime victims compensation; 10 percent for an inmate savings account; and 15 percent to the DOC for costs of incarceration. (Class II Industries, also known as "tax reduction" industries, are state-owned and operated industries that produce products and services that are only sold to public agencies and nonprofit organizations.)

Work Release Programs. The DOC is responsible for deducting payments from the earnings of any inmate participating in a work release program. Any deductions made from a work release participant's earnings must be made in the following priority order:

- Reimbursement for any vocational training expenses or expenses due to the inmate's work release plan;
- Payment for the inmate's room and board;
- Support payments for any dependants of the inmate's; and
- Payments to creditors.

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**Summary of Bill:**

*Legal Financial Obligation:*

The DOC must develop a formula to deduct a percentage of certain inmates' wages to pay for LFOs in addition to those deductions for crime victims compensation, personal savings, and cost of incarceration.

*Inmate Wage Deductions:*

Class I & II Correctional Industries. The DOC must deduct 20 percent from the gross wages or gratuities of any inmate working in a Class I or Class II Industry work program for payment of any owed LFOs.

Work Release Programs. The DOC must deduct 10 percent from the earnings of any inmate working in a state work release program to be used for the payment of the offender's LFOs owed in any Washington superior court. The LFOs must be paid prior to paying any creditors that the offender may owe and must be made in the following priority order:

- Reimbursement for any vocational training expenses or expenses due to the inmate's work release plan;
- Payment for the inmate's room and board;
- Support payments for any dependants of the inmate's;
- LFO payments; and
- Payments to creditors.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** Collections made by the DOC for incarcerated offenders have been diminishing drastically over time. Currently deductions taken out of inmate wages are used to cover the offender's cost of incarceration and crime victims' compensation. However, there are no deductions for legal obligations that the offender may owe on the local level for court costs.

In several cases, offenders working in class I industries are making substantial amounts of money, yet they have made no payments towards the legal financial obligations owed to the victims and the courts.

Since the DOC is getting out of the business of monitoring legal financial obligations, this bill will help offenders repay their financial debt to society earlier than waiting until they are completely released.

**Testimony Against:** None.

**Testified:** Debbie Wilke, Washington Association of County Officials; and Alice Hildum, Chelan County Clerk;