

FINAL BILL REPORT

HB 1578

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Synopsis as Enacted

Brief Description: Reenacting provisions relating to criminal profiteering.

Sponsors: By Representatives Carrell, Hurst and Lantz.

House Committee on Judiciary

Senate Committee on Labor, Commerce & Financial Institutions

Background:

In 1995 the Legislature included several provisions related to various criminal laws in a bill entitled "An Act Relating to insurance fraud." In December 2000, Division II of the Washington Court of Appeals held that the inclusion of one of those provisions violated the state constitution. That decision, *State v. Thomas*, 103 Wn. App. 800 (2000), overturned a conviction under the state's anti-profiteering law.

In 1984 the Legislature had enacted the Washington State Racketeering Act, which was to take effect July 1, 1985. The 1985 Legislature, however, substantially amended the act before it took effect. One of the changes was to rename the act the Criminal Profiteering Act. The act dealt generally with a variety of civil and criminal sanctions against various criminal activities, particularly crimes committed as part of a "pattern" of criminal profiteering. The 1985 legislation also put a 10-year "sunset clause" on the entire act. The sunset clause called for the act to expire on July 1, 1995, unless the Legislature enacted another bill before then to extend the life of the act.

In 1995 the Legislature repealed the sunset clause on the Criminal Profiteering Act. The repeal of the sunset clause was intended to prevent the act from expiring that July and to extend the life of the act indefinitely. However, the repeal was done as part of E2SHB 1557 which was a bill entitled "An Act Relating to insurance fraud." E2SHB 1557 became Chapter 285, Laws of 1995.

Division II of the Washington Court of Appeals held that this 1995 act "relating to insurance fraud," was invalid because it violated Article II, Section 19, of the state constitution. Article II, Section 19, requires that a bill contain only one subject and that the subject be expressed in the title of the bill. The court found that the subject of "criminal profiteering" was not related to the subject of "insurance fraud" and therefore the bill violated the single subject requirement. Likewise, the court found that the subject of criminal profiteering was not "expressed" in the title of the bill and therefore the bill violated the "subject-in-the-title" requirement. As a result, the attempted repeal of the

sunset clause in 1995 was ineffective, and the court held that the criminal profiteering law had in fact expired on July 1, 1995.

Summary:

The Criminal Profiteering Act is reenacted without substantive change.

Votes on Final Passage:

House 98 0

Senate 46 0 (Senate amended)

House 94 0 (House concurred)

Effective: May 9, 2001