

# SENATE BILL REPORT

## SB 5394

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As Reported By Senate Committee On:  
Human Services & Corrections, February 23, 2007

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

**Brief Description:** Revising the crime victims' compensation program.

**Sponsors:** Senator Rockefeller.

**Brief History:**

**Committee Activity:** Human Services & Corrections: 1/25/07, 2/23/07 [DPF].

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### SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

**Staff:** Shani Bauer (786-7468)

**Background:** The Crime Victims Act of 1973 established Washington's Crime Victims' Compensation Program (CVCP) to provide benefits to innocent victims of criminal acts. Benefits under the CVCP include medical and mental health costs, disability payments, and benefits for survivors of deceased victims. The Department of Labor & Industries (department) administers the program, and the benefits available to crime victims are based generally on benefits paid to injured workers under the Industrial Insurance Act.

Benefits under the CVCP are paid secondary to the available insurance resources of the victim. Victims must use available public or private insurance before the program can pay benefits. The CVCP further has the right to assert liens against various insurance recoveries and may seek reimbursement from the victim if insurance proceeds are received in addition to benefits from the CVCP.

**Summary of Bill:** If a victim has been permanently partially disabled, permanently totally disabled, or has died as a result of the criminal act for which benefits are payable under the CVCP, benefits from the CVCP may not be reduced by insurance proceeds received from the victim's insurance company or the insurance company of the person who committed the crime. This section applies to victims injured or killed on or after January 1, 2004.

If a final order for benefits was entered prior to the effective date of this act for injuries sustained after January 1, 2004, the victim or the victim's family may make an application to reopen the original claim if:

- 1) the victim was determined by the department to be permanently partially disabled, permanently totally disabled, or died as a result of the criminal act;
- 2) the victim received benefits;

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- 3) the victim recovered damages pursuant to an insurance policy; and
- 4) the department subsequently recovered all or a portion of the benefits paid to the victim.

**EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Human Services & Corrections):** Vehicle license tab fees are increased from \$30 to \$31 per year, \$1 of which is to be deposited in the Public Safety and Education Account (PSEA).

**Appropriation:** None.

**Fiscal Note:** Requested on January 18, 2007.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Staff Summary of Public Testimony:** PRO: This bill is designed to correct an injustice. Where a person has no hope of going back to his or her former livelihood and manages to get some small recovery from an insurance company, it is unjust to require them to pay back funds from the CVCP. Dr. Franz was riding his bike and hit from behind by a drunk driver. Prior to the accident, he was an emergency room physician. He no longer has the ability to perform this occupation. The state provided \$11,500 in gap funding until disability insurance kicked in. Later, the offender's insurance company paid the policy limits of \$50,000, which did not come close to covering the expenses of this accident. The state placed a lien against the insurance proceeds for \$7,600. There should be some allowance for persons whose long term ability to earn income is impacted by the criminal event that gave rise to the benefits.

OTHER: The CVCP was always designed to be a payor of last resort and has typically been underfunded. This bill is estimated to cost \$2.2 million in fiscal year 2007 and \$1.8 million each year going forward. If additional funding is not provided, this will impact the program from being able to provide some assistance to other victims.

**Persons Testifying:** PRO: Senator Phil Rockefeller, prime sponsor; Ernest Franz, MD.

OTHER: Mike Ratko and Cletus Nannabu, Department of Labor & Industries; Dave Johnson, Washington Coalition of Crime Victim Advocates.