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SENATE BILL 5423

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State of Washington

62nd Legislature

2011 Regular Session

By Senators Regala, Hargrove, Chase, and Kline

Read first time 01/25/11. Referred to Committee on Human Services & Corrections.

1 AN ACT Relating to legal financial obligations; amending RCW  
2 10.82.090; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that it is in the  
5 interest of the public to reduce recidivism and to promote the  
6 reintegration into society of individuals convicted of crimes.  
7 Research indicates that legal financial obligations may constitute a  
8 significant barrier to successful reintegration and may result in  
9 increases in recidivism. The legislature further recognizes that the  
10 accrual of interest on nonrestitution debt during the term of  
11 incarceration results in many individuals leaving prison with  
12 insurmountable debt. These circumstances make it less likely that  
13 restitution will be paid in full and more likely that former offenders  
14 and their families will remain in poverty. In order to foster  
15 reintegration and reduce recidivism, this act creates a mechanism for  
16 courts to eliminate interest accrued on nonrestitution debt during  
17 incarceration and improves incentives for payment of legal financial  
18 obligations.

1           **Sec. 2.** RCW 10.82.090 and 2009 c 479 s 14 are each amended to read  
2 as follows:

3           (1) Except as provided in subsection (2) of this section, financial  
4 obligations imposed in a judgment shall bear interest from the date of  
5 the judgment until payment, at the rate applicable to civil judgments.  
6 All nonrestitution interest retained by the court shall be split  
7 twenty-five percent to the state treasurer for deposit in the state  
8 general fund, twenty-five percent to the state treasurer for deposit in  
9 the judicial information system account as provided in RCW 2.68.020,  
10 twenty-five percent to the county current expense fund, and twenty-five  
11 percent to the county current expense fund to fund local courts.

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

16           (a) The court shall waive all interest on the portions of the legal  
17 financial obligations that are not restitution that is accrued during  
18 the term of total confinement, provided the offender shows that the  
19 interest creates a hardship for the offender or his or her immediate  
20 family;

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

24           (c) The court may reduce or waive the interest (~~(only as an~~  
25 incentive for the offender to meet his or her)) on all other legal  
26 financial obligations not otherwise addressed in (a) and (b) of this  
27 subsection. (~~The court may not waive the interest on the restitution~~  
28 portion of the legal financial obligation and may only reduce the  
29 interest on the restitution portion of the legal financial obligation  
30 if the principal of the restitution has been paid in full.)) The  
31 offender must show that he or she has personally made a good faith  
32 effort to pay, that the interest accrual is causing a significant  
33 hardship, and that he or she will be unable to pay the principal and  
34 interest in full and that reduction or waiver of the interest will  
35 likely enable the offender to pay the full principal and any remaining  
36 interest thereon. For purposes of this section, "good faith effort"  
37 means that the offender has either (~~(a)~~) (i) paid the principal  
38 amount in full; or (~~(b)~~) (ii) made (~~(twenty-four consecutive)~~) at

1 least fifteen monthly payments within an eighteen-month period,  
2 excluding any payments mandatorily deducted by the department of  
3 corrections, on his or her legal financial obligations under his or her  
4 payment agreement with the court;

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

11 (3) This section applies to persons convicted as adults or  
12 adjudicated delinquents in juvenile court.

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