

# HOUSE BILL REPORT

## HB 1831

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**As Reported by House Committee On:**  
Early Learning & Human Services  
Appropriations

**Title:** An act relating to revising resource limitations for public assistance.

**Brief Description:** Revising resource limitations for public assistance.

**Sponsors:** Representatives Pettigrew, Macri, Santos, Ortiz-Self, Frame, Kagi, Fitzgibbon, Stanford, Ormsby and Pollet.

**Brief History:**

**Committee Activity:**

Early Learning & Human Services: 2/14/17, 2/17/17 [DP];  
Appropriations: 2/23/17, 2/24/17 [DPS].

**Brief Summary of Substitute Bill**

- Revises exemptions for personal resources used in determining eligibility for public assistance.

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### HOUSE COMMITTEE ON EARLY LEARNING & HUMAN SERVICES

**Majority Report:** Do pass. Signed by 10 members: Representatives Kagi, Chair; Senn, Vice Chair; Dent, Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Frame, Goodman, Kilduff, Lovick, Muri and Ortiz-Self.

**Minority Report:** Without recommendation. Signed by 2 members: Representatives Griffey and McCaslin.

**Minority Report:** Do not pass. Signed by 1 member: Representative Klippert.

**Staff:** Dawn Eychaner (786-7135).

**Background:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The Department of Social and Health Services (DSHS) Economic Services Administration administers a number of state and federally funded public assistance programs, including medical and food assistance, cash assistance, and other services. Eligibility for public assistance is generally determined based on a combination of factors for a household, including disability status, income, and resources or assets available to the applicant.

Resources available to an applicant for public assistance may be considered assets that can be applied toward meeting that person's need. The DSHS may adopt rules exempting certain resources from being counted as assets. Exempt resources must include, but are not limited to:

- a home that the applicant or his or her dependent is living in;
- household furnishings and personal effects;
- a motor vehicle, other than a motor home, with an equity value of no more than \$5,000;
- a motor vehicle necessary to transport a household member with a physical disability; and
- all other resources not to exceed \$1,000 or, for recipients of Temporary Assistance for Needy Families (TANF), up to \$3,000 in combined savings accounts.

In addition, the DSHS may exempt resources or income that are determined necessary to the applicant's restoration to independence, to reduce the need for public assistance, or to aid in rehabilitating the applicant or a dependent of the applicant. In some cases, an applicant's nonexempt resources may reduce the assistance received or make the applicant ineligible to receive assistance.

States have the authority to determine some policies related to individuals and families receiving federal public assistance. For example, states can eliminate asset limits altogether for certain programs such as TANF.

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### **Summary of Bill:**

The exempt resources counted when determining eligibility for public assistance are revised as follows:

- a motor vehicle, other than a motor home, is exempt regardless of the value if the vehicle is used for transportation for the individual or a member of the individual's family; and
- all other resources are exempt up to any limit set by the DSHS consistent with federal requirements.

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**Appropriation:** None.

**Fiscal Note:** Requested on February 7, 2017.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) The DSHS asset limit is not very helpful for families. These days, if you have a car worth \$5,000 you'll spend more time repairing it than being able to use it for transportation. Since the mid-1990s, applicants for public benefits have been subject to the \$5,000 vehicle equity limit and resource limit of \$1,000. Raising the vehicle equity limit is long overdue. As a result of the limit, TANF applicants are often faced with a false choice between reliable transportation and getting the benefits they need. A parent with a car is more likely to be able to retain a job. The cash asset limit is onerous for public benefits applicants, and any savings for a low- or moderate-income family can negatively impact benefits, sending a mixed signal to TANF applicants about the importance of savings. Completely exempting vehicles, like so many other states have done, will help people get back on their feet. This could result in lower administrative costs for public benefits programs. A recent study found there were no statistically significant increases in caseloads as a result of exempting vehicles, and any small increase in caseload was offset by administrative cost savings.

(Opposed) None.

**Persons Testifying:** Representative Pettigrew, prime sponsor; Michael Althaus, Columbia Legal Services; Alex Hur, Statewide Poverty Action Network; and Julie Watts, Washington Budget and Policy Center.

**Persons Signed In To Testify But Not Testifying:** None.

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**HOUSE COMMITTEE ON APPROPRIATIONS**

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 22 members: Representatives Ormsby, Chair; Robinson, Vice Chair; MacEwen, Assistant Ranking Minority Member; Stokesbary, Assistant Ranking Minority Member; Bergquist, Calder, Cody, Fitzgibbon, Hansen, Hudgins, Jinkins, Kagi, Lytton, Pettigrew, Pollet, Sawyer, Senn, Springer, Stanford, Sullivan, Tharinger and Wilcox.

**Minority Report:** Do not pass. Signed by 9 members: Representatives Chandler, Ranking Minority Member; Buys, Haler, Harris, Nealey, Schmick, Taylor, Vick and Volz.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Manweller.

**Staff:** Kelci Karl-Robinson (786-7116).

**Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Early Learning & Human Services:**

The substitute bill clarifies that only one vehicle is exempt and exempts all other resources up to \$6,000. The substitute bill is null and void if funding is not provided in the operating budget by June 30, 2017.

**Appropriation:** None.

**Fiscal Note:** Requested on February 7, 2017.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

**Staff Summary of Public Testimony:**

(In support) Seven other states have eliminated asset limits for public benefit applicants. The current asset limits put Washington at the bottom of the barrel nationwide. Six states have a stricter car asset limit. Eight states have a stricter cash requirement. These limits were set in 1996 and require revision. There is a proposed amendment to align the bill with the bill that passed out of the Senate policy committee. The amendment would allow applicants to have one car and \$6,000 of liquid cash assets. Nineteen states allow any number of cars and 18 states allow one car regardless of value, putting Washington in line with 37 other states. Other states that have changed their asset limits have shown a decline in caseload. Research shows that a small amount of savings decreases the length of time that individuals stay on public assistance. The current asset limit requires people to fall deeper into economic holes before they may receive assistance, so they have a difficult time climbing out and they stay longer on public assistance. Reliable transportation will allow them to complete their Temporary Assistance for Needy Families required activities such as a job or school.

(Opposed) None.

**Persons Testifying:** Michael Althaus, Columbia Legal Services; and Alex Hur, Statewide Poverty Action Network.

**Persons Signed In To Testify But Not Testifying:** None.