

# SENATE BILL REPORT

## E2SHB 1831

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As of February 22, 2018

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

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

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Pettigrew, Macri, Santos, Ortiz-Self, Frame, Kagi, Fitzgibbon, Stanford, Ormsby and Pollet).

**Brief History:** Passed House: 2/07/18, 84-14.

**Committee Activity:** Human Services & Corrections: 2/21/18.

### Brief Summary of Bill

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

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## SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

**Staff:** Brandon Popovac (786-7465)

**Background:** The Department of Social and Health Services (DSHS), Economic Services Administration administers a number of public assistance programs, including services, medical care, cash grants, and food assistance. Eligibility to receive public assistance is generally determined by examining an applicant's family size, disability status, income, and, in some cases, the resources or assets available to an applicant.

Asset Exemptions and Limitations. A combination of state and federal laws govern whether and how resources are counted when determining eligibility for assistance. State law for the receipt of public assistance defines resources as tangible and intangible assets owned by or available to an applicant, which can be applied toward meeting the applicant's need either directly or by conversion into cash or its equivalent. Resources exempted when determining eligibility for assistance include:

- a home that the applicant or his or her dependent is living in;
- household furnishing and personal effects;
- a motor vehicle, other than a motor home, with an equity value of \$5,000 or less;
- a motor vehicle necessary to transport a household member with a physical disability;

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- all other resources not to exceed \$1,000 or other limit set by rule; and
- up to \$3,000 in combined savings accounts, for recipients of Temporary Assistance for Needy Families (TANF).

In addition to these expressly exempted resources, DSHS may exempt additional resources or income necessary to restore the applicant to independence, reduce the need for public assistance, or aid in rehabilitating the applicant or a dependent of the applicant.

If an applicant for public assistance possesses or has access to resources in excess of the ceiling value of exempted resources, as determined by law or rule, the excess value is counted when determining the applicant's need for assistance. The applicant's non-exempt resources may make the applicant ineligible to receive assistance.

States' Authority and Variability Regarding Resource Limits. States have the authority to determine some policies related to families receiving public assistance. For TANF, states can eliminate asset limits altogether.

**Summary of Bill:** Resources exempted when determining eligibility of an applicant for public assistance are modified to include:

- one motor vehicle, other than a motor home, with an equity value of up to \$10,000; and
- all other resources up to \$6,000 or other limit set by DSHS consistent with federal requirements.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** The bill takes effect on February 1, 2019.

**Staff Summary of Public Testimony:** PRO: Being poor is becoming incredibly expensive. Asset limits for public assistance exemptions have not been changed in over 25 years and are archaic and outdated. It is time to bring the resource exemptions up to realistic standards. Oregon and Idaho have higher asset limit exemptions than Washington State, which is currently equal to those exemptions in Missouri. Raising the asset limits would lessen economic anxieties for families.

The bill would also help prevent episodic life emergencies from turning into long-term poverty by allowing people to keep a reasonable share of their assets. Families in financial crisis often turn to predatory lending since the resource asset limits are set too low. Public assistance programs provide a lifeline of support. Access to a reliable car allows persons to visit the doctor for an illness, to flee the dangers of domestic violence, to get to an interview on time, and to access education and training programs. Sometimes cars are used as shelter. Savings can prevent rent default and allow families to provide basic needs.

Public assistance, like TANF, provides critical support to families in difficult times, especially when unexpected events occur. Receipt of TANF benefits often involves multiple trips to engage with a case worker along with other hurdles, including 20-30 hours of required work activity. Restrictive recessionary policies have led to a decrease in the TANF caseload, which opens up the possibility to increase asset limits.

**Persons Testifying:** PRO: Representative Eric Pettigrew, Prime Sponsor; Michele Thomas, Washington Low Income Housing Alliance; David Hlebain, Statewide Poverty Action Network; Kelly Curley, citizen; Stephanie Bowman, Washington Asset Building Coalition.

**Persons Signed In To Testify But Not Testifying:** No one.