

Department of Legislative Services
 Maryland General Assembly
 2004 Session

FISCAL AND POLICY NOTE

Senate Bill 43 (Chairman, Judicial Proceedings Committee)
 (By Request – Departmental – Public Safety and Correctional Services)
 Judicial Proceedings Judiciary

Criminal Injuries Compensation Board - Life Insurance Benefits

This departmental bill provides that any proceeds of life insurance in excess of \$25,000 must be deducted from final awards made from the Criminal Injuries Compensation Fund. The bill eliminates a current requirement to reduce an award by any amount of insurance award.

Fiscal Summary

State Effect: Based on an agency analysis of past claims affected by life insurance deductions, it is estimated that an average of seven claims (@ \$25,000) will be affected per year. Thus, special fund expenditures would increase by \$175,000 annually.

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	175,000	175,000	175,000	175,000	175,000
Net Effect	(\$175,000)	(\$175,000)	(\$175,000)	(\$175,000)	(\$175,000)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: The Department of Public Safety and Correctional Services has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: A claimant for an award from the Criminal Injuries Compensation Fund must file a claim not later than 180 days after the occurrence of the crime or delinquent act on which the claim is based or 180 days after the death of the victim. A person who commits the crime or delinquent act that is the basis of a claim, or an accomplice of the person, is not eligible to receive an award.

The Criminal Injuries Compensation Board may make an award only if the board finds that: (1) a crime or delinquent act was committed; (2) the crime or delinquent act directly resulted in physical injury to or death of the victim or psychological injury to the victim that necessitated mental health counseling; (3) police, other law enforcement, or judicial records show that the crime or delinquent act or the discovery of child abuse was reported to the proper authorities within 48 hours after the occurrence of the crime or delinquent act or the discovery of the child abuse; and (4) the victim has cooperated fully with all law enforcement units.

The board may make an award only if the claimant, as a result of the injury on which the claim is based, has: (1) incurred at least \$100 in unreimbursed and unreimbursable expenses or indebtedness reasonably incurred or claimed for specified necessary services; or (2) lost at least two continuous weeks' earnings or support.

Compensation from the fund may not exceed:

- \$25,000 for a disability-related or dependency-related claim;
- \$45,000 for a medical claim;
- \$5,000 for each claimant for psychiatric, psychological, or mental health counseling;
- a total of \$45,000, including any subsequent and supplemental awards;
- \$250 for each claimant for repair, replacement, or cleaning of property damaged, soiled, or littered as a result of a crime or law enforcement investigation of a crime; or
- for an award for psychiatric, psychological, or mental health counseling resulting from the death of a victim: (1) \$1,000 for each claimant; and (2) \$5,000 for each incident.

An award for funeral expenses may not exceed \$5,000.

Chapter 16 of 2003 provides that a parent or guardian of a child crime victim sharing residence is eligible for an award from the Criminal Injuries Compensation Fund of up to

SB 43 / Page 3

30 days of lost earnings resulting from having to provide care to the child victim. In addition, Chapter 16 also allows a crime victim who suffers catastrophic injury resulting in permanent, total disability to be awarded an additional \$25,000 above the \$25,000 limit.

An award made under this subtitle must be reduced by the amount of any payments received or to be received as a result of the injury: (1) from or on behalf of the offender; (2) from any other public or private source, including an award under the Maryland Workers' Compensation Act or any life insurance payments; or (3) as an emergency award.

If there are two or more persons entitled to an award as a result of the death of a victim, the award must be apportioned among the claimants. The board may negotiate a settlement with a health care provider for the medical and medically-related expenses.

Background: The Criminal Injuries Compensation Fund, a nonreverting special fund, had a fiscal year end balance of about \$2.6 million on June 30, 2003. Under provisions of the federal Victims of Crimes Act, the federal government reimburses states 60% of victims' awards actually paid during the prior fiscal year.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Public Safety and Correctional Services,
Department of Legislative Services

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