

Department of Legislative Services
 Maryland General Assembly
 2017 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 22

(Chair, Judicial Proceedings Committee)(By Request -
 Departmental - Public Safety and Correctional Services)

Judicial Proceedings

Judiciary

Criminal Procedure - Criminal Injuries Compensation Board - Claimant Award Basis

This departmental bill alters, from two continuous weeks to \$100, the minimum eligibility threshold for an award of lost earnings or support from the Criminal Injuries Compensation Fund (CICF). It also establishes eligibility for parents, children, or spouses of victims who died as a direct result of a crime or delinquent act to receive an award for lost wages. Such individuals are eligible for an award of up to two weeks of lost average weekly wages, but compensation for these claims may not exceed \$2,000 per incident.

Fiscal Summary

State Effect: Special fund expenditures increase by \$37,500 in FY 2018 and by \$90,000 annually thereafter for additional awards from CICF. Federal fund revenues increase by \$22,500 in FY 2021 and by \$54,000 annually thereafter due to federal reimbursements.

(in dollars)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
FF Revenue	\$0	\$0	\$0	\$22,500	\$54,000
SF Expenditure	\$37,500	\$90,000	\$90,000	\$90,000	\$90,000
Net Effect	(\$37,500)	(\$90,000)	(\$90,000)	(\$67,500)	(\$36,000)

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

Local Effect: None.

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

Analysis

Current Law: The Criminal Injuries Compensation Board (CICB) awards grants to innocent victims of crime who incur financial hardship as a result of crime. Awards may be made for lost wages, medical expenses, counseling, crime scene cleanup, and, for homicide victims, funeral expenses. 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 expenses or (2) lost at least two continuous weeks' earnings or support. Compensation awarded from the fund may not exceed specified limitations as set forth in statutory provisions. Funding for these awards is provided by CICF from fees assessed by circuit and District courts. CICF is also supplemented by federal funds.

An award must be reduced by the amount of any payment 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; (3) from any proceeds of life insurance in excess of \$25,000; or (4) as an emergency award from CICB. 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.

Background: DPSCS advises that the bill is intended to positively impact victims of crime and their families by making the application process less confusing. According to DPSCS, the current eligibility thresholds were originally enacted in order to deter *de minimis* claims. However, CICB has noted multiple instances in which it has received claims from victims on the premise of lost wages for less than two continuous weeks. CICB typically advises the victim to revise the claim if he or she can show at least \$100 in out-of-pocket expenses. The two-week threshold causes confusion among victims, creates unnecessary hurdles, and causes delay in processing claims; therefore, DPSCS argues that the threshold for establishing lost earnings should mirror that of out-of-pocket expenses.

DPSCS notes that individuals may be eligible for an award if they were a dependent of a homicide victim and experienced a loss of financial support. However, this does not provide any compensation for family members of homicide victims who experience a loss of earnings or support due to a period of bereavement. DPSCS notes that many employers do not offer any type of paid leave for these circumstances, which leaves many individuals without a source of income while making funeral arrangements, helping other family members, and coping with their loss. DPSCS also advises that boards in 15 other states offer some form of compensation for bereavement leave.

State Expenditures: Special fund expenditures increase by \$37,500 in fiscal 2018, which accounts for the bill's October 1, 2017 effective date, and by \$90,000 annually thereafter. The information and assumptions used in calculating the estimate are stated below:

- 20 new eligible claims averaging \$500 each for lost wages are received each year, for a total of \$7,500 in fiscal 2018 and \$10,000 annually thereafter;
- 15 eligible claims for bereavement leave are processed in fiscal 2018, which also takes into consideration the time it will take to advertise this new category of eligibility and process claims;
- each bereavement claim is \$2,000, for a total of \$30,000 in fiscal 2018; and
- 40 eligible claims for bereavement leave are processed in fiscal 2019 and beyond, for a total of \$80,000 annually.

State Revenues: DPSCS advises that 60% of any increase in awards from CICF will be covered by the federal government through the Victims of Crime Act, which reimburses states for 60% of money expended on claims. DPSCS advises that states are reimbursed in the fiscal year three years following the expenditures. Accordingly, federal fund revenues increase by \$22,500 in fiscal 2021, which reflects fiscal 2018 expenditures, and by \$54,000 annually thereafter.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts); Department of Public Safety and Correctional Services; Department of Legislative Services

Fiscal Note History: First Reader - January 16, 2017
mm/kdm Third Reader - February 14, 2017

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: **Criminal Procedure – Criminal Injuries Compensation Board –
Claimant Award Basis**

BILL NUMBER: SB 22

PREPARED BY: Rachel Sessa, Director of Government Affairs, Department of Public
Safety and Correctional Services

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS