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BILL ANALYSIS

Senate Fiscal Agency

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Senate Bill 1070 (as enrolled)

PUBLIC ACT 316 of 1990

Sponsor: Senator Jack Welborn

Senate Committee: Criminal Justice and Urban Affairs

House Committee: Judiciary

Date Completed: 1-3-91

RATIONALE

The crime victim's compensation Act provides money to those injured by certain criminal activity. Although the crime victim's compensation fund receives a substantial amount of Federal funding to serve its purpose, eligibility for Federal grants is dependent on compliance with the Federal Victims of Crime Act. Many people feel that the State statute should be amended to comply with the Federal law in order to secure the Federal funds already included in the State's fiscal year 1990-91 budget.

CONTENT

The bill would amend the crime victim's compensation Act to do the following:

- Provide that a claim could be filed within one year after a law enforcement agency discovered that injuries previously determined to be accidental, of unknown origin, or resulting from natural causes, were incurred as the result of a crime. (Generally, a claim is supposed to be filed within one year after the crime was committed.)
- Revise the definition of "crime" to include an act committed in another state that, if committed in this State, would constitute a crime under Michigan or U.S. laws, and that caused an injury in this State or caused an injury to a Michigan resident within a state that did not have a victim compensation program eligible for funding from the Federal Victims of Crime Act. (Currently, the definition includes only an act that constitutes a crime under Michigan or Federal laws and that causes an injury within this State.)
- Include victims' grandparents and grandchildren among persons eligible for an award under the Act. (Currently, those persons include the victim and the victim's spouse, parent, child, sibling, or dependent.)
- Extend eligibility under the Act to a victim living in the same household with the criminally responsible person. (Currently, such victims are ineligible except to the extent that actual out-of-pocket expenses may be paid directly to a medical care provider by the Crime Victims Compensation Board. Unrelated domestic employees also are eligible.)
- Require the Board to deny the payment of an award if the Board determined that the payment would cause substantial unjust enrichment and economic benefit to a person criminally responsible for the crime.
- Increase from \$100 per week to \$200 per week the maximum amount of an award for loss of earnings or support.
- Provide that an award made for funeral expenses, including burial costs, could not be less than \$200 or more than \$1,500 for each victim.
- Include replacement services in the definition of "out-of-pocket loss", and define "replacement services" as homemaking tasks, child care, transportation, and other services previously performed by the victim that, because of the victim's injury, must

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temporarily or permanently be performed by another person. (The Act provides that an award cannot exceed the amount of an out-of-pocket loss, including indebtedness reasonably incurred for medical or other services necessary as a result of the injury, plus loss of earnings or support resulting from the injury.)

MCL 18.351 et al.

FISCAL IMPACT

The bill would result in increased costs to the crime victim's compensation fund of approximately \$230,000 per year. These costs would be covered by existing GF/GP and Federal funds, which for FY 1990-91 total \$2.4 million (\$1.7 million GF/GP; \$700,000 Federal).

The bill's provision to increase the maximum weekly lost earnings or support awards from \$100 to \$200 would cost the fund approximately \$130,000 for the average 2,600 weeks of support payments a year that would rise in cost about \$50 per week.

In addition, the bill would bring the Michigan statute into compliance with Federal requirements, thus insuring continued receipt of Federal funds for the program.

ARGUMENTS

Supporting Argument

The bill would bring Michigan's crime victim's compensation Act into compliance with Federal law in order to ensure that the State receives Federal financial assistance, which already has been appropriated in the fiscal year 1990-91 budget.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.