

HOUSE BILL NO. 220
INTRODUCED BY LASZLOFFY
BY REQUEST OF THE DEPARTMENT OF CORRECTIONS

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING AND CLARIFYING THE LAWS PROVIDING FOR RESTITUTION BY CRIMINALS TO ADDRESS COURT OPINIONS; ENSURING THAT THE DUTY TO PAY CONTINUES TO EXIST UNTIL RESTITUTION IS FULLY PAID; ALLOWING THE STATE TO CONTRACT WITH A PRIVATE ENTITY OR GOVERNMENTAL AGENCY FOR THE COLLECTION OF RESTITUTION PAYMENTS; PROVIDING FOR FULL REPLACEMENT VALUE RESTITUTION; ADDING METHODS TO ENSURE PAYMENT OF RESTITUTION; CHANGING PROCEDURES FOR SUPERVISION OF THE PAYMENT OF RESTITUTION; AMENDING SECTIONS 46-18-201, 46-18-237, 46-18-241, 46-18-242, 46-18-243, 46-18-244, 46-18-245, AND 53-30-132, MCA; AND PROVIDING A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 46-18-201, MCA, is amended to read:

"46-18-201. Sentences that may be imposed. (1) (a) Whenever a person has been found guilty of an offense upon a verdict of guilty or a plea of guilty or nolo contendere, a sentencing judge may defer imposition of sentence, except as otherwise specifically provided by statute, for a period:

(i) not exceeding 1 year for a misdemeanor or for a period not exceeding 3 years for a felony; or
(ii) not exceeding 2 years for a misdemeanor or for a period not exceeding 6 years for a felony if a financial obligation is imposed as a condition of sentence for either the misdemeanor or the felony, regardless of whether any other conditions are imposed.

(b) Except as provided in 46-18-222, imposition of sentence in a felony case may not be deferred in the case of an offender who has been convicted of a felony on a prior occasion, whether or not the sentence was imposed, imposition of the sentence was deferred, or execution of the sentence was suspended.

(2) Whenever a person has been found guilty of an offense upon a verdict of guilty or a plea of guilty or nolo contendere, a sentencing judge may suspend execution of sentence, except as otherwise specifically provided by statute, for a period up to the maximum sentence allowed or for a period of 6 months, whichever is greater, for each particular offense.

(3) Whenever a person has been found guilty of an offense upon a verdict of guilty or a plea of guilty or

nolo contendere, a sentencing judge may impose a sentence that may include:

- (a) a fine as provided by law for the offense;
 - (b) payment of costs, as provided in 46-18-232, or payment of costs of court-appointed counsel as provided in 46-8-113;
 - (c) a term of incarceration at a county detention center or state prison, as provided in Title 45, for the offense;
 - (d) commitment of:
 - (i) an offender not referred to in subsection (3)(d)(ii) to the department of corrections, with a recommendation for placement in an appropriate correctional facility or program; however, all but the first 5 years of the commitment to the department of corrections must be suspended; or
 - (ii) a youth transferred to district court under 41-5-206 and found guilty in the district court of an offense enumerated in 41-5-206 to the department of corrections for a period determined by the court for placement in an appropriate correctional facility or program;
 - (e) with the approval of the facility or program, placement of the offender in a community corrections facility or program as provided in 53-30-321;
 - (f) with the approval of the prerelease center or prerelease program and confirmation by the department of corrections that space is available, placement of the offender in a prerelease center or prerelease program for a period not to exceed 1 year;
 - (g) chemical treatment of sex offenders, as provided in 45-5-512, if applicable, that is paid for by and for a period of time determined by the department of corrections, but not exceeding the period of state supervision of the person; or
 - (h) any combination of subsections (2) through (3)(g).
- (4) When deferring imposition of sentence or suspending all or a portion of execution of sentence, the sentencing judge may impose upon the offender any reasonable restrictions or conditions during the period of the deferred imposition or suspension of sentence. Reasonable restrictions or conditions imposed under subsection (1)(a) or (2) may include but are not limited to:
- (a) limited release during employment hours as provided in 46-18-701;
 - (b) incarceration in a detention center not exceeding 180 days;
 - (c) conditions for probation;
 - (d) payment of the costs of confinement;
 - (e) payment of a fine as provided in 46-18-231;

- (f) payment of costs as provided in 46-18-232 and 46-18-233;
 - (g) payment of costs of court-appointed counsel as provided in 46-8-113;
 - (h) with the approval of the facility or program, an order that the offender be placed in a community corrections facility or program as provided in 53-30-321;
 - (i) with the approval of the prerelease center or prerelease program and confirmation by the department of corrections that space is available, an order that the offender be placed in a prerelease center or prerelease program for a period not to exceed 1 year;
 - (j) community service;
 - (k) home arrest as provided in Title 46, chapter 18, part 10;
 - (l) payment of expenses for use of a judge pro tempore or special master as provided in 3-5-116;
 - (m) with the approval of the department of corrections and with a signed statement from an offender that the offender's participation in the boot camp incarceration program is voluntary, an order that the offender complete the boot camp incarceration program established pursuant to 53-30-403;
 - (n) any other reasonable restrictions or conditions considered necessary for rehabilitation or for the protection of the victim or society; or
 - (o) any combination of the restrictions or conditions listed in subsections (4)(a) through (4)(n).
- (5) In addition to any other penalties imposed pursuant to subsection (4), if a person has been found guilty of an offense upon a verdict of guilty or a plea of guilty or nolo contendere and the sentencing judge finds that the a victim of the offense, as defined in 46-18-243, has sustained a pecuniary loss, the sentencing judge shall, as part of the sentence, require payment of full restitution to the victim, as provided in 46-18-241 through 46-18-249, whether or not any part of the sentence is deferred or suspended.
- (6) In imposing a sentence on an offender convicted of a sexual or violent offense, as defined in 46-23-502, the sentencing judge may not waive the registration requirement provided in Title 46, chapter 23, part 5.
- (7) If a felony sentence includes probation, the department of corrections shall supervise the offender unless the court specifies otherwise."

SECTION 2. SECTION 46-18-237, MCA, IS AMENDED TO READ:

"46-18-237. Garnishment -- report by supervising authority. (1) If the department of corrections becomes aware that a ~~prisoner~~ person while incarcerated under the legal custody of the department of corrections or a person supervised by the department is entitled to receive money from any source, the ~~prisoner's~~

person's supervising authority may prepare a report identifying:

- (a) the total costs incurred by the state or county during the ~~prisoner's~~ person's incarceration;
- (b) the criminal sentences imposed upon the ~~prisoner~~ person, including:
 - (i) the amount of restitution, if any, ordered in each sentence;
 - (ii) the name and current address of each victim or other person to whom restitution is owed;
 - (iii) the amount of restitution paid by the ~~prisoner~~ person; and
 - (iv) the amount of restitution currently owed by the ~~prisoner~~ person for each sentence;
- (c) the amount of any child support owed by the ~~prisoner~~ person.

(2) The supervising authority shall provide notice and a copy of the report to the board of crime control and the county attorney for the county in which the ~~prisoner~~ person was sentenced, either of whom may submit the report along with a petition for garnishment to the court that sentenced the ~~prisoner~~ person. The court may order garnishment of the ~~prisoner's~~ person's money for the payment of restitution, child support, and per diem costs of incarceration owed by the ~~prisoner~~ person. Upon receipt of the petition, the court shall provide a copy of the report to the ~~prisoner~~ person, who has 15 days following receipt to file an objection. The court may hold a hearing to consider objections raised by the ~~prisoner~~ person.

(3) Upon compliance with the provisions of subsections (1) and (2), the court shall determine the amount of restitution, child support, and repayment for per diem costs owed by the ~~prisoner~~ person. The court shall order, up to the amount of money available, payment of an amount equal to the restitution owed by the ~~prisoner~~ person to the person designated under 46-18-245 to supervise the making of restitution payments, any outstanding child support payments to the department of public health and human services for disbursement to the obligee, and per diem costs owed by the ~~prisoner~~ person. All restitution owed by the ~~prisoner~~ person must be paid prior to payment of any child support payments. All child support owed by the ~~prisoner~~ person must be paid prior to the payment of any per diem costs."

Section 3. Section 46-18-241, MCA, is amended to read:

"46-18-241. Condition of restitution. (1) As provided in 46-18-201, a sentencing court shall, as part of the sentence, require an offender to make full restitution to any victim ~~of the offense~~ who has sustained pecuniary loss ~~as a result of the offense~~, including a person suffering an economic loss ~~as a result of the crime~~. The duty to pay full restitution under the sentence remains with the offender OR THE OFFENDER'S ESTATE until full restitution is paid ~~or the offender dies, whichever occurs first~~, and is a condition of any probation or parole. The offender remains under state supervision for the purposes of payment and collection of restitution until full

restitution is paid, regardless of whether any period of incarceration, probation, or parole imposed upon the offender has expired.

(2) (a) The court shall require the offender to pay the cost of supervising the payment of restitution, as provided in 46-18-245, if the offender is able to pay, by paying an amount equal to 10% of the amount of restitution ordered, but not less than \$5.

(b) A felony offender shall pay the restitution and cost of supervising the payment of restitution to the department of corrections until the offender has fully paid the restitution and the cost of supervising the payment of restitution. The department shall pay the restitution to the person or entity to whom the court ordered restitution to be paid. The department may contract with a government agency or private entity for the collection of the payments for restitution and the cost of collecting the payments for restitution during the period following state supervision or state custody of the offender. The department shall adopt rules to implement this subsection (2)(b).

(c) Payment In a misdemeanor case, payment of restitution and of the cost of supervising the payment of restitution must be made to the court, which until the offender has fully paid the restitution and the cost of supervising the payment of restitution. The court shall disburse the money to the entity employing the person ordered to supervise restitution under 46-18-245, which shall disburse the restitution to the person or entity to whom the court ordered restitution to be paid.

(3) If at any time the court finds that, because of circumstances beyond the offender's control, the offender is not able to pay any restitution, the court may order the offender to perform community service during the time that the offender is unable to pay. The offender must be given a credit against restitution due at the rate of the hours of community service times the state minimum wage in effect at the time that the community service is performed."

Section 4. Section 46-18-242, MCA, is amended to read:

"46-18-242. Investigation and report of victim's loss. (1) Whenever the court believes that a victim ~~of the offense~~ may have sustained a pecuniary loss ~~as a result of the offense~~ or whenever the prosecuting attorney requests, the court shall order the probation officer, restitution officer, or other designated person to include in the presentence investigation and report:

(a) ~~documentation~~ a list of the offender's ~~financial resources and future ability to pay restitution~~ assets;

and

(b) ~~documentation of an affidavit that specifically describes~~ the victim's pecuniary loss and the replacement value in dollars of the loss, submitted by the victim ~~or by the board of crime control if compensation~~

for the victim's loss has been reimbursed by the state.

(2) When a presentence report is not authorized or requested, the court ~~may receive~~ SHALL ACCEPT evidence of ~~the offender's ability to pay and~~ the victim's loss at the time of sentencing."

Section 5. Section 46-18-243, MCA, is amended to read:

"46-18-243. Definitions. For purposes of 46-18-241 through 46-18-249, the following definitions apply:

(1) "Pecuniary loss" means:

(a) all special damages, but not general damages, substantiated by evidence in the record, that a person could recover against the offender in a civil action arising out of the facts or events constituting the offender's criminal activities, including without limitation ~~the money equivalent of loss resulting from property taken, destroyed, broken, or otherwise harmed and~~ out-of-pocket losses, such as medical expenses, loss of income, expenses reasonably incurred in obtaining ordinary and necessary services that the victim would have performed if not injured, expenses reasonably incurred in attending court proceedings related to the commission of the offense, and reasonable expenses related to funeral and burial or crematory services; ~~and~~

(b) the full replacement cost of property taken, destroyed, harmed, or otherwise devalued as a result of the offender's criminal conduct;

(c) future medical expenses that the victim can reasonably be expected to incur as a result of the offender's criminal conduct, including the cost of psychological counseling, therapy, and treatment; and

~~(b)~~(d) reasonable out-of-pocket expenses incurred by the victim in filing charges or in cooperating in the investigation and prosecution of the offense.

(2) (a) "Victim" means:

(i) a person who suffers loss of property, bodily injury, or death as a result of:

(A) the commission of an offense;

(B) the good faith effort to prevent the commission of an offense; or

(C) the good faith effort to apprehend a person reasonably suspected of committing an offense;

(ii) the estate of a deceased or incapacitated victim or a member of the immediate family of a homicide victim;

(iii) a governmental entity that suffers loss of property as a result of the commission of an offense in this state or that incurs costs or losses during the commission or investigation of an escape, as defined in 45-7-306, or during the apprehension or attempted apprehension of the escapee; ~~or~~

(iv) an insurer or surety with a right of subrogation to the extent it has reimbursed the victim of the offense

for pecuniary loss;

(v) the crime victims compensation and assistance program established under Title 53, chapter 9, part 1, to the extent that it has reimbursed a victim for pecuniary loss; and

(vi) any person or entity whom the offender has voluntarily agreed to reimburse as part of a voluntary plea bargain.

(b) Victim does not include a person who is accountable for the crime or accountable for a crime arising from the same transaction."

Section 6. Section 46-18-244, MCA, is amended to read:

"46-18-244. Type and time of payment -- defenses -- ensuring payment. (1) The court shall specify the total amount to be paid and the method and time of payment and may permit payment in installments of restitution that the offender shall pay.

(2) ~~In determining the amount, method, and time of each installment payment, the court shall consider the financial resources and future ability of the offender to pay. The court shall provide for payment to a victim of the full amount of the pecuniary loss caused by the offense. The~~ In the proceeding for the determination of the amount of restitution, the offender may assert any defense that the offender could raise in a civil action for the loss ~~sought to be compensated by the restitution order~~ for which the victim seeks compensation.

(3) In addition to other methods of payment, the court may order one or more of the following in order to satisfy the offender's restitution obligation:

(a) forfeiture and sale of the offender's assets under the provisions of Title 25, chapter 13, part 7, unless the court finds, after notice and an opportunity for the offender to be heard, that the assets are reasonably necessary for the offender to sustain a living or support the offender's dependents or unless the state determines that the cost of forfeiture and sale would outweigh the amount available to the victim after sale. If the proceeds of sale exceed the amount of restitution ordered and the costs of forfeiture and sale, any remaining amount must be returned to the offender.

(b) return of any property to the victim;

~~(c) payment of up to one-third of the offender's prison earnings.~~

(4) With the consent of the victim and in the discretion of the court, an offender may be ordered to make restitution in services to the victim in lieu of money or to make restitution to a person designated by the victim, if that person provided services to the victim as a result of the offense.

(5) After a prosecution is commenced and upon petition of the prosecutor, the court may grant a

restraining order or injunction, require a satisfactory bond, or take other action if the court finds that the restraining order or injunction, bond, or other action is necessary to preserve property or assets that could be used to satisfy an anticipated restitution order. A hearing must be held on the petition, and any person with an interest in the property is entitled to be heard.

(6) For a felony offense:

(a) during any period that the offender is incarcerated, the department of corrections shall take a percentage, as set by department rule, of any money in any account of the defendant administered by the department and use the money to satisfy any existing restitution obligation;

(b) at the beginning of any period during which the offender is not incarcerated, the offender shall sign a statement allowing any employer of the offender to garnish up to 25% of the offender's compensation and give the garnished amounts to the department of corrections to be used by the department to satisfy any existing restitution obligation; and

(c) during any period that the defendant is on probation or parole, the probation and parole officer shall set a monthly restitution payment amount by dividing the total amount of unpaid restitution by the number of remaining months of probation or parole. The probation and parole officer may adjust the monthly payment up or down by a maximum of 10%, depending on the offender's circumstances.

(7) The ~~court~~ DEPARTMENT OF CORRECTIONS shall give the department of revenue a copy of the order to pay restitution. If full restitution has not been paid, the department of revenue shall, PURSUANT TO AN AGREEMENT MADE UNDER 46-18-241, intercept any state tax refunds and any federal tax refunds, as provided by law, due the offender and transfer the money to the department of corrections for a felony offense and to the sentencing court for a misdemeanor offense for disbursement to the victim. THE DEPARTMENT OF REVENUE MAY CHARGE THE DEPARTMENT OF CORRECTIONS A FEE TO RECOVER ITS COSTS OF INTERCEPTING A TAX REFUND. THE FEE MAY NOT EXCEED THE AMOUNT CHARGED A STATE AGENCY FOR DEBT COLLECTION SERVICES UNDER TITLE 17, CHAPTER 4."

Section 7. Section 46-18-245, MCA, is amended to read:

"46-18-245. Supervision of payment. ~~The~~ For a felony offense, the court shall order the department of corrections to supervise the payment of restitution. For a misdemeanor offense, the court may order a ~~probation officer;~~ restitution officer; or other designated person to supervise the making of restitution and to report to the court any default in payment. If the victim of a misdemeanor has received compensation under Title 53, chapter 9, the court may also order an employee of the ~~board of crime control~~ office of victims services, as defined in 53-9-103, to supervise the making of restitution and to report to the court any default in payment."

Section 8. Section 53-30-132, MCA, is amended to read:

"53-30-132. Inmate participation and status in prison work programs -- prison industries and vocational training program -- wages and benefits. (1) The department of corrections may:

(a) establish prison industries that will result in the production or manufacture of products and the rendering of services that may be needed by any department or agency of the state or any political subdivision of the state, by any agency of the federal government, by any other states or their political subdivisions, or by nonprofit organizations and that will assist in the rehabilitation of inmates in institutions;

(b) obtain federal certification of specific prison industries programs in order to gain access to interstate markets for prison industries products;

(c) contract with private industry for the sale of goods or components manufactured or produced in shops under its jurisdiction and for the employment of inmates in federally certified prison industries programs;

(d) print catalogs describing goods manufactured or produced by prison industries and distribute the catalogs;

(e) fix the sale price for goods produced or manufactured by prison industries. Prices may not exceed prices existing in the open market for goods of comparable quality.

(f) require a correctional facility to purchase needed goods from other correctional facilities;

(g) provide for the repair and maintenance of property and equipment of institutions by inmates;

(h) provide for the removal of graffiti from property and equipment of institutions and the removal of litter from the property of institutions, public roads, and public parks by inmates;

(i) provide for construction projects, up to the aggregate sum of \$200,000 for each project, performed by inmates. The department of administration may:

(i) exempt projects authorized by this subsection from the provisions of Title 18, chapter 2, relating to construction, public bidding, bonding, or contracts; and

(ii) exempt inmates who provide labor for those projects from the labor and wage requirements of Title 18, chapter 2, part 4. Inmates providing labor for projects under this subsection must be paid a rate of pay as provided in subsection (5).

(j) provide for the repair and maintenance by prison industries of furniture and equipment of any state agency;

(k) provide for the manufacture by prison industries of motor vehicle license plates and other related articles;

(l) sell manufactured or agricultural products and livestock on the open market;

(m) provide for the manufacture by prison industries of highway, road, and street marking signs for the use of the state or any of its political subdivisions, except when the manufacture of the signs is in violation of a collective bargaining contract;

(n) pay an inmate from receipts from the sale of products produced or manufactured or services rendered in a program in which the inmate is working;

(o) collect 15% of the ~~net~~ gross wages paid to an inmate employed in a federally certified prison industries program, to be deposited in a department restitution fund and used to satisfy any unpaid restitution obligation of the inmate or, if the obligation has been fully paid or no restitution was ordered, for transfer quarterly to the crime victims compensation and assistance program in the department of justice for deposit in the state general fund as provided in Title 53, chapter 9, part 1; and

(p) collect from an inmate employed in a federally certified prison industries program charges for room and board consistent with charges established by the director for inmates assigned to prerelease centers.

(2) Except as provided in subsection (3), furniture made in the prison may be purchased by state agencies in accordance with the procurement provisions under Title 18, chapter 4. All other prison-made furniture may be sold only through licensed wholesale or retail furniture outlets or through export firms for sale to international markets.

(3) Any state institution, facility, or program operated by the department of corrections may purchase prison-made furniture without complying with the procurement provisions under Title 18, chapter 4.

(4) While engaged in on-the-job training and production, inmates not employed in a federally certified prison industries program may be paid a wage in accordance with subsection (5). Inmates employed in a federally certified prison industries program must be paid as provided in subsection (5).

(5) (a) Except as provided for in subsection (5)(b), payment for the performance of work may be based on the following criteria:

- (i) knowledge and skill;
- (ii) attitude toward authority;
- (iii) physical effort;
- (iv) responsibility for equipment and materials; and
- (v) regard for safety of others.

(b) The maximum rate of pay must be determined by the appropriation established for the program, except that an inmate employed in a federally certified prison industries program must be paid at a rate not less than the rate paid for similar work in the locality where the inmate performs the work.

(6) Premiums for workers' compensation and occupational disease coverage for federally certified prison industries programs must be paid by the prison industries program or by the department of corrections. If the department of corrections pays the premium, reimbursement for premium payments for workers' compensation and occupational disease coverage must be made to the department of corrections by the private company contracting with the federally certified prison industries program for services and products.

(7) Inmates not working in a federally certified prison industries training program are not employees, either public or private, and employment rights accorded other classes of workers do not apply to the inmates. Inmates working in a federally certified prison industry program are entitled to coverage and benefits as provided in 39-71-744.

(8) Able-bodied persons committed to a state prison as adult offenders must be required to perform work as provided for by the department of corrections, including the manufacture of products or the rendering of services. In order to ensure the public safety, the department may secure inmates performing work."

NEW SECTION. **Section 9. Retroactive applicability.** [This act] applies retroactively, within the meaning of 1-2-109, to offenders who have an unpaid restitution obligation on [the effective date of this act].

- END -

