



## SB 1035 – Restitution Reform

*Reforms restitution payments to ensure victims are compensated in a timely manner*

### SUMMARY

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SB 1035 will better ensure victims are properly compensated and receive their payments in a timely manner by reforming the current structure of restitution payments, while also easing the burden for people trying to reintegrate back into their communities, pay off their debt, and move forward with productive lives.

### BACKGROUND

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Restitution fines are paid to the Victims' Compensation Board (VCB) by individuals convicted of crimes, in an attempt to hold them accountable for the financial losses they have caused to the victims of their offenses. Restitution fines in theory aim to serve as a form of restorative justice by promoting forgiveness, resolution of damages, and accountability.

However, restitution fines in actual practice have oftentimes failed to make all (or any) parties whole.

Victim restitution can easily exceed amounts in the tens of thousands of dollars, on top of which there is accruing interest by the Franchise Tax Board, up to 10%.

Historically, those who have been disproportionately impacted by our carceral system come from low-income communities and backgrounds with little to no money. Because of this, most people assessed this restitution can never afford to pay it, often resulting in two things: they live with that debt — which can range from thousands to sometimes millions of dollars — for the rest of their lives, and the survivors receive little to no compensation.

### THE PROBLEM

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Less than 1% of survivors receive restitution as ordered, and 67% of survivors receive no restitution or victim compensation at all.<sup>1</sup>

While restitution is intended to compensate crime survivors for economic loss, the additional interest only makes it more difficult to pay in full, leaving many survivors empty-handed.

**Currently, 80% of people who owe restitution live in poverty.** An uncertain interest rate further exasperates an already dire situation.

Living in debt from restitution payments, or never receiving the payments owed, has serious consequences both for survivors and the low-income people of color who make up a large portion of the carceral system. The struggles within the current structure of a very well-intentioned restitution policy only deepens the racial wealth gap, intensifies mistrust in the system, and increases the likelihood that victims will never be compensated.

### THE SOLUTION

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SB 1035 seeks to reform the restitution process to ensure victims are properly compensated by:

- Tying interest rates on restitution payments to inflation (not exceeding 10%);
- Allowing increased flexibility by requiring restitution payments be paid before administrative costs; and
- Implementing a sliding scale model for FTB garnishments that considers income and ability to pay to determine the amount to be withheld — while leaving the payments made toward victims intact.

### SUPPORT

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- Anti-Recidivism Coalition (co-sponsor)
- California State Treasurer Fiona Ma (co-sponsor)
- Legal Services for Prisoners with Children (co-sponsor)
- Sister Warriors (co-sponsor)

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<sup>1</sup> Policy Advocacy Clinic

- California Attorneys for Criminal Justice
- California Public Defenders Association
- Secure Justice

**FOR MORE INFORMATION**

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