

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0753-01
Bill No.: HB 231
Subject: Law Enforcement Officers and Agencies; Property, Real and Personal; Civil Procedure; Criminal Procedure
Type: Original
Date: March 28, 2017

Bill Summary: This proposal limits federal forfeiture litigation to seizures that include more than \$100,000 in US currency.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Federal Drug Seizure	(\$125,333)	(\$125,333)	(\$125,333)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$125,333)	(\$125,333)	(\$125,333)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Local Law Enforcement	(Unknown, greater than \$78,000)	(Unknown, greater than \$78,000)	(Unknown, greater than \$78,000)

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Public Safety's Missouri Highway Patrol (MHP)** assume over the past three years, the Patrol has received approximately \$547,000 from 176 different forfeiture cases. A total of \$6,293,000 had been seized in those 176 cases so the Patrol's average share of a seizure was approximately 9% ($\$547,000 / \$6,293,000$). The average share the Patrol received was about \$3,100 ($\$547,000 / 176$ cases). During those three years, the Patrol's share ranged from as little as \$50 (from a \$6,720 seizure) to as high as \$52,685 (from a \$153,600 seizure). Of the \$547,000 total that the Patrol received during those three years, \$171,000 of it came from cases that exceeded \$100,000; the other \$376,000 came from cases that were less than \$100,000. Therefore, if this legislation eliminated the Patrol's share of every case in which the total was less than \$100,000, the impact on the Patrol would have been a \$376,000 loss of revenue during that three-year period or approximately \$125,000 per year. Any share of a seizure that we receive is deposited into the Federal Drug Seizure Fund (Fund 0194).

Officials at the **St. Louis County Police Department (STLCPD)** assume this proposal requires that any forfeiture by STLCPD under \$100,000 would have to be sent to State Asset Litigation. Any forfeiture over \$100,000 could be sent to either State or Federal Asset Litigation. This change would result in a loss for STLCPD because assets seized federally result in a portion of the forfeiture being returned to the agency. Forfeitures seized at the state level are all surrendered by the STLCPD. The exact amount of the loss is unknown, but the forfeiture funds that the STLCPD currently receives support programs for children and assists in the purchase of specialized equipment and technology.

Officials at the **Springfield Police Department (SPD)** assume a cost of \$78,000 in forfeiture funds each year. The \$78,000 would have been the amount remitted back to SPD by the federal agency to purchase needed law enforcement equipment and to fund training.

Officials at the **Office of the Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials at the **Office of the State Courts Administrator**, the **Office of the State Public Defender** and the **Office of Prosecution Services** each assume no fiscal impact to their respective agencies from this proposal.

Officials at the **St. Louis County Justice Service** assume no fiscal impact from this proposal.

ASSUMPTION (continued)

Officials from the Ashland Police Chief, Boone County Sheriff Department, Buchanan County Sheriff's Department, Cass County Sheriff Department, Clark County Sheriff's Department, Cole County Sheriff Department, Columbia Police Department, Independence Police Department, Jackson County Sheriff Department, Jefferson City Police Department, Platte County Sheriff's Department, St. Charles Police Department, St. Joseph Police Department and the St. Louis Metropolitan Police Department did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
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FEDERAL DRUG SEIZURE FUND

<u>Loss - MHP - seizures involving US currency less than \$100,000</u>	<u>(\$125,333)</u>	<u>(\$125,333)</u>	<u>(\$125,333)</u>
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ESTIMATED NET EFFECT ON FEDERAL DRUG SEIZURE FUND	<u>(\$125,333)</u>	<u>(\$125,333)</u>	<u>(\$125,333)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
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**LOCAL LAW ENFORCEMENT
FUNDS**

<u>Loss - St. Louis County Police Department - seizures involving US currency greater than \$100,000</u>	(Unknown)	(Unknown)	(Unknown)
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<u>Loss - Springfield Police Department - seizures involving US currency greater than \$100,000</u>	<u>(\$78,000)</u>	<u>(\$78,000)</u>	<u>(\$78,000)</u>
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ESTIMATED NET EFFECT ON LOCAL LAW ENFORCEMENT FUNDS	(Unknown, greater than <u>\$78,000</u>)	(Unknown, greater than <u>\$78,000</u>)	(Unknown, greater than <u>\$78,000</u>)
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

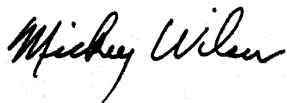
FISCAL DESCRIPTION

This bill prohibits law enforcement agencies and prosecuting authorities from entering into agreements to transfer or refer seized property to a federal agency unless the seized property includes more than \$100,000 in United States currency. If the seized property includes more than \$100,000 in U.S. currency, the law enforcement agency may transfer the property to a federal agency for forfeiture litigation under federal law or to a local or state agency for forfeiture litigation under state law.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety
Missouri Highway Patrol
Office of the State Public Defender
Office of the State Courts Administrator
Office of the Attorney General
Office of Prosecution Services
Springfield Police Department
St. Louis County Police Department
St. Louis County Justice Services



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March 28, 2017

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March 28, 2017