

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4987-01  
Bill No.: SB 761  
Subject: Crimes and Punishment; Drugs and Controlled Substances; Search and Seizure;  
Civil Procedure  
Type: Original  
Date: February 22, 2016

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Bill Summary: This proposal exempts marijuana from certain forfeiture provisions relating to controlled substances.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Federal Drug Seizure	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Office of the State Courts Administrator** assume the proposed legislation exempts marijuana from certain forfeiture provisions relating to controlled substances. There may be some impact, but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Officials at the **Department of Health and Senior Services**, the **Department of Corrections**, the **Department of Insurance, Financial Institutions and Professional Registration** and the **Department of Public Safety's Missouri Highway Patrol** each assume no fiscal impact to their respective agencies from this proposal.

**Oversight** inquired the Department of Public Safety's Missouri Highway Patrol (MHP) regarding this proposal. The MHP receives drug seizure proceeds from the FBI through the Federal Drug Seizure Fund (0194).

According to reports from the Office of the State Treasurer, the state's Federal Drug Seizure Fund had receipts of:

\$647,418 in FY 2013;  
\$542,993 in FY 2014; and  
\$472,103 in FY 2015.

The balance of the fund on January 31, 2016 was \$1,002,869. Oversight does not know how much of the federal seizure proceeds noted above were from marijuana-related arrests.

Also, the **MHP** states they received \$283,586 in drug seizure money from the Department of Justice and the Department of Treasury in 2015.

**Oversight** notes that the FY 2016 budget for the Department of Public Safety includes two appropriations from fund 0194 that must be in compliance with the United States Department of Justice Equitable Sharing Program guidelines:

Section 8.090 Missouri Highway Patrol: for the "Enforcement Program" expense and equipment	\$1,043,448; and
Section 8.245 Office of the Adjutant General for Missouri Military Forces Administration for expense and equipment	\$ 120,000

ASSUMPTION (continued)

**Oversight** assumes this proposal would exempt marijuana from certain forfeiture provisions and would result in an unknown loss of Federal Funds to the MHP as well as to local political subdivisions.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
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**FEDERAL DRUG SEIZURE FUND**

<u>Loss - MHP - of forfeiture proceeds from marijuana related arrests/convictions</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<b>ESTIMATED NET EFFECT ON FEDERAL DRUG SEIZURE FUND</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
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**LOCAL POLITICAL SUBDIVISIONS**

<u>Loss - Police Departments and Sheriff's Departments - of forfeiture proceeds from marijuana arrests/convictions</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
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FISCAL IMPACT - Small Business

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

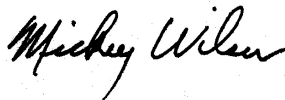
### FISCAL DESCRIPTION

Under current law, illegal controlled substances, anything of value exchanged for a controlled substance in violation of the law, money used to facilitate a violation of the controlled substances laws, money found in close proximity to an illegal controlled substance, and any other property used in relation to or derived from a violation of the controlled substances laws is subject to seizure and forfeiture. This act exempts marijuana from these forfeiture provisions.

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

Office of the State Courts Administrator  
Department of Health and Senior Services  
Department of Corrections  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Public Safety  
Missouri Highway Patrol



Mickey Wilson, CPA  
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February 22, 2016

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February 22, 2016