

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO. 3816-01  
BILL NO. SB 851  
SUBJECT: Criminal Activity Forfeiture Act.  
TYPE: Original  
DATE: February 8, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
School Building Revolving Fund	Unknown	Unknown	Unknown
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Drug Forfeiture Fund	(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 LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses  
This fiscal note contains 4 pages.

---

**FISCAL ANALYSIS**

ASSUMPTION

The **Office of Prosecution Services, Office of the State Courts Administrator, Department of Public Safety - Missouri State Highway Patrol (MHP)** and the **Office of the Attorney General** assume the proposed legislation would have no fiscal impact on their agencies.

The **Department of Elementary and Secondary Education** assumes the proposed legislation could increase the amount of money (forfeitures) to the School Building Revolving Fund to be available to districts for facility construction at a low interest rate. The extent of this increase is unknown. Under current law, FY 2001 fines and forfeitures receipts into the School Building Revolving Fund are estimated to be \$200,000. There is no effect on the state foundation formula.

**Oversight** assumes this proposal would increase the number of forfeitures made under state forfeiture laws and decrease the number of forfeitures made under federal forfeiture laws. As a result, state and local law enforcement agencies would lose revenue. The amount of loss is unknown; however, based on historical amounts, the losses could exceed \$1 million to the Drug Forfeiture Fund and \$1 million to local government funds. These funds would be directed to the State School Building Revolving Fund. It should be noted that federal laws allow forfeitures in cases where state law would not allow seizure and forfeiture. Oversight assumes the overall net impact to state funds would be an unknown positive amount.

**Oversight** notes that any increases in fines which would go to school districts would be offset by reduced payments to those districts through the State Foundation Formula. Oversight assumes there will be substantial compliance with the law and fine revenue will be minimal.

Officials from the **Office of State Auditor** assume it will require .20 FTE Senior Auditor I and the related expense and equipment to carry out the requirements of the proposal. **Oversight** assumes these costs could be absorbed with existing resources.

Officials from the **Department of Natural Resources** assume State Park Rangers are not included with forfeitures. DNR's Division of Environmental Quality deals only with civil forfeitures; hence, no fiscal impact to DNR.

FISCAL IMPACT - State Government                      FY 2001              FY 2002              FY 2003  
(10 Mo.)

**SCHOOL BUILDING REVOLVING FUND**

Increase in forfeiture revenue                      Unknown              Unknown              Unknown

**FEDERAL FUNDS**

Drug Forfeiture Fund

Loss of forfeiture revenue                      (Unknown)              (Unknown)              (Unknown)

FISCAL IMPACT - Local Government                      FY 2001              FY 2002              FY 2003  
(10 Mo.)

Loss of forfeiture revenue                      (Unknown)              (Unknown)              (Unknown)

FISCAL IMPACT - Small Business

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

DESCRIPTION

The proposed legislation (1) defines "seizing agency" as the agency that is the primary employer of the officer or agent seizing the property, and "seizure" as the point at which any law enforcement officer or agent discovers and exercises control over property believed to be associated with criminal activity (Section 513.605);

(2) Prohibits seized property from being disposed of pursuant to unclaimed property provisions, unless a CAFA proceeding is unsuccessful (Section 513.607);

(3) Requires the prosecuting attorney or Attorney General to submit an annual report detailing information about seizures to the State Auditor. Currently, this report must only be submitted to the Department of Public Safety. The proposal further requires the State Auditor to make an annual report compiling this data to be presented annually to the General Assembly (Section 513.607);

L.R. NO. 3816-01  
BILL NO. SB 851  
PAGE 4 OF 4  
February 8, 2000

DESCRIPTION (continued)

- (4) Makes intentional or knowing failure to comply with seizure reporting requirements a class A misdemeanor, punishable with a fine of up to \$1,000 (Section 513.607);
- (5) Specifies that property seized may not be transferred to a federal agency for forfeiture under federal law without court approval, regardless of the identity of the seizing agency (Section 513.647); and
- (6) Makes it a class A misdemeanor, punishable by a fine of up to \$1,000, for law enforcement agencies using the federal forfeiture system to intentionally or knowingly fail to comply with statutory audit requirements (Section 513.653).

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  
Office of the Attorney General  
Department of Elementary and Secondary Education  
Office of State Courts Administrator  
Office of Prosecution Services  
Office of State Auditor  
Department of Natural Resources



Jeanne Jarrett, CPA  
Director  
February 8, 2000