## Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2016 Regular Session

**Part I: Measure Information** 

Bill Request #: 897
Bill #: HB590
Bill Subject/Title: AN ACT relating to asset forfeiture.
Sponsor: Representative Diane St. Onge
Unit of Government: X City X County X Urban-County Unified Local X Charter County X Consolidated Local X Government
Office(s) Impacted: Local Law Enforcement
Requirement: X Mandatory Optional
Effect on Powers & Duties: Modifies ExistingX Adds New Eliminates Existing
Part II: Purpose and Mechanics

KRS 218A.440 requires that each law enforcement agency seizing money or property shall at the close of each fiscal year file a statement with the Auditor of Public Accounts and the Secretary of the Justice and Public Safety Cabinet containing a detailed listing of all money and property seized in that fiscal year and the disposition thereof.

HB 590 extends the current filing requirement to those agencies that did not seize any property. Compliance with this requirement will be necessary in order to share in the distribution of funds from the Law Enforcement Foundation Program Fund.

HB 590 changes the percentages regarding the distribution of seized coins and currency, and the proceeds from the sale of property forfeited. The amount going to the agency or agencies that seized the property is reduced from 85% to 70% and the amount going to the Office of Attorney General is increased from 15% to 30%.

## Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

The impact of HB 590 on local governments is indeterminable due to the current lax reporting standards. Nothing will change in regards to those agencies currently seizing

property and correctly reporting the seizure to the Auditor of Public Accounts and to the Secretary of the Justice and Public Safety Cabinet. The concern is with the agencies that are seizing and NOT reporting. Failure to remit a seizure report by an agency is not necessarily reflective of a lack of seizures and forfeitures by that agency. Given the low reporting numbers, it is possible that seizures and forfeitures are occurring, but the agencies are failing to report the seizures as required by KRS 218A.440. Given that possibility, there may be an indeterminable negative impact on agencies currently seizing but not reporting. These agencies would now be required to report their seizures or face consequences relative to not receiving funds from the Law Enforcement Foundation Program. Filing lends itself to oversight ensuring that 30% of the seized property or proceeds shall be remitted to the Office of Attorney General. This amount may not have been remitted properly due to lack of oversight.

Only 63 agencies reported their seizures in 2014, and only 66 in 2013. This is out of approximately 400 law enforcement agencies.<sup>1</sup>

Data Source(s): 1. WLEX 18 Investigates: Police Ignoring Asset Forfeiture Reporting Law,

February 27, 2015; LRC Staff

**Preparer:** Wendell F. Butler **Reviewer:** JWN **Date:** 3/8/16