Local Government Mandate Statement Kentucky Legislative Research Commission 2020 Regular Session

Part I: Measure Information

Bill Request #: 802								
Bill #: 250								
Document ID #: 1580								
Bill Subject/Title: AN Act relating to law enforcement seizure of money or property.								
Sponsor: Representative Reginald K. Meeks								
Unit of Government: X City X County Multiple Algorithm Multiple Algorithm Multiple Algorithm Multiple Algorithm								
X Charter County X Consolidated Local X Government								
Office(s) Impacted: Local Law Enforement Agencies								
Requirement: X Mandatory Optional								
Effect on Powers & Duties: X Modifies Existing Adds New Eliminates Existing								

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

This bill amends KRS 218A.440 to require all law enforcement agencies to file asset seizure reporting forms with the Justice and Public Safety Cabinet (JPSC) within 30 days following the close of each fiscal year. Each form should declare whether or not the agency seized money or property pursuant to KRS 218A.415.

Each law enforcement agency that seized money or property must report those seizures for the preceding fiscal year. The asset reporting form shall contain a detailed listing of all money and property seized in that fiscal year and the disposition of each asset.

Within 90 days of the close of the fiscal year, JPSC shall notify any law enforcement agency that has not yet filed an asset seizure reporting form that they must comply with the reporting requirements within 30 days. Agencies failing to do so shall be referred to the Attorney General for civil action. Non-compliant agencies shall be liable to the state for the full value of all property and money seized.

According to the Kentucky Office of Drug Control Policy who is currently tasked with compiling asset forfeiture reports, 285 law enforcement agencies out of approximately 350 have submitted these reports as of December 12, 2019, Currently, there is no requirement to submit a report if there were no asset seizures. Cash seizures for FY 19 range from \$20 (Ft. Mitchell Police Department) to nearly \$3.8 million dollars (Louisville Metro Police Department). There were also, 497 vehicles seized. Law enforcement agencies retain 85 percent of cash and sale proceeds of seized and forfeited assets, for use in direct law enforcement activities. Asset seizure and asset disposition may not occur in the same fiscal year due to judicial processes and timelines. In FY 19, approximately \$7.6 million in cash was awarded to law enforcement agencies while approximately \$11.657 million in cash was seized.

This bill also amends KRS 15.440 to require compliance with asset seizure reporting in order for the local law enforcement agency to maintain its eligibility for the Law Enforcement Foundation Program Fund (LEFP). The purpose of this fund is to offer a state monetary supplement for law enforcement officers and upgrading educational and training standards.

Local governments and law enforcement agencies meeting the criteria of LEFP, including the additional requirement of annual asset seizure reporting forms, shall be eligible to continue sharing in the distribution of LEFP funds for supplemental pay to eligible peace officers.

The fiscal impact of this bill is indeterminable. The frequency of law enforcement agencies failing to comply is expected to be low to none, however, for those agencies who do not comply, the financial impact of lost resources, including LEFP, and incurred legal costs could be high. Some concern was raised that peace officers would bear the brunt of the financial penalty. Reduction of this salary stipend would impact peace officer moral. It could potentially affect the ability to retain peace officers, and it could affect the agency's ability to recruit new peace officers.

Additionally, there will be minimal costs associated with training local agencies on the tracking and reporting of seized assets.

Future potential costs could include staff time related to training on the use of an online system or application developed at the cabinet level and conversion or input of data from existing processes.

Part III: Differences to Local Government Mandate Statement from Prior Versions

The Part II section, above, pertains to the bill as introduced.

Data Source(s):	Office of Drug Control Policy, LRC Staff	

Preparer:	Mark Offerman	Reviewer:	KHC	Date:	1/10/20