

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

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