



Additionally, no expenditures from any of the law enforcement agency's forfeiture proceeds shall be made until the form is submitted.

Ninety days after the asset seizure and forfeiture reporting forms are due, JPSC shall provide a written detailed report to the Attorney General, LRC and the Interim Joint Committee on Judiciary as well as publish this report on its website. Additionally, the cabinet will provide a report to the Attorney General, LRC and the Interim Joint Committee on Judiciary that lists all the law enforcement agencies that have failed to submit the required report. At that time, those agencies failing to submit the form shall become liable for the full value of all property and money seized, and the Attorney General shall institute civil actions for recovery of money or property obtained or retained by the agency.

Section 2 of this bill creates a definition of "Law enforcement agency."

According to the Kentucky Office of Drug Control Policy, the agency 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). 497 vehicles were also 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.

**The fiscal impact of this bill is indeterminate and should be minimal as the frequency of law enforcement agencies failing to comply is expected to be low to none.**

Costs local law enforcement may incur but not quantifiable, include staff training costs and staff time or temporary help related to compiling and entering data. Costs related to non-compliance include the \$500 late fee and potential legal costs associated with civil action related to the recoveries of all the money seized and the full value of all property seized. Substantial costs could be realized if legal proceedings occur and the agency must come up with large sums of restitution.

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

The fiscal impact of HB 322 HCS 1 remains the same as the original impact of HB 322 as introduced.

HCS 1 removes the requirement for law enforcement agencies to electronically submit asset seizure-and forfeiture reporting forms for money or property seized in fiscal years 2018 and 2019. Staff time and the possible need for temporary help will be reduced as a result of removing the requirement to electronically submit reports for fiscal years 2018 and 2019.

**Data Source(s):** LRC Staff; Kentucky Justice and Public Safety Cabinet, Office of Drug Control Policy

**Preparer:** Mark Offerman **Reviewer:** KHC **Date:** 2/21/20

