

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5681-01  
Bill No.: HB 1672  
Subject: Federal - State Relations; Law Enforcement Officers and Agencies;  
Type: Original  
Date: February 21, 2012

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Bill Summary: This proposal changes the auditing requirements for proceeds from federal forfeitures to a reporting requirement only.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>       |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2013    | FY 2014    | FY 2015    |
|   |            |            |            |
|   |            |            |            |
| <b>Total Estimated Net Effect on General Revenue Fund</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>              |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2013    | FY 2014    | FY 2015    |
|   |            |            |            |
|   |            |            |            |
| <b>Total Estimated Net Effect on <u>Other</u> State Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2013</b> | <b>FY 2014</b> | <b>FY 2015</b> |
| Federal Funds   | \$5,000        | \$5,000        | \$5,000        |
|   |                |                |                |
| <b>Total Estimated Net Effect on <u>All</u> Federal Funds</b> | <b>\$5,000</b> | <b>\$5,000</b> | <b>\$5,000</b> |

| <b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b> |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                      | <b>FY 2013</b> | <b>FY 2014</b> | <b>FY 2015</b> |
|   |                |                |                |
|   |                |                |                |
| <b>Total Estimated Net Effect on FTE</b>                  | <b>0</b>       | <b>0</b>       | <b>0</b>       |

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                |                |                |
|--|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2013</b> | <b>FY 2014</b> | <b>FY 2015</b> |
| <b>Local Government</b>                    | <b>Unknown</b> | <b>Unknown</b> | <b>Unknown</b> |

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of the State Courts Administrator, Office of the State Public Defender** and the **Office of the State Treasurer** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Public Safety - Missouri Highway Patrol** state they would save \$5,000 per year from the Federal Drug Seizure Fund because they would no longer be required to pay the annual cost of an independent audit.

Officials from **Springfield Police Department** state the proposal would result in a cost savings of approximately \$1,060 (amount paid for the independent auditor) per year.

Officials from the **Boone County Sheriff's Office** assume the proposal would not fiscally impact their agency.

**Oversight** will reflect an unknown savings to local political subdivisions since they are no longer required to pay for the independent audit of federal forfeitures.

Officials from the **Department of Corrections (DOC)** state penalty provisions for violations, the component of the bill to have potential fiscal impact for DOC, is for a class A misdemeanor. Currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY11 average of \$5.03 per offender, per day or an annual cost of \$1,836 per offender).

In summary, supervision by the DOC through probation would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Office of Prosecution Services, Clark County Sheriff's Office, Jackson County Sheriff's Office, Jefferson City Police Department** and **St. Louis Metropolitan Police Department** did not respond to our request for fiscal impact.

| <u>FISCAL IMPACT - State Government</u>  | FY 2013<br>(10 Mo.)   | FY 2014               | FY 2015               |
|--|-----------------------|-----------------------|-----------------------|
| <b>FEDERAL FUNDS</b>   |                       |                       |                       |
| <u>Savings</u> - Missouri Highway Patrol<br>No longer required to have an independent audit of forfeiture proceeds | <u>\$5,000</u>        | <u>\$5,000</u>        | <u>\$5,000</u>        |
| <b>ESTIMATED NET EFFECT TO FEDERAL FUNDS</b>   | <b><u>\$5,000</u></b> | <b><u>\$5,000</u></b> | <b><u>\$5,000</u></b> |

| <u>FISCAL IMPACT - Local Government</u>   | FY 2013<br>(10 Mo.)   | FY 2014               | FY 2015               |
|---|-----------------------|-----------------------|-----------------------|
| <b>LOCAL POLITICAL SUBDIVISIONS</b>   |                       |                       |                       |
| <u>Savings</u> - Sheriffs and Police Departments - no longer required to have an independent audit performed on federal forfeitures | <u>Unknown</u>        | <u>Unknown</u>        | <u>Unknown</u>        |
| <b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>   | <b><u>Unknown</u></b> | <b><u>Unknown</u></b> | <b><u>Unknown</u></b> |

FISCAL IMPACT - Small Business

Small businesses that perform audits for law enforcement agencies and the federal forfeiture system may lose some business as a result of this proposal.

FISCAL DESCRIPTION

Currently, a law enforcement agency involved in using the federal forfeiture system under federal law is required each fiscal year to acquire an independent audit of the federal seizures and proceeds therefrom and provide the audit to its governing body, the Department of Public Safety,

FISCAL DESCRIPTION (continued)

and the Office of the State Auditor. This bill removes the audit requirement and requires the law enforcement agency to file an annual report by January 31 regarding federal seizures and proceeds for the previous year with the Department and the Auditor's office. The detailed information that the report must contain is specified.

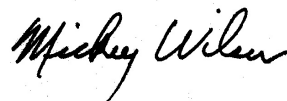
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety  
Office of the State Auditor  
Department of Corrections  
Office of the State Courts Administrator  
Office of the State Public Defender  
Springfield Police Department  
Boone County Sheriff's Office

**Not Responding:**

Office of Prosecution Services  
Clark County Sheriff's Office  
Jackson County Sheriff's Office  
Jefferson City Police Department  
St. Louis Metropolitan Police Department



Mickey Wilson, CPA  
Director  
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