

FISCAL NOTE
Requested by Legislative Council
01/14/2019

Revised
 Bill/Resolution No.: HB 1286

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$40,000	\$0	\$40,000	\$0
Appropriations	\$0	\$0	\$40,000	\$0	\$40,000	\$0

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties	\$0	\$(988,200)	\$(988,200)
Cities	\$0	\$(1,396,176)	\$(1,396,176)
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill prohibits state and local entities keeping asset forfeiture proceeds and transfers the moneys to the Common Schools Trust Fund.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Sections 5-7 impact the Game and Fish Department. The proposed bill would require the department to conduct the auction of assets forfeited and deposit the revenue in the Common School Trust Fund. This will be a diversion of funds unless the department can deduct all costs of administering the auction from the proceeds. The department estimates asset forfeiture sale proceeds, after expenses, to be \$32,000. Section 41 repeals Section 20.1-10-04 which directs the department to turn over confiscated property to the ND Wildlife Federation to be sold and the proceeds remitted in the ND Wildlife Federation's report all poachers fund. Section 42 provides for a \$40,000 appropriation from the general fund to the department for providing a grant for administration of the report all poachers program.

Other sections, including Sections 12-15 have a negative impact on political subdivisions. The \$1,396,176 currently received by cities and the \$988,200 currently received by the counties from asset forfeiture proceeds will be eliminated. This results in a loss of political subdivision revenues, expenditures, and appropriations. This fiscal note reflects the results of a political subdivision survey conducted to gather the estimated lost asset forfeiture moneys.

Section 28 requires local law enforcement to report to the Office of Attorney General regarding assets forfeited and for the Office to include an aggregated report on its web site.

Section 30 prohibits the Highway Patrol from keeping asset forfeiture proceeds, which is anticipated to reduce revenues, expenditures, and appropriations by \$92,477.

Section 37 prohibits the Office of Attorney General from keeping asset forfeiture proceeds, which is anticipated to negatively impact revenues, expenditures, and appropriations by \$399,354. The moneys are currently used to purchase specialized equipment the Office cannot otherwise afford, match grant funds, pay overtime, and pay expenses for unusual criminal cases, etc.

Additionally, federal forfeitures the Office of Attorney General and political subdivisions receive for joint participation in criminal investigations would be lost to the state since federal rules disallow expenditures of those funds for non-law enforcement purposes. The amount of federal forfeitures the Office of Attorney General and political subdivisions receive varies.

Another impact of this bill is the Crime Laboratory will no longer receive forfeited weapons it uses for training and experimental purposes.

The estimated revenues which would be directed to the Common Schools Trust Fund from the entities shown above would be \$2,876,207 including state entities, cities, and counties identified here.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The Office of Attorney General will have a loss of asset forfeiture funding of an estimated \$399,354.

The Highway Patrol will have a loss of asset forfeiture funding of an estimated \$92,477.

The cities and counties will experience a loss in asset forfeitures proceeds of an estimated \$2,384,376.

The Common Schools Trust Fund will receive additional revenue estimated at \$2,876,207.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Since a \$40,000 general fund appropriation is contained in the bill for the Game & Fish Department there is no other impact.

The Highway Patrol's asset forfeiture expenditures will be reduced by an estimated \$92,477.

The Office of Attorney General expenditures will be reduced by an estimated \$399,354 from the loss of proceeds from asset forfeitures.

The cities and counties will experience a loss in asset forfeitures expenditures of an estimated \$2,384,376.

The Common Schools Trust Fund will receive an estimated \$2,876,207 from asset forfeiture proceeds.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Since a \$40,000 general fund appropriation is contained in the bill for the Game & Fish Department there is no other impact.

The Highway Patrol's asset forfeiture appropriations will be reduced by an estimated \$92,477.

The Office of Attorney General appropriations will be reduced by an estimated \$399,354 from the loss of proceeds from asset forfeitures.

The cities and counties will experience a loss in asset forfeitures expenditures of an estimated \$2,384,376.

The Common Schools Trust Fund will receive an estimated \$2,876,207 from asset forfeiture proceeds.

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