

FISCAL NOTE
Requested by Legislative Council
02/14/2019

Amendment to: 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	\$2,384,376	\$0	\$2,384,376
Expenditures	\$0	\$0	\$211,680	\$0	\$0	\$0
Appropriations	\$0	\$0	\$211,680	\$0	\$0	\$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	\$(828,896)	\$(828,896)
Cities	\$0	\$(1,171,104)	\$(1,171,104)
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 engrossed bill relates to the level of evidence needed as it relates to civil forfeitures, allows property owners to petition the court for seized property, and sets limits on seizures which may not be forfeited.

- 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.*

Section 1 of the engrossed bill identifies forfeiture proceedings as separate and distinct from any related criminal action. The bill changes the standard of proof from probable cause to clear and convincing evidence for instituting forfeiture actions.

Section 3 allows the owner of the property seized to petition the court to determine if the forfeiture is unconstitutionally excessive and sets limits for seizures which may not be forfeited except in special cases.

Section 4 of the bill requires North Dakota law enforcement to report annually to the Attorney General regarding the departments' seizures and forfeitures. Providing a system for law enforcement to report to the Attorney General is required in the bill. This system is estimated to cost the general fund \$211,680.

Section 5 requires that all funds obtained through civil asset forfeiture under NDCC Section 19-03.1-36, relating to controlled substances, must be paid into the Attorney General's assets forfeiture fund. Section 6 of the bill increases the fund cap on deposits from \$200,000 to \$500,000 per biennium for this purpose. The \$1,396,176 currently received by cities and the \$988,200 currently received by the counties from asset forfeiture proceeds will be deposited in the Attorney General's assets forfeiture fund. 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.

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 cities and counties will experience a loss in asset forfeitures proceeds of up to \$2,384,376. The Attorney General's assets forfeiture fund will receive these revenues from the cities and counties.

- 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.*

The cities and counties will experience a loss in asset forfeitures expenditures of up to \$2,384,376. The Attorney General law enforcement reporting system is estimated to cost \$211,680 from the general fund.

- 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.*

The cities and counties will experience a loss in asset forfeitures expenditures of up to \$2,384,376. The electronic reporting system required by the bill is estimated to cost the general fund \$211,680. The Executive Recommendation did not include this cost.

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