

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Updated for amendments adopted through April 4, 2016.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			See Below	
CASH FUNDS		See Below		
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

This bill, as amended, would change civil forfeiture provisions as prescribed. Provisions of LB1108 are amended into this bill. LB1108 would require reporting to the Auditor of Public Accounts and the Legislature regarding civil forfeiture proceedings.

The Nebraska State Patrol states that AM2389 prohibits law enforcement agencies from entering into an agreement to refer seized property to a federal agency through an intergovernmental joint taskforce, and instead requires agencies to refer the seized property to appropriate local or state prosecuting authorities for forfeiture litigation, unless the seized property includes U.S. currency in excess of \$50,000. The State Patrol estimates that approximately 50% of the funds deposited in the Public Safety Cash Fund have historically consisted of amounts less than \$50,000 that are obtained through its participation in federally related intergovernmental joint taskforces. The Patrol estimates this will result in a revenue reduction to the Public Safety Cash Fund in the amount of approximately \$386,000.

The State Patrol estimates that if Public Safety Cash Fund revenues are significantly reduced they will have a shortfall in cash funds to pay for projects that are currently planned beginning at some point in FY18. The State Patrol estimates that the reduction in these revenues will result in the need to increase its General Funds budget for FY18 in the amount of approximately \$275,000. The Patrol states that there will also be shortfalls in subsequent budget years that will exceed this amount, as the remaining balance in the Public Safety Cash Fund becomes fully expended. The Patrol will have the opportunity to submit a request for additional resources in the budget process.

The fiscal analyst understands that when money is forfeited at the state level, one half of the money goes to the schools. The other half goes to the county drug fund, and the Patrol generally does not receive any of these funds.

The Supreme Court states that this bill will impact district court workload, but since district court operating expenses are primarily a county expense, the Supreme Court does not expect any significant impact to their budget. The Supreme Court states that this bill will also impact judicial branch education, but any additional education can be completed with existing staff and funding.

The Auditor of Public Accounts estimates no additional fiscal impact from this bill.

Please complete ALL (5) blanks in the first three lines.

2016

LB⁽¹⁾ 1106, AM2389

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska State Patrol

Prepared by: ⁽³⁾

Carol Aversman

Date Prepared: ⁽⁴⁾

3-17-2016

Phone: ⁽⁵⁾

402-471-4545

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS			275,000	
CASH FUNDS		(\$386,000)		(\$386,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$386,000)	275,000	(\$386,000)

Explanation of Estimate:

AM2389 prohibits law enforcement agencies from entering into an agreement to transfer or refer seized property to a federal agency through an intergovernmental joint taskforce, and instead requires agencies to refer the seized property to appropriate local or state prosecuting authorities for forfeiture litigation, unless the seized property includes U.S. currency in excess of \$50,000. The State Patrol estimates that approximately 50% of the funds deposited in the Public Safety Cash Fund have historically consisted of amounts less than \$50,000 that are obtained through its participation in federally related intergovernmental joint taskforces. The State Patrol estimates this will result in a reduction of revenue to this fund in the amount of approximately \$386,000. It is important to note that the Public Safety Cash Fund is an important funding source for the State Patrol. Some of the types of expenditures that occur from this fund include the following: (1) a portion of the rent for the new crime laboratory, (2) funding of out-of-state travel and training for Agency personnel, (3) various types of information technology equipment and software, (4) various types of law enforcement related equipment. Note that all of these expenditures are not currently a part of the Agency's General Funds budget.

The State Patrol estimates that if revenues are significantly reduced the Agency will have a shortfall in cash funds to pay for projects and expenditures that are currently planned beginning at some point in fiscal year 2017-18. The State Patrol estimates that the reduction in these revenues will result in the need to increase its General Funds budget for fiscal year 17-18 in the amount of approximately \$275,000. There will also be shortfalls in subsequent budget years that will exceed this amount, as the remaining balance in the Cash Fund becomes fully expended and will no longer be available for these Agency expenditures.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				275,000
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				275,000

Please complete ALL (5) blanks in the first three lines.

2016

LB⁽¹⁾ 1106, AM2389

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Supreme Court

Prepared by: ⁽³⁾ Eric Asboe

Date Prepared: ⁽⁴⁾ 3/22/16

Phone: ⁽⁵⁾ 1-4138

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB1106, as amended by AM2389, retains the fiscal impact of the bill as introduced. Any impact, although difficult to determine, would affect district court, which is primarily funded through each county. Therefore, any fiscal impact to the Supreme Court, although changes may be required in the court's case management computer system, should not be significant. Additional judicial branch education can be completed with existing staff and funding.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17 EXPENDITURES</u>	<u>2017-18 EXPENDITURES</u>
	<u>16-17</u>	<u>17-18</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2016

LB⁽¹⁾ 1106

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Auditor of Public Accounts

Prepared by: ⁽³⁾ Mary Avery Date Prepared: ⁽⁴⁾ 03/21/2016 Phone: ⁽⁵⁾ 402-471-3686

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 1106, AM2389, as currently written, would require reporting of civil forfeiture to the Auditor of Public Accounts. Any work necessary will be absorbed using the existing appropriations of Agency 010, Auditor of Public Accounts. At this time, there would be no additional fiscal impact to Agency 010-Auditor of Public Accounts.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17 EXPENDITURES</u>	<u>2017-18 EXPENDITURES</u>
	<u>16-17</u>	<u>17-18</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____