

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS	See Below			
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

LB 916 is the Controlled Substance Offenses Forfeiture Act.

The bill regulates the forfeiture of property related to controlled substance offenses. The bill outlines specific processes and conditions for the seizure, forfeiture, and disposition of property, emphasizing safeguards for innocent owners and setting standards for law enforcement and judicial procedures to manage such forfeitures. It includes provisions for the return of property to innocent owners, conditions under which property can be seized without a warrant, and guidelines for the distribution of proceeds from the sale of forfeited property.

Section 46 of LB 916 outlines the handling of property related to controlled substance offenses, including controlled substances, related materials, equipment, lookalike substances, and drug paraphernalia in violation of the Uniform Controlled Substances Act. Such property is to be retained by law enforcement as evidence until no longer needed, after which it must be destroyed or turned over to the Department of Health and Human Services (DHHS), with exceptions for training or investigative use. Disposal of large quantities requires a court order following a lab examination and a hearing, with the court's findings on the property's nature, kind, and quantity admissible in future proceedings.

The fiscal impact of LB916 is currently undetermined due to required actions by DHHS, including Federal Drug Enforcement Agency (DEA) registration, securing storage and destruction facilities, and hiring staff for seized property management, all of which could lead to significant implementation and operational costs.

The Nebraska State Patrol (NSP) does not receive forfeiture funds from state-level offenses but may benefit from equipment purchases funded by County Drug Boards. The exact impact on the funds received by these boards, and subsequently on the State Patrol, is indeterminate at this time.

The Supreme Court could have a fiscal impact that includes a one-time \$10,000 Cash Fund allocation in FY24-25 for JUSTICE system modifications and an expected increase in judicial workload from additional hearings and cases, though the precise impact on workload remains undetermined.

The Attorney General offices estimates no fiscal impact.

The bill could have a fiscal impact on counties.

There is no basis to disagree with these estimates at this time.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
<b>LB: 916</b>	<b>AM:</b>	AGENCY/POLT. SUB: <b>Nebraska Department of Health and Human Services (025)</b>
REVIEWED BY: Joe Wilcox	DATE: 02/15/2024	PHONE: (402) 471-4178
COMMENTS: Do not disagree with the Nebraska Department of Health and Human Services (DHHS) estimate of Potential, but Indeterminate Fiscal Impact to the Agency from LB 916.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
<b>LB: 916</b>	<b>AM:</b>	AGENCY/POLT. SUB: <b>Nebraska State Patrol (064)</b>
REVIEWED BY: Joe Wilcox	DATE: 02/08/2024	PHONE: (402) 471-4178
COMMENTS: No disagreement with the Nebraska State Patrol estimate of Potential, but Indeterminate Fiscal Impact to the Agency from LB 916.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
<b>LB: 916</b>	<b>AM:</b>	AGENCY/POLT. SUB: <b>Nebraska Supreme Court (005)</b>
REVIEWED BY: Joe Wilcox	DATE: 02/16/2024	PHONE: (402) 471-4178
COMMENTS: No disagreement with the Nebraska Supreme Court estimate of Potential Fiscal Impact to the Agency from LB 916.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
<b>LB: 916</b>	<b>AM:</b>	AGENCY/POLT. SUB: <b>Nebraska Attorney General (011)</b>
REVIEWED BY: Joe Wilcox	DATE: 01/08/2024	PHONE: (402) 471-4178
COMMENTS: No disagreement with the Nebraska Attorney General estimate of No Fiscal Impact to the Agency from LB 916.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
<b>LB: 916</b>	<b>AM:</b>	AGENCY/POLT. SUB: <b>City of Lincoln Police Department</b>
REVIEWED BY: Joe Wilcox	DATE: 01/10/2024	PHONE: (402) 471-4178
COMMENTS: No reason to disagree with the City of Lincoln Police Department estimate of potential Fiscal Impact to the Department from LB 916.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
<b>LB: 916</b>	<b>AM:</b>	AGENCY/POLT. SUB: <b>Nebraska Association of County Officials</b>
REVIEWED BY: Joe Wilcox	DATE: 01/16/2024	PHONE: (402) 471-4178
COMMENTS: No disagreement with the Nebraska Association of County Officials (NACO) estimate of potential Fiscal Impact to Nebraska Counties from LB 916.		

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) John Meals

Date Prepared 2-15-2024

Phone: (5) 471-6719

**FY 2024-2025**

**FY 2025-2026**

	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>				
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	See Below	See Below	See Below	See Below

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

**Explanation of Estimate:**

LB 916 creates the Controlled Substance Offenses Forfeiture Act and changes provisions relating to the seizure and forfeiture of property used in connection with a controlled substance offense.

LB 916, Sec. 46, Paragraph (3)(b) adds language providing law enforcement with the option to turn over seized controlled substances and related drug paraphernalia to the Department of Health and Human Services (DHHS) for secure storage and destruction.

The fiscal impact of this bill cannot be determined at this time. DHHS must register with the Federal Drug Enforcement Agency (DEA), procure a storage facility, procure adequate security systems and incinerator equipment to safely store and destroy controlled substances per 21 CFR 1317. DHHS would require additional staff and need to develop training and protocols for handling seized property. The size of the facility and the number of personnel required to operate the program would be dependent on the type and amount of seized property received. The estimated cost to implement and operate this type of facility could be significant.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	NUMBER OF POSITIONS		2024-2025	2025-2026
	24-25	25-26	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
<b>TOTAL.....</b>				

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

**2024**

**LB<sup>(1)</sup> 916**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska State Patrol

Prepared by: <sup>(3)</sup> Carol Aversman Date Prepared: <sup>(4)</sup> 02-05-2024 Phone: <sup>(5)</sup> 402-479-4545

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2024-25</u>		<u>FY 2025-26</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 916 adopts the Controlled Substance Offenses Forfeiture Act. The Nebraska State Patrol does not receive any forfeiture funds as a result of offenses prosecuted at the State level. It does from time to time receive funds for the purchase of equipment from County Drug Boards who are the recipients of some of these funds. This legislation could impact the forfeiture funds received by County Drug Boards, which could have an indirect impact on the State Patrol. The amount of such impact, or if such impact will exist as a result of this legislation, is indeterminable at this time.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

**2024**

**LB<sup>(1)</sup> 916**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> 05 Supreme Court

Prepared by: <sup>(3)</sup> Eric Asboe Date Prepared: <sup>(4)</sup> 2/14/2024 Phone: <sup>(5)</sup> 402-326-9215

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	See below			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

**Explanation of Estimate:**

LB916 fiscal impact:

1. JUSTICE modifications: \$10,000 one-time General Funds FY24-25 to make programming changes to the Judicial Branch case management system.
2. Judicial workload. It is estimated that the number of hearings and cases will increase. However, the impact on workload cannot be reasonably determined at this time.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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

**2024**

**LB<sup>(1)</sup> 916**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Attorney General

Prepared by: <sup>(3)</sup> Mike Guinan Date Prepared: <sup>(4)</sup> 1-8-24 Phone: <sup>(5)</sup> 402-471-2687

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2024-25</u>		<u>FY 2025-26</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:

No Fiscal Impact.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

**2024**

**LB<sup>(1)</sup> 916**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Lincoln Police Department

Prepared by: <sup>(3)</sup> Capt. Todd Kocian #940 Date Prepared: <sup>(4)</sup> 1-10-24 Phone: <sup>(5)</sup> 402-441-1871

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

The Lincoln Police Department has one officer assigned to the Lancaster County Interdiction Unit. Over the last 5 years the unit has seized approximately \$26 million with approximately \$4 million set to be awarded to our agency. As of this time we have received approximately \$2.2 million as the remainder has yet to be finalized.

It is impossible to predict the future financial impact, however it would be safe to say it would be comparable to current numbers.

The bill in its current form would essentially stop all currency seizures.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>

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

**2024**

**LB<sup>(1)</sup> 916**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Association of County Officials (NACO)

Prepared by: <sup>(3)</sup> Elaine Menzel Date Prepared: <sup>(4)</sup> 1/9/2024 Phone: <sup>(5)</sup> 402.434.5660

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

LB 916 would adopt the Controlled Substances Forfeiture Act. The legislation harmonizes and updates language and it would provide in any proceeding in which the defendant or other person with an interest in property prevails in disputing the forfeitability of such property, the court shall order the county or, in cases brought by the Attorney General, the state, to pay:

- (a) Reasonable attorney fees and other litigation costs incurred by he property owner or defendant;
  - (b) Post-judgment interest; and
- In cases involving currency, other negotiable instruments, or the proceeds of an interlocutory sale, any interest actually paid from the date of seizure.

The fiscal impact to counties is expected to increase; however, not significantly due to few expected cases of this nature existing.

**BREAKDOW BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>