

have affixed to the use of drugs and all that goes with it. What this bill does is recognize the fact that there is this economic activity, that this subterranean economy, if you will, is in force, that people are into it and in many cases are not even the users. It is purely an economic activity. They, as we travel around, as we discuss amongst one another, as we read in the media, as we attend meetings, we recognize the very, very high social costs that are coming upon us as policymakers and as state legislators and community people with respect to the activity that goes on. What this bill basically does is draw that economic activity and let them, for the first time, pay for some of that social cost that we are realizing associated with this activity. The criminal provisions, I'd like to reiterate, are not being changed one iota. Those are still in force. The entire drug activity is still a criminal prosecution. What this is simply is a civil charge as well as a criminal charge associated with trying to extract some of the economic gains from the distribution of drugs in such a way that we can then help pay for those. There are two handouts on your desk, one of them is a section by section of this white copy amendment, another one is somewhat more of a general statement relative to how the provisions work. If you'll notice, down at the very bottom you'll see that the funds collected are also being dedicated, with 50 percent of the funds that would be collected dedicated to the drug abuse education fund, and the other 50 percent to the Nebraska State Patrol Drug Control Cash Fund be used to try to and attempt to eradicate this particular problem that we are experiencing in the whole drug area. The way the bill basically works is that a person whose found with drugs in their possession, whether or not they are charged, whether they are convicted of the criminal activity, which is the whole separate side of this situation, is responsible for remunerating or giving to the state a tax that should have been paid on this particular drug. Now the tax on the drug is 50 percent of the retail market value of that particular drug, and for not having paid the tax in advance there is also a 25 percent penalty on top of that. So, in essence, you've got a 75 percent of the market value of the drug that is going to be collected in taxes, if they did not prepay the tax. Now, in order to make the whole process constitutional, the Department of Revenue needs to develop a system where people can pay the tax in advance and therefore have that in place, although, as we well know and as experience in the other states have proven, that has not been a heavily engaged in activity of going down and prepaying your taxes and having that certificate. So the