

STORAGE NAME: H4725.ed

DATE: April 27, 1998

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
EDUCATION APPROPRIATIONS
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 4725 (PCB ED 98-03)

RELATING TO: Disposition of funds accrued under the Florida Contraband Forfeiture Act

SPONSOR(S): Education Appropriations

COMPANION BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

(1) EDUCATION APPROPRIATIONS YEAS 14 NAYS 0

(2)

(3)

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(5)

I. SUMMARY:

This bill requires the school districts and state universities to segregate revenues obtained through the Florida Contraband Forfeiture Act. Such funds result from joint state-federal law enforcement efforts (criminal, administrative, or civil) that result in forfeitures and from other federal law enforcement asset sharing programs.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

The standard Federal Equitable Sharing Program Agreement that is executed by the U.S. Department of Treasury, and the state law enforcement agency, related to that department's use of equitably shared funds, requires that:

- o shared assets be used for specified law enforcement purposes.
- o that a separate account be established.
- o that funds from state forfeitures or other sources not be deposited or otherwise commingled with the Federal Equitable Sharing funds.
- o various sanction and audit requirements apply.

As a result of the inquiries at the Department of Highway Safety and Motor Vehicles, federal officials advised the state on several specific points related to equitably shared funds:

- o Equitably shared funds may only be used to pay salaries if: 1) payment is for salaries for first year new or temporary positions, 2) overtime payments is only for operations that may result in further seizures or forfeitures, and 3) for the purposes stated in the Asset Forfeiture and Money Laundering Section Policy Statement. The rationale for this policy is to avoid any appearance that law enforcement decisions are motivated by the prospect of receiving forfeited funds.
- o Payment of non-law enforcement expenses is impermissible.
- o Funds received from the U.S. Department of Treasury equitable sharing program and from the U.S. Department of Justice equitable sharing program must be tracked separately.
- o Funds received generally should not remain unspent for more than two years.

B. EFFECT OF PROPOSED CHANGES:

This bill requires the school board districts and state universities to segregate revenues obtained through the Florida Contraband Forfeiture Act as necessary to meet federal requirements. Federal requirements require a separate account for these funds.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

N/A

b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Section 932.7055, Florida Statutes.

E. SECTION-BY-SECTION RESEARCH:

Section 1. Amends s. 932.7055, F.S., to require school districts and the state universities to segregate revenues obtained through the Florida Contraband Forfeiture Act.

Section 2. Provides an effective date of July 1, 1998.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

None.

3. Effects on Competition, Private Enterprise and Employment Markets:

None.

D. FISCAL COMMENTS:

The school districts and state universities currently maintain revenues accrued under the Florida Contraband Foreiture Act. This bill requires a separate accounting of these funds.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take any actions requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of counties or municipalities to raise revenues.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties and municipalities.

V. COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON EDUCATION APPROPRIATIONS:

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PAGE 8