

STORAGE NAME: h1619a.cj

DATE: April 5, 2000

**HOUSE OF REPRESENTATIVES
AS FURTHER REVISED BY THE COMMITTEE ON
CRIMINAL JUSTICE APPROPRIATIONS
ANALYSIS**

BILL #: HB 1619

RELATING TO: Federal Law Enforcement Trust Fund/DOT

SPONSOR(S): Committee on Transportation and Rep. K. Smith

TIED BILL(S): N/A

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

- (1) TRANSPORTATION YEAS 10 NAYS 0
 - (2) FINANCIAL SERVICES YEAS 10 NAYS 0
 - (3) CRIMINAL JUSTICE APPROPRIATIONS YEAS 7 NAYS 0
 - (4)
 - (5)
-

I. SUMMARY:

This legislation creates the Federal Law Enforcement Trust Fund. The trust fund will receive revenues from forfeiture proceedings and will be used by the Department of Transportation (DOT) to fund drug and money laundering interdiction activities. The bill implements a recommendation of the Legislative Task Force on Illicit Money laundering.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|--|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

Less Government: The bill will create a new trust fund that will be administered by DOT.

B. PRESENT SITUATION:

Testimony to the Money Laundering Task Force last year demonstrated that success in money laundering efforts can come from law enforcement officers engaged in commercial motor vehicle enforcement efforts. A successful money laundering interdiction usually involves the recognition that a large amount of cash is being hidden or transported, likely as a part of an illicit transaction. Such funds are subject to forfeiture and confiscation. Federal and state forfeiture laws provide for sharing the proceeds of successful forfeitures with the law enforcement agencies responsible for the forfeiture.

DOT's Motor Carrier Compliance Office (MCCO) is charged with enforcement of laws relating to the operation of commercial motor vehicles (large trucks) within the state. DOT has indicated that the MCCO could focus more resources on money laundering interdiction as a law enforcement activity ancillary to the agency's enforcement of motor carrier regulations if a trust fund was created which would allow DOT to participate in the proceeds of forfeitures.

C. EFFECT OF PROPOSED CHANGES:

The bill creates the Federal Law Enforcement Trust Fund, which will be administered by DOT. Funds received from forfeiture proceedings and federal asset-sharing programs would be deposited in the trust fund to be used by DOT for MCCO drug and money laundering interdiction activities. The trust fund is scheduled for repeal on July 1, 2004, and must be reviewed by the legislature prior to that repeal. This bill implements a recommendation of the Legislative Task Force on Illicit Money Laundering. [The Task Force Report is available online at: www.leg.state.fl.us/senate/documents/DrugSummit/imlreport.pdf.]

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D. SECTION-BY-SECTION ANALYSIS:

N/A

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Creation of trust fund allows the department to collect funds as a result of joint federal/state law enforcement activities conducted under agreement with the federal government requiring the state share of proceeds be segregated in a separate account.

2. Expenditures:

Department will expend funds pursuant to appropriations made by law.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Funds collected from private sector pursuant to state seizure and forfeiture of private property.

D. FISCAL COMMENTS:

Funds resulting from federal criminal, administrative or civil forfeiture proceedings and from federal asset-sharing programs are deposited into the fund to be expended in furtherance of drug and money laundering interdiction activities. The fund is exempt from the General Revenue service charge imposed by s. 215.20, F.S. The fund retains any money remaining at the end of each fiscal year.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

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B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

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

N/A

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

The Article III, Section 19, Subsection (f) of the Florida Constitution related to trust funds and state budgeting, planning and appropriations processes provides:

(1) No trust fund of the State of Florida or other public body may be created by law without a three-fifths (3/5) vote of the membership of each house of the legislature in a separate bill for that purpose only.

(2) State trust funds in existence before the effective date of this subsection shall terminate not more than four years after the effective date of this subsection. State trust funds created after the effective date of this subsection shall terminate not more than four years after the effective date of the act authorizing the creation of the trust fund. By law the legislature may set a shorter time period for which any trust fund is authorized.

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON TRANSPORTATION:

Prepared by:

Phillip B. Miller

Staff Director:

John R. Johnston

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AS FURTHER REVISED BY THE COMMITTEE ON CRIMINAL JUSTICE

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