

Preliminary

Fiscal Note

2021-2022 Legislative Session

HF75 - 1UE - Forfeiture Limited, Innocent Owner Recovery

Chief Author: **Kelly Moller**
 Committee: **State Government Finance and Policy**
 Date Completed:
 Agency: Office of The State Auditor

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	64	30	30	30	30
Total	-	64	30	30	30	30
Biennial Total			94			60

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	.8	.35	.35	.35
Total	-	.8	.35	.35	.35

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Adam Blom **Date:** 2/9/2021 3:47:55 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	64	30	30	30	30
Total	-	64	30	30	30	30
Biennial Total			94			60
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund						
Expenditures	-	99	38	38	38	38
Absorbed Costs	-	(35)	(8)	(8)	(8)	(8)
Total	-	64	30	30	30	30
Biennial Total			94			60
2 - Revenues, Transfers In*						
General Fund						
	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

HF75-1UE requires law enforcement agencies to report additional information about forfeiture incidents to the State Auditor including collecting information about forfeitures pursued under federal law. HF75-1UE changes the frequency of reporting from monthly to quarterly. In addition, the bill requires law enforcement agencies and prosecuting authorities to report to the State Auditor proceeds of forfeited property under state and federal law each year along with the use of such funds.

Assumptions

The OSA assumed the following when determining the fiscal impact of HF75-1UE.

All agencies and authorities will report electronically as they have in the past. The State Auditor currently has a web based reporting system that allows law enforcement agencies to login and report forfeitures continuously throughout the year.

The OSA will make its best effort to collect information from all law enforcement agencies and prosecuting authorities that are required to report. It will be the agencies' and authorities' responsibility to comply with the requirements.

Entities will be responsible for reporting accurate information. The OSA will review reported information and follow-up on information that seems unusual.

Expenditure and/or Revenue Formula

The OSA expects it to take more time to collect and report on the new forfeiture reporting requirements than in subsequent years. In the first year, the OSA will need to spend extra time planning and developing the reporting method, updating and creating the report formats, educating agencies and authorities, testing forms, and reviewing the report. We estimate the hours and costs to be as follows:

Position	Planning	Development	Collection	Reporting	Total Hours	Hourly Rate	FICA/ Benefits	Total Cost

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							Factor	
Legal Staff	-	112	-	80	192	52.83	1.24	12,578
Supervisor	4	105	44	140	293	42.33		15,379
Technology Staff	5	134	1	-	140	38.98		6,767
Analyst	20	98	20	310	448	35.24		19,577
Analyst	36	192	604	310	1,142	31.70		44,890
Total	65	641	669	840	2,215			99,191
Less Cost that can be absorbed:								
Legal Staff		(112)		(80)	(192)	52.83	1.24	(12,578)
Supervisor	(4)	(105)	(44)	(140)	(293)	42.33		(15,379)
Technology Staff	(5)	(134)	(1)	-	(140)	38.98		(6,767)
Analyst								
Analyst								
Net Costs	56	290	624	620	1590			64,467

In subsequent years, it will not be necessary for the OSA to spend time on planning and development. All of the time will be spent collecting the required information and reporting on it. We estimate the hours and costs to be as follows:

Position	Collection	Reporting	Total Hours	Hourly Rate	FICA/ Benefits Factor	Total Cost
Legal Staff	24	24	48	52.83	1.24	3,144
Supervisor	59	28	87	42.33		4,567
Technology Staff	2	-	2	38.98		97
Analyst	48	144	192	35.24		8,390
Analyst	420	134	554	31.70		21,777
Total	553	330	883			37,975
Less Cost that can be absorbed:						
Legal Staff	(24)	(24)	(48)	52.83	1.24	(3,144)
Supervisor	(59)	(28)	(87)	42.33		(4,567)
Technology Staff	(2)	-	(2)	38.98		(97)
Analyst						
Analyst						
Net Costs	468	278	746			30,167

Long-Term Fiscal Considerations

The actual costs will increase in the future as salary, benefits, and other costs increase.

Local Fiscal Impact

Local Governments may have additional costs reporting the added information required by HF75-1UE.

References/Sources

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