



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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<b>Bill Number:</b>	H. 3307 Amended by the House of Representatives on April 4, 2019
<b>Author:</b>	Clemmons
<b>Subject:</b>	Case Tracking System and Searchable Website
<b>Requestor:</b>	Senate Judiciary
<b>RFA Analyst(s):</b>	Gardner, Gallagher, and Griffith
<b>Impact Date:</b>	April 25, 2019

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### **Fiscal Impact Summary**

This bill establishes provisions related to the reporting of properties seized by or forfeited to a law enforcement agency within the state. The Commission on Prosecution Coordination (commission) will be responsible for the creation and maintenance of a case tracking system. The commission estimates that the overall expenditure impact of the bill would be \$3,180,000 in recurring and \$300,000 in non-recurring General Fund resources to create and maintain a case tracking system.

The Department of Natural Resources (DNR), Department of Public Safety, Commission on Indigent Defense, and State Law Enforcement Division indicate that since law enforcement agencies are allowed to use forfeiture proceeds to pay the cost of compiling and reporting the requested data, including any fee imposed by the commission, this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds of their agencies.

The Office of the State Auditor reports that there would be a recurring General Fund cost of \$98,895 for salary and fringe benefits and a non-recurring General Fund cost of \$1,000 for other operating expenses to the agency.

State revenue cannot currently be determined because the amount of the fee the commission will charge is unknown and there is no way to estimate revenue due to the lack of historical data.

The local expenditure is undetermined since the fee that the commission will charge is unknown and there is no way to estimate an expenditure impact to county or municipal governments. However, Horry County did report an annual expenditure of \$1,500 for the manpower cost for the inputting of data in the database.

### **Explanation of Fiscal Impact**

**Amended by the House of Representatives on April 4, 2019**

#### **State Expenditure**

This bill establishes provisions related to the reporting of properties seized by or forfeited to a law enforcement agency within the state. The commission will be responsible for the creation and maintenance of a case tracking system that will contain specific information identifying seized or forfeited properties. The commission must also create and maintain a searchable public website of seized or forfeited properties. This website will include information on the total value of seized or forfeited properties, as well as the total amount of proceeds from forfeited properties

that are expended to support crime prevention programs, victim reparations, and the commission's operations.

Law enforcement agencies that seize property, as well as prosecutors litigating related criminal cases and forfeiture proceedings, must update the commission's website with required information on these properties by the end of the month in which the property was seized. The commander of a multi-jurisdictional task force may appoint 1 agency to report all property seizures for the area. If no seizures were made during the previous year, a null report must be filed by the agency to confirm that no property seizures or forfeitures were administered during the reporting period. Law enforcement agencies will have 30 days after the end of a fiscal year within which to update the commission's website with the required information. The commission will be responsible for developing a standard form, webpage, process, and deadlines for electronic entry of data on seizures, forfeitures, and expenditures of proceeds by law enforcement agencies.

The State Auditor will be responsible for performing an annual financial audit using generally accepted auditing standards for records on properties seized or forfeited by law enforcement agencies, as well as expenditures from the proceeds of those properties. The final audit report must be submitted to the commission no later than 90 days after the end of the fiscal year and must be released to the public. The commission will then have 120 days after the end of the fiscal year to submit to the Speaker of the House of Representatives, President of the Senate, Attorney General, and Governor an aggregate report containing information on the type, approximate value, and disposition of property seized; the amount of any proceeds received or expended at the state and local levels; recommendations to improve state forfeiture laws to ensure fairness to victims, innocent property owners, secured interest holders, citizens, and taxpayers; and a listing of law enforcement agencies that are not in compliance with the seized and forfeited property provisions. This report must also be posted on the commission's website and is subject to disclosure under the Freedom of Information Act.

In implementing the provisions of the bill, the commission may recoup its costs from law enforcement agencies engaged in the seizure or forfeiture of property. Additionally, law enforcement agencies may use forfeiture proceeds to pay for compiling and reporting required data and to cover the cost of fees imposed by the commission.

**Department of Natural Resources.** This bill would require applicable law enforcement agencies to work with the commission to submit data reports and information, and allows the commission to recoup costs associated with administering this bill by charging a fee to these agencies. Each law enforcement agency is allowed to use forfeiture proceeds to pay the cost of compiling and reporting the requested data, including any fee imposed by the commission. DNR indicates that this bill charges the department with additional responsibilities that the agency is able to accomplish by assigning duties among existing staff. Over the past 4 years, DNR has had 1 seizure and forfeiture case, which was adjudicated over a year ago. The current balance in their Escrow Funds account, which DNR would use to pay any applicable fees to the commission, is \$7,047. Due to the low volume of seizure and forfeiture cases, DNR anticipates any fees paid to the commission will be negligible.

**Department of Public Safety.** The department indicates that since law enforcement agencies are allowed to use forfeiture proceeds to pay the cost of compiling and reporting the requested data, including any fee imposed by the commission, this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds of the agency.

**Commission on Prosecution Coordination.** The commission reports that the bill will require the agency to create and maintain a searchable public forfeiture database. The agency will incur \$280,000 in recurring expenses for salary and fringe for 2 additional information technology staff members, an annual software contract, information technology support and maintenance, and license fees. The agency will also incur \$350,000 in non-recurring costs for the development of the database and the public search website. In addition, circuit solicitors' offices will incur \$2,900,000 in recurring expenses for database administration, an annual software contract, information technology support and maintenance, and license fees. Therefore, the commission estimates that the overall expenditure impact of the bill would be \$3,180,000 in recurring and \$300,000 in non-recurring General Fund resources.

**Commission on Indigent Defense (CID).** The CID indicates that the implementation of this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds of the agency.

**Office of the State Auditor.** The agency reports that the implementation of this bill would require the hiring of an Audits Manager. The position would lead the examination process of the information with each local or state agency. There would be a recurring General Fund cost of \$98,895 for salary and fringe benefits and a non-recurring General Fund cost of \$1,000 for other operating expenses.

**State Law Enforcement Division.** The agency indicates that since law enforcement agencies are allowed to use forfeiture proceeds to pay the cost of compiling and reporting the requested data, including any fee imposed by the commission, this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds of the agency.

### **State Revenue**

State revenue cannot currently be determined because the amount of the fee the commission will charge is unknown and there is no way to estimate revenue due to the lack of historical data.

### **Local Expenditure**

Of the counties and municipal organizations surveyed, only Clarendon County and the Horry County provided responses on the expected expenditure impact of the bill. Both parties report that the amount of the fee the commission will charge is unknown and there is no way to estimate an expenditure impact to county or municipal governments. However, Horry County did report an annual expenditure of \$1,500 for the manpower cost for the inputting of data in the database.

### **Local Revenue**

N/A

**Introduced on January 8, 2019**

### **State Expenditure**

This bill establishes provisions related to the reporting of properties seized by or forfeited to the State Law Enforcement Division (SLED) or other law enforcement agency within the state. SLED will be responsible for the creation and maintenance of a case tracking system that will contain specific information identifying seized or forfeited properties. SLED must also create and maintain a searchable public website of seized or forfeited properties. This website will include information on the total value of seized or forfeited properties, as well as the total amount of proceeds from forfeited properties that are expended to support crime prevention programs, victim reparations, and SLED operations.

Law enforcement agencies that seize property, as well as prosecutors litigating related criminal cases and forfeiture proceedings, must update SLED's website with required information on these properties by the end of the month in which the property was seized. The commander of a multi-jurisdictional task force may appoint one agency to report all property seizures for the area. If no seizures were made during the previous year, a null report must be filed by the agency to confirm that no property seizures or forfeitures were administered during the reporting period. Law enforcement agencies will have 30 days after the end of a fiscal year within which to update SLED's website with the required information. SLED will be responsible for developing a standard form, webpage, process, and deadlines for electronic entry of data on seizures, forfeitures, and expenditures of proceeds by law enforcement agencies.

The State Auditor will be responsible for performing an annual financial audit using generally accepted auditing standards for records on properties seized or forfeited by law enforcement agencies, as well as expenditures from the proceeds of those properties. The final audit report must be submitted to SLED no later than 90 days after the end of the fiscal year and must be released to the public. SLED will then have 120 days after the end of the fiscal year to submit to the Speaker of the House of Representatives, President of the Senate, Attorney General, and Governor an aggregate report containing information on the type, approximate value, and disposition of property seized; the amount of any proceeds received or expended at the state and local levels; recommendations to improve state forfeiture laws to ensure fairness to victims, innocent property owners, secured interest holders, citizens, and taxpayers; and a listing of law enforcement agencies that are not in compliance with the seized and forfeited property provisions. This report must also be posted on SLED's website and is subject to disclosure under the Freedom of Information Act.

In implementing the provisions of the bill, SLED may recoup its costs from law enforcement agencies engaged in the seizure or forfeiture of property. Additionally, law enforcement agencies may use forfeiture proceeds to pay for compiling and reporting required data and to cover the cost of fees imposed by SLED.

**State Law Enforcement Division.** A determination of the bill's fiscal impact is pending, as the agency is still reviewing the bill.

**Department of Natural Resources (DNR).** This bill would require applicable law enforcement agencies to work with SLED to submit data reports and information, and allows SLED to recoup

costs associated with administering this bill by charging a fee to these agencies. Each law enforcement agency is allowed to use forfeiture proceeds to pay the cost of compiling and reporting the requested data, including any fee imposed by SLED. DNR indicates that this bill charges the department with additional responsibilities that the agency is able to accomplish by assigning duties among existing staff. Over the past 4 years, DNR has had one seizure and forfeiture case, which was adjudicated over a year ago. The current balance in their Escrow Funds account, which DNR would use to pay any applicable fees to SLED, is \$7,047. Due to the low volume of seizure and forfeiture cases, DNR anticipates any fees paid to SLED will be negligible.

**Department of Public Safety.** The department indicates that since law enforcement agencies are allowed to use forfeiture proceeds to pay the cost of compiling and reporting the requested data, including any fee imposed by SLED, this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds of the agency.

**Commission on Prosecution Coordination.** The commission indicates that the implementation of this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds of the agency.

**Commission on Indigent Defense.** The commission indicates that the implementation of this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds of the agency.

**Office of the State Auditor.** The agency reports that the implementation of this bill would require the hiring of an Audits Manager. The position would lead the examination process of the information with each local or state agency. There would be a recurring General Fund cost of \$98,895 for salary and fringe benefits and a non-recurring General Fund cost of \$1,000 for other operating expenses.

#### **State Revenue**

A determination of state revenue is currently pending because the bill allows SLED to recoup costs associated with administering this bill by charging a fee to appropriate agencies. Since SLED is still reviewing the bill, the amount of the fee is currently unknown.

#### **Local Expenditure**

Of the counties and municipal organizations surveyed, only Clarendon County and the Horry County provided responses on the expected expenditure impact of the bill. Both parties report that the amount of the fee SLED will charge is unknown and there is no way to estimate an expenditure impact to county or municipal governments. However, Horry County did report an annual expenditure of \$1,500 for the manpower cost for the inputting of data in the database.

#### **Local Revenue**

N/A



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Frank A. Rainwater, Executive Director