

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0884-01
Bill No.: HB 431
Subject: Law Enforcement Officers and Agencies; Criminal Procedure; Crimes and Punishment
Type: Original
Date: April 27, 2015

Bill Summary: This proposal allows an owner of property damaged during service of process to recover reasonable reimbursement costs associated with the property of the Crime Victims' Compensation Fund.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| | | | |
| Total Estimated Net Effect on General Revenue | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|--|------------------|------------------|------------------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| Crime Victims Compensation Fund | (Unknown) | (Unknown) | (Unknown) |
| | | | |
| Total Estimated Net Effect on Other State Funds | (Unknown) | (Unknown) | (Unknown) |

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 5 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Office of the Director (DPS)** state the fiscal impact would be "unknown" as this legislation can potentially lead to a change in the Crime Victims Compensation Program's (CVC) funding mechanism which will trickle down to the courts.

The funding mechanism for the CVC Fund stems from court costs, judgments and a federal grant through the federal Victims of Crime Act (VOCA). This grant is based on a formula that gives each state 60 percent of the state funds paid to victims in the previous year. By Federal guidelines our Program would be prohibited from using VOCA federal funds for the purpose as outlined in the legislation; nor could we use state funds spent on this property damage in our state-payout for the purpose of calculating the VOCA grant.

Oversight notes that according to the DPS budget submission, the CVC program provides financial assistance to victims who have suffered physical harm as a result of violent crimes. The CVC program is designed to assist victims through a period of financial hardship as a payor of last resort. There is a maximum limit of \$25,000.

Expenditures for the last three years have been:

| | | |
|---------|-------------|---|
| FY 2012 | \$7,698,340 | |
| FY 2013 | \$7,076,319 | |
| FY 2014 | \$5,887,572 | (\$1,402,669 GR, \$2,028,080 Fed, \$2,456,823 CVC Fund) |

Amounts appropriated for the current year as well as the next fiscal year are:

| | | |
|------------------|--------------|---|
| FY 2015 (budget) | \$11,289,329 | |
| FY 2016 (budget) | \$11,789,329 | (\$3,052,000 GR, \$3,900,000 Fed, \$4,837,329 CVC Fund) |

The balance of the Crime Victims Compensation Fund (0681) at March 31, 2015 was \$9,490,559.

Oversight has not way of estimating the additional expenses that will be incurred by this program. Therefore, Oversight will utilize DPS' "unknown" estimate. Oversight will assume payments to property owners for damages incurred during service of process will be paid from the Crime Victims Compensation Fund.

| | | | |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - State Government</u> | FY 2016 (10 Mo.) | FY 2017 | FY 2018 |
|---|---------------------|---------|---------|

CRIME VICTIMS COMPENSATION FUND

| | | | |
|--|------------------|------------------|------------------|
| Costs - property owners can receive reimbursement for damages incurred during service of process | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
|--|------------------|------------------|------------------|

| | | | |
|--|-------------------------|-------------------------|-------------------------|
| ESTIMATED NET EFFECT TO THE CRIME VICTIMS COMPENSATION FUND | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
|--|-------------------------|-------------------------|-------------------------|

| | | | |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2016 (10 Mo.) | FY 2017 | FY 2018 |
|---|---------------------|---------|---------|

| | | |
|------------|------------|------------|
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
|------------|------------|------------|

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill specifies that the owner of property damaged by an arresting law enforcement agency during the service of process is eligible to file an application for compensation from the Crime Victims' Compensation Fund with the Department of Public Safety unless the damaged property is owned by the offender or an accomplice of an offender.

Compensation must not be paid unless the claimant has incurred an out-of-pocket loss of at least \$50 or has lost two continuous weeks of earnings or support from gainful employment. Compensation must be in an amount equal to half of the reasonable reimbursement costs of the property.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Public Safety

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large initial "M".

Mickey Wilson, CPA
Director
April 27, 2015

Ross Strobe
Assistant Director
April 27, 2015