

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

ASSEMBLY, No. 4788

STATE OF NEW JERSEY 219th LEGISLATURE

DATED: MARCH 4, 2021

SUMMARY

Synopsis:	Requires transfer of certain escheated civil forfeiture funds from Unclaimed Personal Property Trust Fund to General Fund for appropriation to county prosecutors' offices.
Type of Impact:	Indeterminate increase in State expenditures and indeterminate increase in county revenues.
Agencies Affected:	Department of Law and Public Safety, Department of the Treasury, and counties.

Office of Legislative Services Estimate

Fiscal Impact	<u>Fiscal Year 2021</u>
State Cost Increase	At least \$2.4 million, but not more than \$50.4 million.
County Revenue Increase	At least \$2.4 million, but no more than \$50.4 million.

- The Office of Legislative Services (OLS) finds that the bill may result in an increase in State expenditures, and a concomitant increase of county revenues, of at least \$2.4 million, but no more than \$50.4 million. The bill requires funds to be transferred from the State Unclaimed Personal Property Trust Fund to the General Fund and appropriated to county prosecutors. Information available to the OLS indicates that Essex County is likely to benefit from this bill, but no information is available from other counties.
- Certain funds seized and held by county prosecutors are deposited into a dedicated account known as a Seized Asset Trust Account for three years from the date of seizure. Under certain circumstances, these funds are disposed of as unclaimed property at the end of the three-year period.
- Current law requires abandoned property to escheat to the State, with funds deposited into the Unclaimed Personal Property Trust Fund. However, the OLS is unable to independently determine whether, or in what amounts, property seized by county prosecutors has escheated to the Unclaimed Personal Property Trust Fund in the timeframes specified in the bill.

BILL DESCRIPTION

The bill supplements the Fiscal Year 2021 annual State Appropriations Act to add a general provision transferring unclaimed assets from the Unclaimed Personal Property Trust Fund (“trust fund”) to the General Fund for appropriation to the offices of the 21 county prosecutors.

The bill requires each county to receive an amount equal to the amount of unclaimed assets seized by each county prior to January 1, 2017, pursuant to the State’s civil forfeiture laws, and escheated to the trust fund on or after July 1, 2020. These assets were held by each county for three years following their seizure and escheated to the trust fund in accordance with standard operating procedures issued by the Attorney General regarding forfeiture program administration.

According to standard operating procedures issued by the Department of Law and Public Safety, county prosecutors are required to deposit into a Seized Asset Trust Account seized funds that are not yet forfeited and not held for evidence in a criminal matter. The standard operating procedures require these funds to be held in the account for three years from the date of seizure. At the conclusion of the three-year period, these funds are disposed of as unclaimed property pursuant to law. Pursuant to the Uniform Unclaimed Property Act, property that is deemed abandoned escheats to the State. Funds that escheat to the State from a Seized Asset Trust Account would be deposited into the Unclaimed Personal Property Trust Fund.

The proposed general provision requires the funds distributed to each county to be used for law enforcement costs, including, but not limited to, the funding of a county-wide police body-worn camera and video storage program. The amount transferred to any county cannot exceed \$2.4 million. The bill also directs the State Treasurer to transmit a report to the Senate Budget and Appropriations Committee and the Assembly Appropriations Committee detailing the amount transferred to each county and the purposes for which funds were expended.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill will likely cause at least \$2.4 million, but no more than \$50.4 million, to be transferred from the State Unclaimed Personal Property Trust Fund to the General Fund and appropriated to county prosecutors. Information available to the OLS indicates that Essex County is likely to receive approximately \$2.4 million from the State under this bill, but the OLS cannot determine whether this bill will impact other counties. This inability is rooted in a lack of information regarding the disposition of funds that were seized by county prosecutors, held in a Seized Asset Trust Accounts, and then escheated to the State because they were deemed abandoned in the timeframes specified by the bill. If all counties were entitled to the bill’s \$2.4 million maximum, a total of \$50.4 million would be paid by the State to county prosecutors.

The OLS is unable to independently determine whether, or in what amounts, counties have seized property and escheated it into the Unclaimed Personal Property Trust Fund in the timeframes specified in the bill. If the formerly seized funds were deposited into the Unclaimed Personal Property Trust Fund, the bill would result in an increase in State expenditures with a concomitant increase in county revenues.

Section: Revenue, Finance, and Appropriations

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).