

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 304** HLS 17RS 778
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: June 9, 2017 8:35 AM **Author:** HILFERTY
Dept./Agy.: Corrections **Analyst:** Monique Appeaning
Subject: Racketeering Activity

CRIME/RACKETEERING EN SEE FISC NOTE GF EX See Note Page 1 of 2
 Expands definition of "racketeering activity" to include armed robbery and armed robbery or attempted armed robbery committed with a firearm
Proposed law relative to racketeering activity; adds offenses relative to armed robbery to the definition of "racketeering activity". Proposed law adds the judicial district indigent defender fund (JDIDF) by 25% to the allocation of proceeds from civil remedies in present law (LA RS 15:1356).

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW					
Annual Total						

EXPENDITURE EXPLANATION

Proposed law may result in an indeterminable increase in SGF expenditures in the Department of Public Safety and Corrections - Corrections Services to the extent that it results in additional convictions and additional incarcerations for criminal activities related to armed robberies above current baseline levels. Proposed law provides an additional charge for District Attorneys to consider when examining evidence related to the arrest of individuals suspected of committing or being involved in the commission of certain crimes involving armed robbery. Present law provides that the maximum imprisonment term for racketeering is fifty (50) years at hard labor, notwithstanding any other provisions of law.

SGF expenditures will increase by \$51.90 per offender per day if an offender is housed in a state facility or \$24.39 for a state offender housed in a local facility. An offender sentenced to the custody of the Department of Public Safety and Corrections - Correction Services for one year would increase SGF expenditures by \$18,943.50 (\$51.90 per day x 365 days) if housed in a state facility and \$8,902.35 (\$24.39 per day x 365 days) if housed in a local facility. Approximately 50% of state offenders are housed in state facilities and approximately 50% of state offenders are housed in local facilities.

R.S.15.1352 - "Racketeering activity" means committing, attempting to commit, conspiring to commit, or soliciting, coercing, or intimidating another person to commit any crime that is punishable under the following provisions of Title 14 of the Louisiana Revised Statutes of 1950, the Uniform Controlled Dangerous Substances Law, or the Louisiana Securities Law.

Proposed law will result in an indeterminable, but potentially significant, increase in SGF expenditures for the Louisiana Public Defender Board (LPDB), if racketeering charges increase even modestly with adoption of proposed law. LPDB reports that racketeering cases have proven to be extremely problematic for public defender offices. These cases are typically highly complex in terms of evidence and proof, making it time consuming to represent a defendant, often requiring the assistance of costly expert witnesses, often having a great number of defendants with conflicting interests requiring each to be represented by a separate attorney, and often involve multiple individuals who have previously been represented by a public defender office. For illustrative purposes, LPDB estimates that a racketeering case with 15 co-defendants could easily cost \$1.7 M (\$600k for experts and investigations, \$450k for defendants at trial, \$600k for defendants whose cases are resolved pre-trial, and \$40k for appeals).

REVENUE EXPLANATION

Proposed law may result in an indeterminable increase in local funds revenue as a result of potential fines. The fine imposed for racketeering activity as a result of sentencing guideline changes that adds "armed robbery" and "armed robbery, attempted armed robbery, use of firearm and additional penalty" to the definition of racketeering activity is up to but not more than one million dollars, notwithstanding other provisions of law. The number of new convictions for crimes committed

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Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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Staff Director

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CONTINUED EXPLANATION from page one:

REVENUE EXPLANATION CONTINUED FROM PAGE ONE

under the expanded definition of racketeering is unknown and any increase in potential fine collections cannot be estimated.

Present law provides that proceeds from forfeiture and disposition under LA RS 15:1356 shall be allocated by the court in accordance with each law enforcement entity's participation in the investigation, seizure and forfeiture process. Prior to such allocation, the costs of investigation shall be paid to the law enforcement agency conducting the investigation and 25% of the proceeds, including the cost of prosecution shall be paid to the district attorney's six percent fund, or the district attorney's office in parishes where no such fund exists. The court is then instructed to allocate the remaining 75% among participating law enforcement agencies as directed in current law.

Proposed law adds a 25% of proceeds allocation to the judicial district offenders fund and lowers the allocation among participating law enforcement agencies from 75% to 50%. As any such proceeds are speculative, the LFO cannot estimate the potential fiscal impact, but proposed law will result in a reallocation of local funds revenues associated with forfeiture and disposition proceeds stemming from racketeering cases. Proposed law will result in an indeterminable increase to local public defense revenues and a dollar for dollar decrease to participating law enforcement agencies participating in prospective racketeering investigations.

Senate Dual Referral Rules

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

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