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FISCAL IMPACT STATEMENT

LS 7610
BILL NUMBER: SB 520

NOTE PREPARED: Feb 27, 2007
BILL AMENDED: Feb 26, 2007

SUBJECT: Registry of Methamphetamine Manufacturing Sites.

FIRST AUTHOR: Sen. Young R Michael
FIRST SPONSOR: Rep. L. Lawson

BILL STATUS: As Passed Senate

FUNDS AFFECTED: GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill has the following provisions:

- A. It requires law enforcement agencies that seize a methamphetamine laboratory to notify the Criminal Justice Institute of the laboratory's location. It requires the Criminal Justice Institute to operate a web site containing a list of properties that have been the site of a methamphetamine laboratory. It requires the Criminal Justice Institute to remove a listed property from the web site two years after seizure of the property, and provides that records of listed properties that have been removed are confidential. It requires a property owner to disclose to a potential purchaser if the property for sale is listed on the web site. It permits a tenant to void a rental agreement if: (1) the rental property was the site of a methamphetamine laboratory within the previous two years; (2) the landlord has actual knowledge that the rental property was used as a methamphetamine laboratory; and (3) the landlord fails to disclose to the tenant that the rental property was the site of a methamphetamine laboratory.
- B. It requires the Criminal Justice Institute to seek federal funds to establish and operate a methamphetamine precursor data base pilot project. It specifies that the pilot project must connect persons who: (1) sell a drug that contains the active ingredient of ephedrine or pseudoephedrine; and (2) record drug sales information in an electronic log under current law; to an electronic monitoring system that transfers the drug sales information to a central data base at the same time the drug sales information is recorded in the electronic log. It limits the pilot project to six counties. It allows only certain law enforcement officers to have access to information in the central data base. It requires persons who must collect and record sales information concerning drugs that contain ephedrine or pseudoephedrine in a paper or an electronic log to collect and record the information until June 30, 2012, instead of June 30, 2008.

Effective Date: July 1, 2007.

Explanation of State Expenditures: (Revised) Summary – This bill requires the Criminal Justice Institute (CJI) to develop two related data bases. First, real estate properties on which methamphetamine labs were located and seized by state and local law enforcement agencies would be included in a registry that CJI would maintain. Second, CJI would develop an electronic log for retailers who sell medications that contain the active ingredient of ephedrine, pseudoephedrine, or both ephedrine and pseudoephedrine

Registry of Properties – The CJI has issued a request for proposal (RFP) to develop a website with properties listed where a methamphetamine laboratory has been found. CJI reported receiving two bids from the final vendors and is currently waiting to see how much money would be available from the existing budget for the project. CJI would only be able to operate the registry if the General Assembly appropriates specific money for this project.

The high bid is for roughly \$1 M. The high vendor proposes creating a system that would allow for future data from different sources to be linked. The state would also own the system and everything in it.

The lower bid, of around \$500,000, has a system already built for this specific purpose and would simply make small adjustments in the programming to meet Indiana specifications. The vendor would also retain ownership of the system.

(Revised) *Pilot Program for Electronic Log* – The CJI has issued an RFP to develop an electronic log for recording information on sales of drugs that contain the active ingredient of ephedrine, pseudoephedrine, or both ephedrine and pseudoephedrine. Currently, most retail operations are recording this information in paper logs. Consequently, few law enforcement agencies are using these logs to track sales patterns of certain persons. CJI staff anticipate the initial cost to establish this data base to be approximately \$50,000 and the annual cost to maintain it to be \$35,000. CJI staff report that these provisions can be implemented within the current budget. The bill provides that the CJI is to attempt to obtain federal funds to establish, operate, and maintain the pilot project.

Under current law, the requirement for retail operators to record sales information on methamphetamine precursors (drugs containing ephedrine and pseudoephedrine) expires on June 30, 2008. This bill would extend this requirement to June 30, 2012.

Background – The number of methamphetamine lab seizures and arrests are shown in the following table.

Methamphetamine Arrests and Lab Seizures Conducted by the Indiana State Police by Year			
	<u>2004</u>	<u>2005</u>	<u>2006</u>
Lab Seizures	1,113	990	713
Persons Arrested	885	650	481

Explanation of State Revenues:

Explanation of Local Expenditures: Local law enforcement agencies would be required to report terminating the operations of any methamphetamine laboratory to the Criminal Justice Institute. These agencies already report this information to the Indiana State Police, the local fire department that serves in

the area that the meth lab is located, and the county health department.

Explanation of Local Revenues:

State Agencies Affected: Criminal Justice Institute.

Local Agencies Affected: Local law enforcement agencies.

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