



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2019 Biennium

Bill #	HB0379
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Title:	Revise laws regarding human trafficking and online advertising
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Primary Sponsor:	Dudik, Kimberly
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Status:	As Introduced
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- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>	<u>FY 2020 Difference</u>	<u>FY 2021 Difference</u>
Expenditures:				
General Fund	\$49,920*	\$45,971*	\$46,661*	\$47,360*
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u><u>(\$49,920)*</u></u>	<u><u>(\$45,971)*</u></u>	<u><u>(\$46,661)*</u></u>	<u><u>(\$47,360)*</u></u>

Description of fiscal impact: This bill revises laws related to human trafficking; requires persons selling, commercially promoting, placing, or maintaining internet advertisements offering companionship or escort services for sale in this state to verify the identities of certain persons and maintain and store records; provides a penalty; provides definitions; and revises the penalty for the offense of trafficking of persons. There will be a modest fiscal impact to the Department of Justice. *The fiscal impact to the Department of Corrections and the Office of Public Defender cannot be determined.

FISCAL ANALYSIS

Assumptions:

Department of Corrections (DOC)

1. This fiscal impact to the Department of Corrections is unknown. The department is unable to determine how many people would be convicted under the proposed legislation.
2. If a person is convicted of a felony under this new language, the cost of incarceration is \$42,647 per year per male inmate and \$42,063 per year per female inmate.
3. The amendment to add Section 36 to the Montana Constitution, known as Marsy's Law, substantially expands the definition of a victim and requires that victims be notified of and have the option to be present at all

proceedings that involve preparing an offender for actual or potential release or alternative placement. The Department of Corrections therefore anticipates that the implementation of Marsy’s Law will increase the cost of any bill that could involve victim notification.

Department of Justice

- 4. It is assumed that the expenditures will be funded from the general fund.
- 5. Human trafficking cases have increased due to monitoring and focus from law enforcement. Over a 100% increase from 2015 to 2016.

Human Trafficking	2014	2015	2016
Total HT Cases	0	7	14
HT Ops done	0	4	3
Suspects from in state	0	1	12
Suspects from out of state	0	7	3
Arrests made	0	7	3
Adult victims rescued	0	12	22
Juvenile victims rescued	0	1	5
HT cases open/pending/ to be charged	0	2	9
HT cases charges pending	0	1	3
HT convictions	0	5	3

- 6. The Department of Criminal Investigation (DCI) will need 0.50 FTE to monitor online activity and compliance. The position will be a compliance specialist. The operating costs will include one-time only costs of \$3,948. The ongoing costs for the position will be approximately \$7,000 annually.
- 7. Revenue from the increased fees is not able to be estimated by the department.

Judicial Branch

- 8. The number of district court cases may increase as a result of this legislation; however, the Judicial Branch is unable to estimate the impact on judicial workload or the fiscal impact. The cumulative impact of such legislation may eventually require additional judicial resources because court dockets currently are full in many judicial districts throughout the state.

Office of the State Public Defender

- 9. If passed, this bill will likely result in added costs for OPD as individuals are charged with crimes under this act and will require expenditure of funds for additional investigation, legal work, and ultimately more trials.
- 10. The number of individuals who may be charged under this law cannot be predicted, therefore OPD is unable to quantify the fiscal impact.

Department of Justice

	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Personal Services	\$39,028	\$39,028	\$39,613	\$40,207
Operating Expenses	\$10,892	\$6,943	\$7,048	\$7,153
TOTAL Expenditures	\$49,920	\$45,971	\$46,661	\$47,360
<u>Funding of Expenditures:</u>				
General Fund (01)	\$49,920	\$45,971	\$46,661	\$47,360
TOTAL Funding of Exp.	\$49,920	\$45,971	\$46,661	\$47,360
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$49,920)	(\$45,971)	(\$46,661)	(\$47,360)

Sponsor's Initials

Date

Budget Director's Initials

Date