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January 27, 2003

Mr. Daniel B. Newby
Director of Operations and Development
The Sutherland Institute
111 East 5600 South, Suite 202
Salt Lake City, Utah 84107

Dear Mr. Newby,

Shortly after the passage of Initiative B, I met with the manager of the State's Surplus Property Division to discuss a working relationship regarding the disposal of any property which might eventually be forfeited to the State. We established a procedure where Surplus Property would dispose of the forfeited property through its normal channels and then credit the proceeds to appropriate revenue accounts which we had set up for that purpose. As you have learned from the State Auditor's recent reports, this procedure has never been activated as no property has been sent to the State.

With regard to funding for the forfeiture process, the State Treasurers Office was appropriated \$100,000 to implement the new statute in fiscal year 2001. None of the money was spent that year, and because it was non-lapsing, it carried over into fiscal year 2002. At the end of fiscal year 2002, we still had not expended any of the \$100,000, so we recommended that the money be lapsed and taken back into the budget for reappropriation, rather than carry it over for yet another year. The money was lapsed.

So in summary, a total of \$100,000 was appropriated to the State Treasurer to implement Initiative B, all of which was returned to the budget unspent on June 30, 2002.

The saga of Initiative B continues, but I hope that this at least clarifies for you the legislative appropriation part of the story.

Sincerely,

A handwritten signature in black ink that reads "Edward T. Alter".

Edward T. Alter
Utah State Treasurer

P. S. Don't believe everything you hear in interim committee meetings. Consider the source.