

August 1, 2011

Mr. Burt Johnson, Finance Director
City of Soddy-Daisy
9835 Dayton Pike
Soddy-Daisy, Tennessee 37379

Re: Sale of Confiscated Property –Revenue Disposition

Dear Mr. Johnson

It is my understanding that at a recent public auction, confiscated guns, cars and other items were sold. You have asked for clarification of the disposition of revenues from the sale.

Any proceeds from the sale of forfeited property from drug offenses go into the drug fund special account. These funds are not split with the general fund, as are all fines from drug offenses. You may recall that under TCA 39-17-428, 50% of each drug fine goes into the city's general fund and 50% to the drug fund.

Revenue from vehicles seized for driving under the influence or revoked license should be retained by the city for the duration of the fiscal year and be used to compensate the city for reasonable and direct expenses involved in the confiscation, towing, storage, and sale of the forfeited vehicle. The word "direct" is important to note. Any remaining revenue is transmitted to the State Department of Mental Health no later than June 30 of each year. All expenses are subject to review and audit by the State Comptroller's Office. (TCA 40-33-211)

Please let me know if you have questions.

Sincerely

Ron Darden
Municipal Management Consultant