



HOUSE BILL No. 4178

February 9, 1993, Introduced by Reps. Baade, Weeks, Dobronski, DeMars, Rivers, Barns, Voorhees, Scott, Kilpatrick, Points, Wallace, Ciaramitaro, Schroer, Harder, Yokich, Goschka and Pitoniak and referred to the Committee on Human Services and Children.

A bill to amend sections 7524 and 7524a of Act No. 368 of the Public Acts of 1978, entitled as amended "Public health code," section 7524 as amended and section 7524a as added by Act No. 336 of the Public Acts of 1990, being sections 333.7524 and 333.7524a of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 7524 and 7524a of Act No. 368 of the
2 Public Acts of 1978, section 7524 as amended and section 7524a as
3 added by Act No. 336 of the Public Acts of 1990, being sections
4 333.7524 and 333.7524a of the Michigan Compiled Laws, are amended
5 to read as follows:

6 Sec. 7524. (1) ~~When~~ IF property is forfeited under this
7 article, the local unit of government ~~which~~ THAT seized the
8 property may do any of the following, or if the property is

1 seized by or in the custody of the state, the state may do any of
2 the following, subject to section 7523(1)(d):

3 (a) Retain it for official use.

4 (b) Sell that which is not required to be destroyed by law
5 and which is not harmful to the public. The proceeds, ~~and~~ any
6 money, negotiable ~~instruments, securities, or any~~ INSTRUMENT,
7 SECURITY, OR other thing of value as described in

8 section 7521(1)(f) ~~that are~~ forfeited pursuant to this article
9 shall be applied as follows:

10 (i) For the payment of proper expenses of the proceedings
11 for forfeiture and sale, including expenses incurred during the
12 seizure process, maintenance of custody, advertising, and court
13 costs.

14 (ii) TEN PERCENT OF THE BALANCE REMAINING AFTER THE PAYMENT
15 OF EXPENSES SHALL BE FORWARDED TO THE DEPARTMENT OF TREASURY TO
16 BE DEPOSITED IN THE PREGNANT WOMAN SUBSTANCE ABUSE FUND CREATED
17 IN SUBSECTION (3).

18 (iii) ~~(ii)~~ The balance remaining after the ~~payment of~~
19 ~~expenses~~ PAYMENTS REQUIRED UNDER SUBPARAGRAPHS (i) AND (ii)
20 shall be distributed by the court having jurisdiction over the
21 forfeiture proceedings to the entity having budgetary authority
22 over the seizing agency. If more than 1 agency was substantially
23 involved in effecting the forfeiture, the court having jurisdic-
24 tion over the forfeiture proceeding shall equitably distribute
25 the money among the entities having budgetary authority over the
26 seizing agencies. The money received under this subparagraph

1 shall be used to enhance law enforcement efforts pertaining to
2 this article.

3 (c) Require the administrator to take custody of the prop-
4 erty and remove it for disposition in accordance with law.

5 (d) Forward it to the bureau for disposition.

6 (2) In the course of selling real property pursuant to sub-
7 section (1)(b), the court that has entered an order of forfeiture
8 may, on motion of the agency to whom the property has been for-
9 feited, appoint a receiver to dispose of the real property
10 forfeited. The receiver ~~shall be~~ IS entitled to reasonable
11 compensation. The receiver ~~shall have authority to~~ MAY do
12 ~~all~~ 1 OR MORE of the following:

13 (a) List the forfeited real property for sale.

14 (b) Make ~~whatever arrangements are~~ necessary ARRANGEMENTS
15 ~~for the maintenance~~ TO MAINTAIN and ~~preservation of~~ PRESERVE
16 the forfeited real property.

17 (c) Accept offers to purchase the forfeited real property.

18 (d) Execute instruments transferring title to the forfeited
19 real property.

20 (3) THE PREGNANT WOMAN SUBSTANCE ABUSE FUND IS CREATED IN
21 THE DEPARTMENT OF TREASURY. THE FUND SHALL BE ADMINISTERED BY
22 THE CENTER FOR SUBSTANCE ABUSE SERVICES WITHIN THE DEPARTMENT OF
23 PUBLIC HEALTH WITH THE ASSISTANCE OF LOCAL COORDINATING
24 AGENCIES. THE CENTER FOR SUBSTANCE ABUSE SERVICES SHALL DISTRIB-
25 UTE MONEY IN THE FUND ON A PRO RATA BASIS TO LOCAL COORDINATING
26 AGENCIES BASED UPON THE AMOUNT OF FORFEITURE DOLLARS GENERATED
27 FROM LOCAL UNITS OF GOVERNMENT WITHIN THE JURISDICTION OF THOSE

1 LOCAL COORDINATING AGENCIES. MONEY DISTRIBUTED TO A LOCAL
2 COORDINATING AGENCY PURSUANT TO THIS SUBSECTION SHALL BE USED
3 EXCLUSIVELY TO PROVIDE SUBSTANCE ABUSE TREATMENT AND REHABILITA-
4 TION SERVICES TO PREGNANT WOMEN WITHIN THE JURISDICTION OF THAT
5 LOCAL COORDINATING AGENCY. ANY MONEY REMAINING IN THE FUND AT
6 THE CLOSE OF THE FISCAL YEAR SHALL BE CARRIED OVER TO THE SUC-
7 CEEDING FISCAL YEAR, SHALL NOT REVERT TO THE GENERAL FUND, AND
8 SHALL BE USED AS PROVIDED IN THIS SECTION. THE CENTER FOR SUB-
9 STANCE ABUSE SERVICES MAY PROMULGATE RULES PURSUANT TO THE ADMIN-
10 ISTRATIVE PROCEDURES ACT OF 1969, ACT NO. 306 OF THE PUBLIC ACTS
11 OF 1969, BEING SECTIONS 24.201 TO 24.328 OF THE MICHIGAN COMPILED
12 LAWS, TO IMPLEMENT THIS SUBSECTION. AS USED IN THIS SUBSECTION,
13 "LOCAL COORDINATING AGENCY" MEANS AN AGENCY DESIGNATED UNDER
14 SECTION 6226 OF THIS ACT AS A CITY, COUNTY, OR REGIONAL COORDI-
15 NATING AGENCY.

16 Sec. 7524a. (1) Before February 1 of each year, each local
17 unit of government that had forfeiture proceedings pending in the
18 circuit court pursuant to section 7523, ~~or effectuated a for-~~
19 ~~feiture of~~ DECLARED property FORFEITED pursuant to section 7523
20 without a forfeiture proceeding in the circuit court, ~~or~~ or
21 received money, negotiable instruments, securities, or any other
22 thing of value pursuant to section 7524 during the fiscal year
23 for the local unit of government ending in the immediately pre-
24 ceding calendar year shall submit a report to the office ~~of~~ IN
25 THE EXECUTIVE BRANCH CONCERNED WITH drug ~~agencies~~ POLICY for
26 analysis and transmittal to the secretary of the senate and the
27 clerk of the house of representatives. The annual report shall

1 be a summary of the local unit of government's activities
2 regarding the forfeiture of property under this article and pur-
3 suant to section 17766a for the fiscal year and shall contain the
4 following information, as applicable:

5 (a) The number of forfeiture proceedings ~~that were~~ insti-
6 tuted in the circuit court by the local unit of government.

7 (b) The number of forfeiture proceedings instituted by the
8 local unit of government ~~that were~~ concluded in the circuit
9 court.

10 (c) The number of all forfeiture proceedings instituted by
11 the local unit of government ~~that were~~ pending in the circuit
12 court at the end of the year.

13 (d) The number of forfeitures accomplished by the local unit
14 of government without filing a forfeiture proceeding in the cir-
15 cuit court.

16 (e) The net total proceeds of all property forfeited under
17 this article and pursuant to section 17766a through forfeitures
18 instituted by the local unit of government ~~that~~ the local unit
19 of government is required to account for and report to the state
20 treasurer pursuant to either of the following, as applicable:

21 (i) Act No. 71 of the Public Acts of 1919, being sections
22 21.41 to 21.53 of the Michigan Compiled Laws.

23 (ii) The uniform budgeting and accounting act, Act No. 2 of
24 the Public Acts of 1968, being sections 141.421 to 141.440a of
25 the Michigan Compiled Laws.

1 (f) An inventory of property received by the local unit of
2 government pursuant to section 7524 and section 17766a,
3 including, but not limited to, all of the following:

4 (i) ~~all~~ ALL of the following real property:

5 (A) Single-family residential.

6 (B) Multiple-family residential.

7 (C) Industrial.

8 (D) Commercial.

9 (E) Agricultural.

10 (ii) Any type of conveyance described in section 7521(1)(d),
11 including the year, make, and model.

12 (iii) Money, negotiable instruments, and securities.

13 (iv) The total value of personal property, excluding per-
14 sonal property described in subparagraphs (ii) and (iii).

15 (g) A statement explaining how the money received by the
16 local unit of government pursuant to section 7524(1)(b)(ii) has
17 been used or is being used to enhance the law enforcement efforts
18 pertaining to this article or section 17766a.

19 (2) The records of a local unit of government described in
20 subsection (1) regarding the forfeiture of property under this
21 article or pursuant to section 17766a shall be audited in accord-
22 ance with 1 of the following, as applicable:

23 (a) Act No. 71 of the Public Acts of 1919, being sections
24 21.41 to 21.53 of the Michigan Compiled Laws.

25 (b) The uniform budgeting and accounting act, Act No. 2 of
26 the Public Acts of 1968, being sections 141.421 to 141.440a of
27 the Michigan Compiled Laws.

1 (3) The records of a local unit of government described in
2 subsection (1) regarding the forfeiture of property under this
3 article or pursuant to section 17766a may be audited by an audi-
4 tor of the local unit of government.