



Senate Fiscal Agency
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**BILL ANALYSIS**

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House Bill 6416 (as passed by the House)
Sponsor: Representative Dave Hildenbrand
House Committee: Judiciary

CONTENT

The bill would amend the Public Health Code to allow a local unit of government that seized property subject to forfeiture under Article 7 (Controlled Substances) of the Code, or the State if the property were seized by or in the custody of the State, to direct that the funds or a portion of the funds the local unit or the State otherwise would have received from the proceeds of the sale of the forfeited property be paid to nonprofit organizations whose primary activity was to assist law enforcement agencies with drug-related criminal investigations and obtaining information for solving crimes.

Article 7 describes property that is subject to forfeiture for violations of the article, and provides for forfeiture proceedings. When property is forfeited, the local unit of government that seized it or the State, if the property was seized by or was in the custody of the State, may retain it for official use, sell that which is not required to be destroyed law and is not harmful to the public, require the Michigan Board of Pharmacy to take custody of the property and remove it for disposition in accordance with law, or forward it to the U.S. Department of Justice's Drug Enforcement Administration for disposition.

If the local unit or the State sells property that is not required to be destroyed and not harmful to the public, the proceeds must be deposited with the treasurer of the entity having budgetary authority over the seizing agency and applied for the payment of the expenses of forfeiture and sale. The balance must be used to enhance law enforcement efforts related to Article 7. The bill would allow a seizing agency to direct that the funds or a portion of them be paid to nonprofit organizations, as described above.

MCL 333.7524

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the State and local law enforcement agencies. It is not known how many local agencies would choose to forgo using seizure-obtained revenue for their own financial support and transfer those funds to an outside nonprofit agency, or whether the State would do so.

Date Completed: 12-6-06

Fiscal Analyst: Bruce Baker