



Senate Fiscal Agency
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House Bill 4349 (Substitute H-2 as passed by the House)
Sponsor: Representative Kurt Heise
House Committee: Judiciary
Senate Committee: Judiciary

Date Completed: 8-23-11

CONTENT

The bill would amend Article 7 (Controlled Substances) of the Public Health Code to require proceeds of the sale of forfeited property to be used for law enforcement purposes, rather than strictly for law enforcement efforts pertaining to Article 7.

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 by 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, the proceeds must be deposited with the treasurer of the entity having budgetary authority over the seizing agency and used to pay expenses of the forfeiture and sale. The court that has jurisdiction over the forfeiture proceedings must distribute the balance to the treasurer or treasurers of the entity or entities having budgetary authority over the seizing agency or agencies. Money received by a seizing agency and all interest and other earnings on money received by it must be used to enhance law enforcement efforts pertaining to Article 7, as appropriated by the entity with budgetary authority over the seizing agency. The bill instead would require that money to be used only for law enforcement purposes, as appropriated by the entity with budgetary authority.

In addition, under Article 7, a distribution made to a seizing agency must serve as a supplement to, and not a replacement for, the funds budgeted on January 1, 1991, for law enforcement efforts pertaining to Article 7. The bill would delete the reference to that date and Article 7, requiring a distribution to serve as a supplement to, and not a replacement for, funds otherwise budgeted for law enforcement purposes.

MCL 333.7524

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would amend the Public Health Code to allow proceeds from drug law forfeited property to be used for law enforcement purposes other than simply drug law enforcement efforts. It cannot be known at this time the frequency or degree affected law enforcement

agencies would choose to redirect drug law forfeiture funds in this manner, but it is reasonable to assume that some agencies would do so.

Total net proceeds available to criminal justice agencies through drug-related asset forfeitures for 2010 were \$21,338,661. From this amount, proceeds received by various law enforcement entities included \$14,609,285 for local police, \$3,206,614 for multijurisdictional task forces, \$448,868 for the State Police, \$3,022,106 for sheriffs' offices, and \$51,820 for prosecuting attorneys.

Fiscal Analyst: Bruce Baker

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.