

Introduced by

Representatives Becker, Blum, Johnston, Paur, Pyle, Satrom, Simons, Strinden

Senators Hogue, Kannianen, Luick, Unruh

1 A BILL for an Act to create and enact section 19-03.1-36.8 of the North Dakota Century Code,  
2 relating to law enforcement agencies reporting seizures and forfeitures; and to amend and  
3 reenact sections 19-03.1-36.2, 19-03.1-36.6, 19-03.1-36.7, 29-27-02.1, and subsection 1 of  
4 section 54-12-14 of the North Dakota Century Code, relating to forfeiture proceedings,  
5 contested forfeiture hearings, legal interests in forfeited property, disposition of statutory fees,  
6 fines, forfeitures, and the attorney general assets forfeiture fund.

7 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

8 **SECTION 1. AMENDMENT.** Section 19-03.1-36.2 of the North Dakota Century Code is  
9 amended and reenacted as follows:

10 **19-03.1-36.2. Forfeiture proceeding as civil action - Standard of proof.**

- 11 1. Forfeiture proceedings are civil actions against the property to be forfeited and the  
12 standard of proof is a preponderance of the evidenceclear and convincing evidence.
- 13 2. Forfeiture proceedings are separate and distinct from any related criminal action, and  
14 may not be initiated until the owner of the property has been convicted of or pled guilty  
15 to a criminal offense, or the individual has died, fled the jurisdiction, been deported by  
16 the United States government, been granted immunity or a reduced sentence in  
17 exchange for testifying or assisting a law enforcement investigation or prosecution, or  
18 has abandoned the property. As used in this subsection, "abandoned the property" or  
19 "fled the jurisdiction" means for a period of more than one year, the owner has not  
20 responded to any of the reasonable efforts made by the seizing agency to contact the  
21 owner or has not contacted the seizing agency.
- 22 3. Two or more law enforcement agencies and courts from different jurisdictions may  
23 coordinate, cooperate, and engage in interjurisdictional prosecution under this section.

1       **SECTION 2. AMENDMENT.** Section 19-03.1-36.6 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **19-03.1-36.6. Hearing on contested forfeiture - Order releasing or forfeiting property.**

4       1. If an answer is filed within the time limits in this chapter, the forfeiture proceedings  
5 must be set for hearing before the court. At the hearing, the state shall establish  
6 ~~probable cause~~ a valid seizure of the property to be forfeited, and clear and convincing  
7 evidence for instituting the forfeiture action following which any owner or person with a  
8 legal interest in the property to be forfeited who has filed an answer to the complaint  
9 has the burden of proving that the property to be forfeited is not subject to forfeiture  
10 under this chapter. If the court finds that the property is not subject to forfeiture under  
11 this chapter, the court shall order the property released to the owner or other person  
12 with a legal interest in the property as that person's right, title, or interest appears. The  
13 court shall order the property forfeited if it determines that such property or an interest  
14 therein is subject to forfeiture.

15       2. A court ordering property forfeited under subsection 1 may order the proper costs and  
16 expenses of the proceedings for forfeiture and sale, including reasonable expenses of  
17 seizure, maintenance of custody, advertising, sales, and court costs with any  
18 remaining proceeds to be deposited as provided in subsection 2 of section 29-27-02.1.

19       **SECTION 3. AMENDMENT.** Section 19-03.1-36.7 of the North Dakota Century Code is  
20 amended and reenacted as follows:

21       **19-03.1-36.7. Legal interest in property.**

22       1. A person alleging a bona fide legal interest in property to be forfeited must establish by  
23 a preponderance of the evidence that such legal interest existed at the time of seizure  
24 or taking of custody of the property. In the case of a claimed bona fide security interest  
25 in the property, the person claiming such interest must establish by a preponderance  
26 of the evidence that the security interest in the property to be forfeited existed or was  
27 of public record at the time of seizure or taking of custody of the property.

28       2. Upon a determination by the court that property is subject to forfeiture, the owner of  
29 the property to be forfeited or any other person with a legal interest in the property  
30 may petition the court to determine whether the forfeiture is unconstitutionally  
31 excessive.

- 1           a. A vehicle valued at less than two thousand dollars may not be forfeited unless the  
2           court finds the vehicle has been modified to conceal contraband or currency.
- 3           b. Currency with the value of seven hundred and fifty United States dollars or less  
4           may not be forfeited.
- 5           c. Real property constituting a homestead may not be forfeited.
- 6           d. In determining whether a forfeiture is excessive, the court shall determine the fair  
7           market value of the property, the extent to which the owner or person participated  
8           in the offense, the extent to which the property was used or received in  
9           committing the offense, and the sentence imposed for committing the offense  
10           subject to forfeiture.
- 11          e. The court may not consider the value of the property to the state in determining  
12           whether the forfeiture is unconstitutionally excessive.

13           **SECTION 4.** Section 19-03.1-36.8 of the North Dakota Century Code is created and  
14 enacted as follows:

15           **19-03.1-36.8. Reporting.**

- 16          1. As used in this section, "law enforcement agency" means a nonfederal public agency  
17           authorized by law or by a government agency or branch to enforce the law and to  
18           conduct or engage in investigations or prosecutions for violations of law, including the  
19           authority to conduct or engage in seizure and forfeiture.
- 20          2. Annually, each law enforcement agency shall compile the following information  
21           regarding seizures and forfeitures pending or completed by the agency under this  
22           chapter:
  - 23           a. The types of property and dollar amount of the forfeited property;
  - 24           b. The jurisdiction that received the property;
  - 25           c. The total number of seizures of currency; and
  - 26           d. The amount the court has ordered to be paid toward the costs and expenses of  
27           the proceedings for forfeiture and sale under section 19-03.1-36.6.
- 28          3. The attorney general may require the reporting of additional information not specified  
29           in this section. The attorney general shall develop standard forms, processes, and  
30           deadlines for electronic data entry for annual submission of forfeiture data by law  
31           enforcement agencies.

1       4. Each law enforcement agency shall file with the attorney general a report of the  
2       information compiled under subsection 2 for the law enforcement agency and the  
3       corresponding prosecutor. A law enforcement agency that did not engage in seizures  
4       or forfeitures during the reporting period shall file a null report. The attorney general  
5       shall compile the submissions and issue an aggregate report of all forfeitures in the  
6       state.

7       5. If a law enforcement agency fails to file a report within thirty days after the report is  
8       due, the attorney general may compel compliance by any means until the report is  
9       filed.

10      6. The attorney general shall make available on the attorney general's website the  
11      reports submitted by law enforcement agencies and the attorney general's aggregate  
12      report. The reports must be updated annually.

13      **SECTION 5. AMENDMENT.** Section 29-27-02.1 of the North Dakota Century Code is  
14      amended and reenacted as follows:

15      **29-27-02.1. Disposition of statutory fees, fines, forfeitures, pecuniary penalties, and**  
16      **bond forfeitures.**

17      1. Except as otherwise provided by law, all statutory fees, fines, forfeitures, and  
18      pecuniary penalties prescribed for a violation of state laws, when collected, must be  
19      paid into the treasury of the proper county to be added to the state school fund. When  
20      any bail bond or other property or money deposited as bail is forfeited to the state, the  
21      proceeds collected therefrom must be paid over to the proper state official and  
22      credited to the state general fund.

23      2. Funds obtained through civil asset forfeiture under section 19-03.1-36 must be paid  
24      into the attorney general assets forfeiture fund.

25      **SECTION 6. AMENDMENT.** Subsection 1 of section 54-12-14 of the North Dakota Century  
26      Code is amended and reenacted as follows:

27      1. The attorney general assets forfeiture fund consists of funds appropriated by the  
28      legislative assembly and additional funds obtained from moneys, assets, and  
29      proceeds seized and forfeited pursuant to section 19-03.1-36, amounts received  
30      through court proceedings as restitution, amounts remaining from the forfeiture of  
31      property after the payment of expenses for forfeiture and sale authorized by law, and

1 amounts received from a multijurisdictional drug task force as defined in section  
2 54-12-26. The amount of deposits into the fund which do not come from legislative  
3 appropriation or from a multijurisdictional drug task force and are not payable to  
4 another governmental entity may not exceed ~~two~~five hundred thousand dollars within  
5 a biennium and any moneys in excess of that amount must be deposited in the  
6 general fund. The funds are appropriated, as a standing and continuing appropriation,  
7 to the attorney general for the following purposes:

- 8 a. For obtaining evidence for enforcement of any state criminal law or law relating to  
9 the control of drug abuse.
- 10 b. For repayment of rewards to qualified local programs approved under section  
11 12.1-32-02.2, if the information that was reported to the qualified local program  
12 substantially contributed to forfeiture of the asset, and for paying, at the discretion  
13 of the attorney general, rewards for other information or assistance leading to a  
14 forfeiture under section 19-03.1-36.
- 15 c. For paying, at the discretion of the attorney general, any expenses necessary to  
16 seize, detain, inventory, safeguard, maintain, advertise, or sell property seized,  
17 detained, or forfeited pursuant to section 19-03.1-36, or of any other necessary  
18 expenses incident to the seizure, detention, or forfeiture of such property.
- 19 d. For equipping, for law enforcement functions, forfeited vessels, vehicles, and  
20 aircraft retained as provided by law for official use by the state board of pharmacy  
21 or a law enforcement agency.
- 22 e. For paying, at the discretion of the attorney general, overtime compensation to  
23 agents of the bureau of criminal investigation incurred as a result of  
24 investigations of violations of any state criminal law or law relating to the control  
25 of drug abuse.
- 26 f. For paying matching funds required to be paid as a condition for receipt of funds  
27 from a federal government program awarding monetary grants or assistance for  
28 the investigation, apprehension, or prosecution of persons violating the  
29 provisions of chapter 19-03.1.