

# Legislative Analysis



## **DISTRIBUTION OF PROCEEDS FROM THE SALE OF FORFEITED VEHICLE OR PROPERTY**

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 4240 as reported from committee**  
**Sponsor: Rep. Jeff Yaroch**

Analysis available at  
<http://www.legislature.mi.gov>

**House Bill 4241 as reported from committee**  
**Sponsor: Rep. Douglas C. Wozniak**

**Committee: Judiciary**  
**Complete to 6-10-21**

**BRIEF SUMMARY:** House Bills 4240 and 4241 would amend the Revised Judicature Act and the Michigan Vehicle Code, respectively, to revise the distribution of proceeds from the sale of forfeited items under those acts.

**FISCAL IMPACT:** The bills could result in increased revenue to county prosecutor offices by allowing up to 30% of the balance a county receives from the sale of forfeited property, or at an agreed-upon hourly rate, to be directed to the prosecuting attorney of the county. The bills are permissive and do not require funds to be directed to local prosecutors. Any change in revenue would be dependent on county appropriations. The bills would have no fiscal impact on the state.

### ***THE APPARENT PROBLEM:***

Recent changes were adopted to the civil asset forfeiture process to generally require a criminal conviction before seized vehicles or property can be sold.<sup>1</sup> According to committee testimony, the new process has left some prosecutor offices unsure as to where the revenues from the sold assets are required to be distributed. Legislation has been proposed to direct where the revenues should be distributed and allow a distribution to prosecutor's offices.

### ***THE CONTENT OF THE BILLS:***

Currently, if a vehicle is forfeited under the Michigan Vehicle Code, or if property is forfeited under the Revised Judicature Act, the seized vehicle or property is sold and the proceeds are distributed in an order of priority. Any balance remaining after these specified payments is then distributed by the court to the unit or units of government substantially involved in effecting the forfeiture. Each act requires that 75% of that money must be used to enhance enforcement of the criminal laws, while 25% must be used to implement the William Van Regenmorter Crime Victim's Rights Act.

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<sup>1</sup> Public Acts 7, 8, and 9 of 2019, <http://legislature.mi.gov/doc.aspx?2019-SB-0002>.

Under the bills, the remaining balance would be distributed specifically to the treasurer of the substantially involved unit or units of government. The 75% apportionment would have to be used to enhance enforcement of the criminal laws as appropriated by the entity with budgetary authority over the unit or units of government. If the county were the unit or one of the units of government substantially involved in effecting the forfeiture, no more than 30% of the remaining balance (or, in the alternative, an amount not exceeding an hourly rate agreed to by the seizing agency and the appropriate prosecutor) could be directed to the prosecuting attorney for the county. The 25% apportionment currently in the law would not be changed.

MCL 600.4708 (HB 4240)

MCL 257.625n (HB 4241)

***ARGUMENTS:***

***For:***

Supporters argue that the bills would provide needed clarification to ensure that revenues resulting from the sale of forfeited assets are properly distributed to the appropriate entities and to prevent them from being misdirected.

***Against:***

No arguments opposing the bills were presented during committee testimony.

***POSITIONS:***

The Prosecuting Attorneys Association of Michigan indicated support for the bills. (5-18-21)

The Michigan State Police indicated a neutral position on the bills. (5-18-21)

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.