

## FORFEITED FUNDS

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**House Bill 5490**

**Sponsor: Rep. David Law**

**Committee: Judiciary**

**Complete to 1-31-06**

## A SUMMARY OF HOUSE BILL 5490 AS INTRODUCED 12-8-05

The bill would amend the Revised Judicature Act (MCL 600.4703 et al.) to allow money subject to forfeiture and allowed to be seized under a court order to be deposited into an interest-bearing account in a financial institution. "Financial institution" would include a bank, savings and loan association, savings bank, or credit union whose deposits are federally insured and that maintain a principal office or branch office located within Michigan under the laws of this state or the United States.

An attorney for a person charged with a crime who had money seized under a court order could be afforded a period of 60 days within which to examine the money. The 60-day period would begin to run after the person had been notified of the seizure but before the money was deposited into a financial institution. (The act requires the seizing agency, or, in the case of real property, the attorney general, the prosecuting attorney, or the city or township attorney, to give notice of the seizure of property and the intent to forfeit and dispose of the property to certain persons. The notice must be given within seven days after the personal property had been seized. )

The bill would also require any interest earned on money deposited in a financial institution under the bill's provisions to be returned to the person if the attorney general, prosecuting attorney, or city or township attorney failed to sustain the required burden of proof that probable cause to believe the property was subject to forfeiture existed or that the property had been properly seized. Similarly, when the property is forfeited, the unit of government that seized the property could dispose of the money and any interest earned from depositing it according to the list of priorities contained in the act.

## FISCAL IMPACT:

By allowing seizing agencies to deposit seized money in interest-bearing accounts, and to dispose of that interest under the forfeiture law, the bill could increase revenues for the state and local units of government.

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