

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION  
SFN 2053 (2/85) 5M



ROLL NUMBER
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DESCRIPTION

1064

2007 HOUSE TRANSPORTATION

HB 1064

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1064

House Transportation Committee

Check here for Conference Committee

Hearing Date: 01-12-2007

Recorder Job Number: 1009

Committee Clerk Signature

*Lisa M Thomas*

Minutes:

**Chairman Weisz opened the hearing on HB 1064. All Representatives were present.**

**HB 1064 is a bill relating to creation of the highway patrol assets forfeiture.**

**Colonel Bryan Klipfel** spoke in support of the bill. See written testimony.

**Rep. Ruby:** Do you have any idea how much money the state has missed out on receiving?

**Col. Klipfel:** I don't think we have any money yet. Except for the one case that I mentioned in testimony. The one point six million that was ceased, they will not return the money to this state until they are assured it will not go into the general fund. We have to use that money for those specific reasons. We have put a lot of training time into our troopers and we put a lot of emphasis on our canines and we have worked hard on our normal traffic stop, if we see something suspicious we will go beyond the stop. I think it's just a matter of time seeing the number of stops we make and the arrests we've made so far that we will be getting more dollars. Now to say exactly how much, I have no idea.

**Rep. Ruby:** Your dollars that you have retained has come from the general fund, so in a way, indirectly, we captured a lot of that which came from the general fund. Do you ever get in situations where once a repeat DUI offender has hit the level for felony, has his assets been taken?

**Col. Klipfel:** In my recollection of thirty years, that has never happened and I don't foresee that happening.

**Rep. Ruby:** The amount that you receive from the general fund, how much has been spent on training?

**Col. Klipfel:** The last legislative session, the legislature appropriated four hundred thousand dollars for law enforcement training in the state and that money was from the general fund. According to our budget for training law enforcement around the state, we could use it for equipment or as an over time pay. Right now we are looking at in car video systems for our squad cars. We want digital in car video. One system costs about six thousand dollars. It doesn't take long until you are up to that nine hundred thousand dollar mark. I see this asset forfeiture as a way that can help us in that area. We may get nothing, but if we do get something, we need a mechanism to utilize it.

**Rep. Dosch:** Are the drugs themselves considered assets?

**Col. Klipfel:** No. We can't resell them.

**Rep. Vigesaa:** When there is a seizure involving a crime that took place out of state, do you have to share the assets with the other state?

**Col. Klipfel:** Normally, what happens is it goes to the federal level because the DEA has the authority from state to state. They will seize the assets and then they will divide the assets up accordingly.

**Rep. Gruchalla:** Do you think having a bigger state would allow for a higher percentage?

**Col. Klipfel:** That is a possibility.

**There were no further questions for Col. Klipfel.**

**There was no other testimony in support or opposition.**

**Chairman Weisz closed the hearing. No action was taken at this time.**

# 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No HB 1064

House Transportation Committee

Check here for Conference Committee

Hearing Date: 01-18-2007

Recorder Job Number: 1411

Committee Clerk Signature

*Rita M Thomas*

Minutes:

**Chairman Weisz allowed for committee discussion on HB 1064. All Representatives were present. HB 1064 relates to the creation of the highway patrol assets forfeiture fund.**

**Chairman Weisz:** I visited with the highway patrol and appropriations on it. They have some concerns that it appears to be a general fund appropriation. I did talk to Col. Klipfel who suggested an amendment which I will offer to the committee. See attached.

The intent would be to tighten it up that all the funds would have to do with interdiction.

**Rep. Kelsch:** Should it say "FOR HIGHWAY PATROL EMPLOYEE TRAINING" ?

Because then it would flow with the first statement.

**Rep. Thorpe moved the amendment. Rep. Kelsch seconded.**

**Rep. Gruchalla:** I was just wondering if he didn't mean for ALL law enforcement training, because sometimes they do joint training.

**Chairman Weisz:** I can't speak to his intent.

**Rep. Owens:** Where does the money go now?

**Chairman Weisz:** I believe it goes into the general fund.

**Chairman Weisz took a voice vote on the amendment. All per in favor.**

**Rep. Dosch moved a DO PASS AS AMENDED and rereferr to appropriations.**

**Rep. Delmore seconded. Roll Call Vote: 13 yes. 0 no. 0 absent.**

**Carrier: Rep. Owens.**

**FISCAL NOTE**  
 Requested by Legislative Council  
 12/27/2006

Bill/Resolution No.: HB 1064

**1A. State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Appropriations</b>	\$0	\$0	\$0	\$0	\$0	\$0

**1B. County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**2A. Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill creates a Highway Patrol assets forfeiture fund. Funds deposited into this fund are contingent on forfeiture of assets through court proceedings. Use of the funds are restricted by this legislation.

**B. Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Fiscal impact is limited to asset forfeitures up to \$300,000 being deposited into this fund instead of the general fund. There is no assurance that there will be asset forfeitures in any given year/biennium.

**3. State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

**A. Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

N/A

**B. Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

N/A

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

N/A

<b>Name:</b>	Colonel Bryan Klipfel	<b>Agency:</b>	Highway Patrol
<b>Phone Number:</b>	328-2455	<b>Date Prepared:</b>	12/28/2006

**House Amendments to HB 1064 (78106.0101) - Transportation Committee 01/19/2007**

Page 1, line 18, replace "and to conduct training for other law" with "in the area of criminal interdiction"

Page 1, line 19, remove "enforcement"

Renumber accordingly

Date: 1-18-07  
 Roll Call Vote #: HB 1064

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. \_\_\_\_\_

House Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do pass as amended & re-referred to app.

Motion Made By Rep. Dosch Seconded By Rep. Delmore

Representatives	Yes	No	Representatives	Yes	No
Chairman Weisz	✓		Rep. Delmore	✓	
Vice Chairman Ruby	✓		Rep. Gruchalla	✓	
Rep. Dosch	✓		Rep. Myxter	✓	
Rep. Kelsch	✓		Rep. Schmidt	✓	
Rep. Owens	✓		Rep. Thorpe	✓	
Rep. Price	✓				
Rep. Sukut	✓				
Rep. Vigesaa	✓				

Total Yes 13 No 0

Absent 0

Floor Assignment Rep. Owens

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**HB 1064: Transportation Committee (Rep. Weisz, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1064 was placed on the Sixth order on the calendar.

Page 1, line 18, replace "and to conduct training for other law" with "in the area of criminal interdiction"

Page 1, line 19, remove "enforcement"

Renumber accordingly

2007 HOUSE APPROPRIATIONS

HB 1064

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1064

House Appropriations Committee

Check here for Conference Committee

Hearing Date: January 29, 2007

Recorder Job Number: 2201

Committee Clerk Signature



Minutes:

**Chm. Svedjan** opened the hearing on HB 1064.

**Rep. Robin Weisz**, Transportation Committee, testified in support of HB 1064. Rep. Weisz explained that HB 1064 sets up an asset forfeiture fund. Currently, money acquired goes into the general fund. Issues have been raised when the feds come in and deal with a forfeiture. There are questions as to whether or not the highway patrol can actually receive money received as a result of a federal enforcement.

**Rep. Weisz** explained that HB 1064 sets up the forfeiture fund and spells out three things the money can be used for.

**Chm. Svedjan:** So this establishes a continuing appropriation?

**Rep. Weisz:** Yes and No. Yes because once it's set up it's ongoing, but there's no guarantee that there would be any money going to the fund.

**Chm. Svedjan:** Let's assume for the moment that there is. Would they be able to expend those funds during the course of a biennium? Or would they be made available and appropriated in the ensuing biennium?

**Rep. Weisz:** They would be able to use them in the current biennium and the ensuing biennium.

**Chm. Svedjan:** Would you explain Section 1, subsection 1? Are those salaries for extra duty or used to adjust all highway patrol salary?

**Rep. Weisz:** This would be mostly for overtime specifically for interdiction programs.

**Rep. Williams:** Approximately how much revenue would they pick up each year?

**Rep. Weisz:** During 2003-05 biennium, the patrol received \$90, 672. Some bienniums there is no money.

**Rep. Williams:** How many busts contributed to that \$90, 000?

**Rep. Weisz:** There were several busts. I think the number will increase, but there is no guarantee.

**Chm. Svedjan:** This fund is capped at \$300,000. Does the money over and above the \$300,000 go into the general fund?

**Rep. Weisz:** That's correct.

**Chm. Svedjan:** In the case of federal funds, if we don't do this, are we not eligible for the funds? Can they not flow into the general fund?

**Rep. Weisz:** That's not clear. Maybe in some cases we could receive those funds, but this clears up that question.

**Rep. Gulleason:** You said BCI would distribute seized assets to a number of agencies, this being one. Are there any other state agencies that receive some of this and how do they manage these funds? (Ref. 12:50)

**Rep. Weisz:** I cannot speak for any other agencies. This is an agreement the highway patrol has made. They will allocate 20 percent to the local state's attorney, 20 percent to BCI and the highway patrol retains 60 percent.

**Rep. Skarphol:** On whose authority did the highway patrol decide how the money would be distributed?

**Rep. Weisz:** You will have to ask the Highway Patrol.

**Rep. Carlisle:** Are you any part of HB 1330?

**Col. Bryan Klipfel, Superintendent, North Dakota Highway Patrol:** I don't think we are.

**Rep. Skarphol:** On whose authority was the 20/20/60 percent distribution decided?

**Col. Klipfel:** I don't think there is a law that gives us that authority. We have memo of understanding with the agencies that help us.

**Rep. Carlson:** Re: the list of three things this money can be used for – those appear to be items that would appear in your normal budget, and now we seem to be enhancing those. We had no knowledge of this being an additional \$300,000 into your budget. I find it hard to budget on this kind of basis. We assume some of those things you were doing already with the budget we had given you. What's your response? (Ref. 18:10)

**Col. Klipfel:** There could be years or bienniums where there are zero dollars in there. For the years that there may be some asset forfeiture, it needs to be used under certain federal guidelines. It cannot be used to supplant items the legislature normally would approve. Col. Klipfel gave the example of canine dogs.

**Rep. Carlson:** That's my point. You can't rely on money that may or may not have money in it. This appears to be a pool of money off to the side that if we have it we'll spend a little more, and if we don't, we won't.

**Rep. Kempenich:** Would you object to us adding this to your budget?

**Col. Klipfel:** The other option is to get the assets and ask the emergency commission if we can spend it.

**Chm. Svedjan:** Keep in mind that the emergency commission requests all go to the budget section if they exceed a certain sum of money.

**Rep. Nelson:** I assume you had a request in the Governor's budget that didn't get fully funded? Is it your intention that this would replace the requests that weren't granted?

**Col. Klipfel:** We're not going to use the funding for anything ongoing. Anything we would purchase with asset forfeiture dollars or the overtime would be a one-time expense.

Rep. Nelson: Was your training program in your budget request?

**Col. Klipfel:** In a way, yes.

**Rep. Aarsvold:** So many rural apprehensions are joint efforts. Are they eligible for any of these funds?

**Col. Klipfel:** The funds are just for highway patrol stops. If a sheriff or game and fish assists someone else, we don't expect any part of it.

**Rep. Skarphol:** Line 17 – It appears you could pay one employee's salary with these funds and use the dollars you would have paid that individual for something else. Is that a correct assumption? (Ref. 26:54)

**Col. Klipfel:** The intent is for the overtime.

**Rep. Skarphol:** I understand that, but it doesn't say that.

**Rep. Williams:** You've had access to these funds in the past, right?

**Col. Klipfel:** That's one of the reasons we are setting this up. We haven't had this type of fund before.

**Allen Knudsen, Legislative Council:** In response to Rep. Gulleeson's question regarding BCI, they do have an assets forfeiture fund with a continuing appropriation. There's has a cap of \$200,000. And Rep. Skarphol's suggestion about overtime, they have six different items they can use the funds for, one of which is to pay overtime (Ref. 28:56).

**Chm. Svedjan:** This is largely a function of the federal government coming in telling us how to conduct our affairs. They're outlining that when they're involved, their share has to be used a

certain way. What you and other are saying is that if we don't establish this fund, we could sacrifice the receipt of those funds, or to the extent that they could go into the general fund that's not satisfactory to the feds because if it goes in the general fund it could be used for a myriad of things which are outside the fed's parameters. Am I correct in that summarization?

**Col. Klipfel:** You are pretty much correct. With the federal seizures, we have some guidelines from OMB that allows us to use our federal spending authority. But we would rather put it in this fund so we can see where the money has gone.

**Rep. Skarphol:** What's happened with any seizure monies you've received before? Straight to the general fund?

**Col. Klipfel:** That is correct.

**Rep. Skarphol:** I would ask that you hold this so we get a chance to look at what the criteria are in BCI and it may be appropriate to make some adjustments to what the criteria are here.

**Chm. Svedjan:** I can do that. If you are contemplating any amendments, get them drafted.

**Chm. Svedjan** closed the hearing on HB 1064.

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1064

House Appropriations Committee

Check here for Conference Committee

Hearing Date: February 1, 2007

Recorder Job Number: 2655

Committee Clerk Signature



Minutes:

**Chm. Svedjan** opened the hearing on HB 1064.

**Rep. Skarphol** distributed amendment .0201 (Attachment A).

**Rep. Skarphol moved to adopt amendment .0201. Rep. Carlisle seconded the motion.**

**Rep. Skarphol** briefly described the amendment. This amendment provides more appropriate criteria for the use of the monies than those presented in the bill.

**Rep. Glassheim:** What is 19-03.1-36?

**Rep. Skarphol:** I was depending on Legislative Council to explain that and they're not here.

Rep. Kempenich: It's a section where BCI has their forfeiture language spelled out.

**The motion to adopt amendment .0201 carried by a voice vote.**

**Rep. Skarphol moved HB 1064 as amended. Rep. Carlisle seconded the motion. The motion carried by a roll call vote of 22 ayes, 1 nay and 1 absent and not voting. Rep. Skarphol was designated to carry the bill.**

**House Amendments to Engrossed HB 1064 (78106.0201) - Transportation Committee  
02/02/2007**

Page 1, replace lines 17 through 19 with:

- "1. For paying expenses necessary to inventory, safeguard, maintain, advertise, or sell property seized, detained, or forfeited, pursuant to section 19-03.1-36, or of any other necessary expenses incident to the seizure, detention, or forfeiture of the property.
2. For paying overtime compensation incurred as a result of investigations or violations of any state criminal law or law relating to the control of drug abuse.
3. For purchasing equipment related to criminal interdiction.
4. For paying matching funds required as a condition for receipt of funds from a federal government program awarding monetary grants or assistance for the investigation or apprehension of persons violating the provisions of chapter 19-03.1."

Renumber accordingly

Date: 2/1/07  
 Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 10164

House Appropriations Full Committee

Check here for Conference Committee

Legislative Council Amendment Number 78106-0201

Action Taken Adopt amendment .0201

Motion Made By Skarphol Seconded By Carlisle

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Representative Wald			Representative Aarsvoid		
Representative Monson			Representative Gulleason		
Representative Hawken					
Representative Klein					
Representative Martinson					
Representative Carlson			Representative Glassheim		
Representative Carlisle			Representative Kroeber		
Representative Skarphol			Representative Williams		
Representative Thoreson					
Representative Pollert			Representative Ekstrom		
Representative Bellew			Representative Kerzman		
Representative Kreidt			Representative Metcalf		
Representative Nelson					
Representative Wieland					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

*Carries by Voice Vote*

Date: 2/1/07  
 Roll Call Vote #: (2)

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1064

House Appropriations Full Committee

Check here for Conference Committee

Legislative Council Amendment Number 78106.0201

Action Taken No Pass as amended

Motion Made By Skarphol Seconded By Carlisle

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Representative Wald	✓		Representative Aarsvold	✓	
Representative Monson	✓		Representative Gulleon	✓	
Representative Hawken	✓				
Representative Klein	✓				
Representative Martinson	✓				
Representative Carlson	✓		Representative Glassheim	✓	
Representative Carlisle	✓		Representative Kroeber	✓	
Representative Skarphol	✓		Representative Williams	✓	
Representative Thoreson	✓				
Representative Pollert	✓		Representative Ekstrom	✓	
Representative Bellew		✓	Representative Kerzman	✓	
Representative Kreidt	✓		Representative Metcalf	<del>✓</del>	
Representative Nelson	✓				
Representative Wieland	✓				

Total (Yes) 22 No 1

Absent 1

Floor Assignment Skarphol

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1064, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (22 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). Engrossed HB 1064 was placed on the Sixth order on the calendar.

Page 1, replace lines 17 through 19 with:

- "1. For paying expenses necessary to inventory, safeguard, maintain, advertise, or sell property seized, detained, or forfeited, pursuant to section 19-03.1-36, or of any other necessary expenses incident to the seizure, detention, or forfeiture of the property.
2. For paying overtime compensation incurred as a result of investigations or violations of any state criminal law or law relating to the control of drug abuse.
3. For purchasing equipment related to criminal interdiction.
4. For paying matching funds required as a condition for receipt of funds from a federal government program awarding monetary grants or assistance for the investigation or apprehension of persons violating the provisions of chapter 19-03.1."

Renumber accordingly

2007 SENATE TRANSPORTATION

HB 1064

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. Reengrossed HB 1064

Senate Transportation Committee

Check here for Conference Committee

Hearing Date: February 22, 2007

Recorder Job Number: 3663

Committee Clerk Signature

*Jody Hauge*

Minutes:

**Senator Gary Lee** opened the hearing on Reengrossed HB 1064 relating to creation of the highway patrol assets forfeiture fund; and to provide a continuing appropriation.

**Colonel Bryan Klipfel**, Superintendent of the North Dakota Highway Patrol spoke in support of HB 1064. This bill would allow the Highway Patrol to retain some asset forfeiture proceeds and utilize them for assisting the department with further criminal interdiction related expenses.

Written testimony is enclosed.

**Senator Fiebiger** said in line 13 "the Total amount of deposits into the fund may not exceed three hundred thousand dollars," he asked where this amount came from.

**Col. Klipfel** said that they just picked that number and they thought it was a fair amount.

**Senator Bakke** asked what they did with the drugs after seizures.

**Col. Klipfel** replied that they are destroyed after the court hearing.

**Senator Nething** said on page 2, line 4 he mention chapter 19-03.1 and asked what that was.

**Col. Klipfel** said that it is a part of the Century Code that deals with forfeitures. It describes what can be forfeited and what it can be used for. The four items on the current bill are based on chapter 19.

**Senator Fieber** asked about line 9 and if there is a process on how things would be sold.

**Col. Klipfel** said that it would be handled based on the MOU between Highway Patrol and BCI Asset Forfeiture Account. The first 20 percent will go to the BCI and the BCI will take care of the storage and selling of the seized vehicle. He said they may have some expense for towing or small expenses but overall the BCI will take care of this.

**Senator Fiebiger** said in line 15, it list four areas they can use money in. He asked if these were in any order of priority.

**Col. Klipfel** said that their initial priorities were for overtime and equipment and training (the House Appropriations took out the training). He stated that overtime and equipment would be their main priorities.

**Senator Fiebiger** said but the bill doesn't priorities them.

**Col. Klipfel** answered that he was correct.

**Senator Potter** said there are two issues: State seizures and Federal seizures. He said that the way he understands it they can't keep any Federal money that they seize. He asked what happens to that money.

**Col. Klipfel** said they probably could use the Federal money from the Federal seizers along with our Federal spending authority. He thinks it would be better to have a fund where the money would go in the funds and it would be better tracked.

**Senator Potter** said currently in these State seizures the money goes into the General Fund and this bill would allow for up to three hundred thousand dollars in a fund to be used for expense and overtime.

**Senator Bakke** asked if there were other funds available for training. Or do we need to ask for training to be amended back into the bill.

**Col. Klipfel** said that there is other money out there that can be used and the Legislature last session appropriated four hundred thousand dollars for law enforcement training. He added that training is very expensive and gave two examples.

**Senator Lee** asked what they considered overtime because his understanding of overtime is the additional hours that officer would put in. He wanted to clarify that it would not be used for additional staff?

**Col. Klipfel** said just overtime.

There was no further testimony and Senator Lee closed the hearing on HB 1064.

**Senator Bakke** wondered why they took the training out. After some discussion it was decided not to amend the bill.

**Senator Nething** moved for a Do Pass.

**Senator Bakke** seconded the motion.

The clerk took the roll 5-0-1.

**Senator Potter** will carry Reengrossed HB 1064



**REPORT OF STANDING COMMITTEE**

**HB 1064, as reengrossed: Transportation Committee (Sen. G. Lee, Chairman)**  
recommends **DO PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).  
Reengrossed HB 1064 was placed on the Fourteenth order on the calendar.

2007 TESTIMONY

HB 1064

House Bill 1064

Submitted by

Colonel Bryan Klipfel, Superintendent, NDHP

January 12, 2007

Good morning, Mr. Chairman and members of the House Transportation Committee. My name is Bryan Klipfel and I am Superintendent of the North Dakota Highway Patrol.

The Highway Patrol is becoming increasingly involved with investigations concerning illegal drugs and other criminal activity. During such investigations, assets and currency are sometimes seized if they were obtained as a result of criminal activity or were used in the commission of a crime. The court system decides whether or not the assets and/or currency will be forfeited.

Criminal arrests by state troopers for drug related offenses continue to increase from 670 in 2004, to 817 in 2005, and 850 in 2006. The department's eight troopers equipped with drug sniffing and tracking canines is one reason for the increased enforcement in this area. Approximately 260 searches were conducted by our canine teams during 2006. One search involved locating a murder suspect and 100 grams of crack cocaine.

Asset forfeiture filings involving the Highway Patrol are currently processed with the assistance of the North Dakota Bureau of Criminal Investigation. If the court awards the forfeited proceeds, BCI receives and deposits them in the BCI Asset Forfeiture Account. Based on an MOU between Highway Patrol and BCI, checks are distributed as follows: 20 percent to the respective State's Attorney's Office, 20 percent retained by BCI, 60 percent to Highway Patrol. The check to Highway Patrol is then deposited in the general fund as required by current law.

Regarding asset forfeiture in federal cases, federal law requires funds seized under asset forfeiture provisions to be used for specific law enforcement purposes. Therefore, passing the funds through to the state's general fund is not acceptable for participation in federal cases.

HB1064 would allow the Highway Patrol to retain some asset forfeiture proceeds and utilize them for assisting the department with further criminal interdiction related expenses:

1. For employee salaries incurred with criminal interdiction programs.
2. For employee training and for conducting training for other law enforcement.
3. For criminal interdiction related equipment costs such as equipping patrol vehicles with updated canine and communications equipment.

During the 2003-05 biennium, the Highway Patrol received \$90,672 in asset forfeiture proceeds and \$42,264 so far in 2005-07. With the increasing activity being uncovered during routine traffic stops, more use of state and federal asset forfeiture laws is anticipated. When assisting local agencies, the Highway Patrol does not share in any asset forfeiture proceeds.

Thank you, Mr. Chairman. I would be happy to answer any questions you have at this time.

House Bill 1064

Submitted by

Colonel Bryan Klipfel, Superintendent, NDHP

February 22, 2007

Good morning, Mr. Chairman and members of the Senate Transportation Committee. My name is Bryan Klipfel and I am Superintendent of the North Dakota Highway Patrol.

The Highway Patrol is becoming increasingly involved with investigations concerning illegal drugs and other criminal activity. During such investigations, assets and currency are sometimes seized if they were obtained as a result of criminal activity or were used in the commission of a crime. The court system decides whether or not the assets and/or currency will be forfeited.

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Regarding asset forfeiture in federal cases, federal law requires funds seized under asset forfeiture provisions to be used for specific law enforcement purposes. Therefore, passing the funds through to the state's general fund is not acceptable for participation in federal cases.

HB1064 would allow the Highway Patrol to retain some asset forfeiture proceeds and utilize them for assisting the department with further criminal interdiction related expenses:

1. For paying expenses related to seizures.
2. For paying overtime compensation.
3. For purchasing equipment related to criminal interdiction.
4. For paying matching funds related to grant programs.

During the 2003-05 biennium, the Highway Patrol received \$90,672 in asset forfeiture proceeds and \$42,264 so far in 2005-07. With the increasing activity being uncovered during routine traffic stops, more use of state and federal asset forfeiture laws is anticipated. When assisting local agencies, the Highway Patrol does not share in any asset forfeiture proceeds.

Thank you, Mr. Chairman. I would be happy to answer any questions you have at this time.