

**FIRST ENGROSSMENT  
with Senate Amendments  
ENGROSSED HOUSE BILL NO. 1286**

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, and 19-03.1-36.7 of the North Dakota Century  
4 Code, relating to forfeiture proceedings, contested forfeiture hearings, legal interests in forfeited  
5 property, and forfeitures.

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

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

9 **19-03.1-36.2. Forfeiture proceeding as civil action - Standard of proof.**

- 10 1. Forfeiture proceedings are civil actions against the property to be forfeited and the  
11 standard of proof is a preponderance of the evidence clear and convincing evidence.  
12 2. Forfeiture proceedings are separate and distinct from any related criminal action, and  
13 may not be initiated until the owner of the property has been convicted of or pled guilty  
14 to a criminal offense, or the individual has died, fled the jurisdiction, been deported by  
15 the United States government, been granted immunity or a reduced sentence in  
16 exchange for testifying or assisting a law enforcement investigation or prosecution,  
17 has abandoned the property, or it can be established beyond a reasonable doubt the  
18 property was used in the commission of a crime or constituted the proceeds of criminal  
19 activity. As used in this subsection, "abandoned the property" or "fled the jurisdiction"  
20 means for a period of more than one year, the owner has not responded to any of the  
21 reasonable efforts made by the seizing agency to contact the owner or has not  
22 contacted the seizing agency.

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

1       **19-03.1-36.6. Hearing on contested forfeiture - Order releasing or forfeiting property.**

2       1. If an answer is filed within the time limits in this chapter, the forfeiture proceedings  
3       must be set for hearing before the court. At the hearing, the state shall establish  
4       ~~probable cause~~ a valid seizure of the property to be forfeited, and ~~for instituting the~~  
5       ~~forfeiture action following which~~ the forfeited property meets the requirements of  
6       subsection 2 of section 19-03.1-36.2. Following the state's case, any owner or person  
7       with a legal interest in the property to be forfeited who has filed an answer to the  
8       complaint has the burden of proving that the property to be forfeited is not subject to  
9       forfeiture under this chapter. If the court finds that the property is not subject to  
10      forfeiture under this chapter, the court shall order the property released to the owner or  
11      other person with a legal interest in the property as that person's right, title, or interest  
12      appears. The court shall order the property forfeited if it determines that such property  
13      or an interest therein is subject to forfeiture.

14      2. A court ordering property forfeited under subsection 1 may order only the forfeited  
15      property or proceeds from the sale of forfeited property to be deposited with a political  
16      subdivision if the political subdivision has created a civil asset forfeiture fund. If the  
17      political subdivision does not have a civil asset forfeiture fund, any forfeited property  
18      and proceeds from the sale of forfeited property must be deposited in the attorney  
19      general's asset forfeiture fund.

20      3. This section does not prohibit the state and a political subdivision from entering an  
21      agreement to divide forfeited property and the proceeds from the sale of forfeited  
22      property.

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

25      **19-03.1-36.7. Legal interest in property.**

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

- 1       2. Upon a determination by the court that property is subject to forfeiture, the owner of  
2       the property to be forfeited or any other person with a legal interest in the property  
3       may petition the court to determine whether the forfeiture is unconstitutionally  
4       excessive.
- 5       a. A vehicle valued at less than two thousand dollars may not be forfeited unless the  
6       court finds the vehicle has been modified to conceal contraband or currency.
- 7       b. Real property constituting a homestead may not be forfeited.
- 8       c. In determining whether a forfeiture is excessive, the court shall determine the fair  
9       market value of the property, the extent to which the owner or person participated  
10      in the offense, the extent to which the property was used or received in  
11      committing the offense, and the possible penalty that could be imposed for the  
12      alleged or committed offense subject to forfeiture.
- 13      d. The court may not consider the value of the property to the state in determining  
14      whether the forfeiture is unconstitutionally excessive.

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

17       **19-03.1-36.8. Reporting.**

- 18      1. As used in this section, "law enforcement agency" means a nonfederal public agency  
19      authorized by law or by a government agency or branch to enforce the law and to  
20      conduct or engage in investigations or prosecutions for violations of law, including the  
21      authority to conduct or engage in seizure and forfeiture.
- 22      2. Annually, each law enforcement agency shall compile the following information  
23      regarding seizures and forfeitures pending or completed by the agency under this  
24      chapter:
- 25      a. The types of property and dollar amount of the forfeited property;  
26      b. The jurisdiction that received the property; and  
27      c. The total number of seizures of currency.
- 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.