

SENATE BILL No. 264

March 6, 2003, Introduced by Senators LELAND, SCHAUER, BERNERO, EMERSON, CHERRY, JACOBS, CLARK-COLEMAN, THOMAS, PATTERSON, CASSIS, GARCIA, TOY, GOSCHKA, CLARKE, OLSHOVE and BRATER and referred to the Committee on Judiciary.

A bill to amend 1931 PA 328, entitled
"The Michigan penal code,"
by amending sections 159n and 535a (MCL 750.159n and 750.535a),
section 159n as added by 1995 PA 187 and section 535a as amended
by 1999 PA 185.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 159n. (1) A civil in rem forfeiture proceeding under
2 this chapter is a proceeding against property subject to
3 forfeiture under section 159m instituted by the filing of a
4 petition by the prosecuting agency.

5 (2) Personal or intangible property subject to civil in rem
6 forfeiture under section 159m may be seized pursuant to an order
7 of seizure issued by the court having jurisdiction over the
8 property.

9 (3) Upon an ex parte application by the prosecuting agency,

1 before or after the initiation of a civil in rem forfeiture
2 proceeding, the court may determine ex parte whether there is
3 probable cause to believe that personal or intangible property is
4 subject to civil in rem forfeiture under section 159m and that
5 notice to those persons having or claiming an interest in the
6 property before seizure would cause the loss or destruction of
7 the property. In making this determination, the court shall, as
8 a matter of law, make a determination that the property
9 constituted an interest in, means of control over, or influence
10 over an enterprise involved in a violation of section 159i. If
11 the court finds that probable cause does not exist to believe the
12 property is subject to forfeiture under this act, the court shall
13 dismiss the plaintiff prosecuting agency's application and, if a
14 civil in rem forfeiture proceeding has been initiated, shall
15 dismiss the petition. If the court finds that probable cause
16 does exist to believe the property is subject to forfeiture but
17 there is not probable cause to believe that prior notice would
18 result in loss or destruction of the property, the court shall
19 order service on all persons known to have or claim an interest
20 in the property before a further hearing on whether an order of
21 seizure should issue. If the court finds that there is probable
22 cause to believe that the property is subject to forfeiture and
23 to believe that prior notice would cause loss or destruction of
24 the property, the court shall issue an order of seizure directing
25 the sheriff or other law enforcement officer in the county where
26 the property is found to seize it.

27 (4) Personal or intangible property subject to civil in rem

1 forfeiture under this chapter may be seized without process under
2 any of the following circumstances:

3 (a) The seizure is incident to a lawful arrest.

4 (b) The seizure is pursuant to a valid search warrant.

5 (c) The seizure is pursuant to an inspection under a valid
6 administrative inspection warrant.

7 (d) There is probable cause to believe that the property is
8 directly or indirectly dangerous to health or safety.

9 (e) Exigent circumstances exist that preclude the obtaining
10 of a court order, and there is probable cause to believe that the
11 property is subject to civil in rem forfeiture under section
12 159m.

13 (f) The property is the subject of a prior judgment in favor
14 of this state in a forfeiture proceeding.

15 (5) The prosecuting agency may apply ex parte for an order
16 authorizing the filing of a lien notice against real property
17 subject to civil in rem forfeiture under section 159m. The
18 application shall be supported by a sworn affidavit setting forth
19 probable cause for a civil in rem forfeiture action pursuant to
20 sections 159m to 159q. An order authorizing the filing of a lien
21 notice may be issued upon a showing of probable cause to believe
22 that the property is subject to civil in rem forfeiture under
23 section 159m.

24 (6) Real property shall not be seized without notice and a
25 hearing.

26 (7) Property that belongs to the victim of a crime shall
27 promptly be returned to the victim, except in the following

1 circumstances:

2 (a) The property is contraband.

3 (b) If the ownership of the property is disputed, until the
4 dispute is resolved.

5 (c) The property is required to be retained as evidence
6 pursuant to section 4(4) of the crime victim's rights act, ~~Act~~
7 ~~No. 87 of the Public Acts of 1985, being section 780.754 of the~~
8 ~~Michigan Compiled Laws~~ **1985 PA 87, MCL 780.754.**

9 (8) Personal or intangible property seized under this section
10 is not subject to any other action to recover personal property,
11 but is considered to be in the custody of the seizing agency
12 subject only to this chapter, or to an order and judgment of the
13 court having jurisdiction over the civil in rem forfeiture
14 proceedings. When property is seized under this section, the
15 seizing agency may do 1 or more of the following:

16 (a) Place the property under seal.

17 (b) Remove the property to a place designated by the court.

18 **(9) Section 2974 of the revised judicature act of 1961, 1961**
19 **PA 236, MCL 600.2974, applies to a motor vehicle that has been**
20 **seized under this section but not finally forfeited.**

21 Sec. 535a. (1) As used in this section:

22 (a) "Bona fide purchaser for value" means a person who
23 purchases property for value in good faith and without notice of
24 any adverse claim to the property.

25 (b) "Chop shop" means any of the following:

26 (i) Any area, building, storage lot, field, or other premises
27 or place where 1 or more persons are engaged or have engaged in

1 altering, dismantling, reassembling, or in any way concealing or
2 disguising the identity of a stolen motor vehicle or of any major
3 component part of a stolen motor vehicle.

4 (ii) Any area, building, storage lot, field, or other
5 premises or place where there are 3 or more stolen motor vehicles
6 present or where there are major component parts from 3 or more
7 stolen motor vehicles present.

8 (c) "Major component part" means 1 of the following parts of
9 a motor vehicle:

10 (i) The engine.

11 (ii) The transmission.

12 (iii) The right or left front fender.

13 (iv) The hood.

14 (v) A door allowing entrance to or egress from the passenger
15 compartment of the vehicle.

16 (vi) The front or rear bumper.

17 (vii) The right or left rear quarter panel.

18 (viii) The deck lid, tailgate, or hatchback.

19 (ix) The trunk floor pan.

20 (x) The cargo box of a pickup.

21 (xi) The frame, or if the vehicle has a unitized body, the
22 supporting structure or structures that serve as the frame.

23 (xii) The cab of a truck.

24 (xiii) The body of a passenger vehicle.

25 (xiv) An airbag or airbag assembly.

26 (xv) A wheel or tire.

27 (xvi) Any other part of a motor vehicle that the secretary of

1 state determines is comparable in design or function to any of
2 the parts listed in subparagraphs (i) to (xv).

3 (d) "Motor vehicle" means either of the following:

4 (i) A device in, upon, or by which a person or property is or
5 may be transported or drawn upon a highway that is self-propelled
6 or that may be connected to and towed by a self-propelled
7 device.

8 (ii) A land-based device that is self-propelled but not
9 designed for use upon a highway, including, but not limited to,
10 farm machinery, a bulldozer, or a steam shovel.

11 (2) Except as provided in subsection (3), a person who
12 knowingly owns, operates, or conducts a chop shop or who
13 knowingly aids and abets another person in owning, operating, or
14 conducting a chop shop is guilty of a felony punishable by
15 imprisonment for not more than 10 years or a fine of not more
16 than \$250,000.00, or both.

17 (3) Upon a second or subsequent conviction under this
18 section, the person convicted may be imprisoned for not more than
19 10 years and shall be fined not less than \$10,000.00 or more than
20 \$250,000.00, or both.

21 (4) In addition to any other punishment, a person convicted
22 of violating this section shall be ordered to make restitution to
23 the rightful owner of a stolen motor vehicle or of a stolen major
24 component part, or to the owner's insurer if the owner has
25 already been compensated for the loss by the insurer, for any
26 financial loss sustained as a result of the theft of the motor
27 vehicle or a major component part. Restitution shall be imposed

1 in addition to, but not instead of, any imprisonment or fine
2 imposed.

3 (5) All of the following are subject to seizure and, if a
4 person is charged with a violation or attempted violation of
5 subsection (2) and is convicted of a violation or attempted
6 violation of subsection (2) or section 415, 416, 535, or 536a,
7 subject to forfeiture:

8 (a) An engine, tool, machine, implement, device, chemical, or
9 substance used or designed for altering, dismantling,
10 reassembling, or in any other way concealing or disguising the
11 identity of a stolen motor vehicle or any major component part.

12 (b) A stolen motor vehicle or major component part found at
13 the site of a chop shop or a motor vehicle or major component
14 part for which there is probable cause to believe that it is
15 stolen.

16 (c) A wrecker, car hauler, or any other motor vehicle that is
17 used or has been used to convey or transport a stolen motor
18 vehicle or major component part.

19 (d) Any book, record, money, negotiable instrument, or other
20 personal property or real property, except real property that is
21 the primary residence of the spouse or a dependent child of the
22 owner, that is or has been used in a chop shop operation.

23 (6) Except as provided in subsection (7), property described
24 in subsection (5) may be seized by a state or local law
25 enforcement agency upon process issued by the recorder's court of
26 the city of Detroit or the district or circuit court having
27 jurisdiction over the property. Seizure without process may be

1 made in any of the following cases:

2 (a) The seizure is incident to an arrest or pursuant to a
3 search warrant or an inspection under an administrative
4 inspection warrant.

5 (b) The property subject to seizure has been the subject of a
6 prior judgment in favor of this state in a forfeiture proceeding
7 based upon this section.

8 (c) Exigent circumstances exist that preclude obtaining
9 process and there is probable cause to believe that the property
10 was used or is intended to be used in violation of this section.

11 (7) To retain property for which seizure and forfeiture are
12 sought under this section pending the forfeiture hearing, a
13 licensed used or secondhand vehicle parts dealer or the owner may
14 post a bond in the amount of 1-1/2 times the value of the
15 property. This subsection does not apply to a motor vehicle or
16 major component part that is to be used as evidence in a criminal
17 proceeding.

18 (8) If property other than real property is seized under
19 subsection (6), the seizing law enforcement agency shall do 1 or
20 more of the following, subject to subsection (9):

21 (a) Place the property under seal.

22 (b) Remove the property to a designated storage area.

23 (c) Petition the recorder's court of the city of Detroit or
24 the district or circuit court to appoint a custodian to take
25 custody of the property and to remove it to an appropriate
26 location for disposition in accordance with law.

27 (9) If property is seized without process under subsection

1 (6), within 14 days after the seizure, the seizing agency shall
2 return the property to the person from whom it was seized unless
3 a hearing has been scheduled to determine whether the seizure was
4 proper and reasonable notice of the hearing has been given.

5 (10) The rightful owner of any property that is to be
6 forfeited under subsection (5) shall be served notice at least
7 10 days before the matter is to be heard regarding the forfeiture
8 and, if the rightful owner did not know of and did not consent to
9 the commission of the crime, the property shall be returned to
10 the rightful owner. If the rightful owner of the property is not
11 known or cannot be found, notice may be served by publishing
12 notice of the forfeiture hearing not less than 10 days before the
13 date of the hearing in a newspaper of general circulation in the
14 county where the hearing is to be held. The notice shall contain
15 a general description of the property and any serial or
16 registration numbers on the property.

17 (11) A forfeiture of property encumbered by a bona fide
18 security interest is subject to the interest of the secured party
19 who did not know of or consent to the act or omission in
20 violation of this section.

21 (12) Any property seized under subsection (6) that was stolen
22 shall be returned to its rightful owner if that ownership can be
23 established to the satisfaction of the seizing law enforcement
24 agency. Any stolen property that is unclaimed after seizure may
25 be sold as provided by law.

26 **(13) Section 2974 of the revised judicature act of 1961, 1961**
27 **PA 236, MCL 600.2974, applies to a motor vehicle that has been**

1 seized under this section but not finally forfeited.

2 (14) ~~—(13)—~~ Any property forfeited under this section may be
3 sold pursuant to an order of the court. The proceeds of the sale
4 shall be distributed by the court having jurisdiction over the
5 forfeiture proceeding to the entity having budgetary authority
6 over the seizing law enforcement agency. If more than 1 law
7 enforcement agency was substantially involved in effecting the
8 forfeiture, the court having jurisdiction over the forfeiture
9 proceeding shall distribute equitably the proceeds of the sale
10 among the entities having budgetary authority over the seizing
11 law enforcement agencies. Twenty-five percent of the money
12 received by an entity under this subsection shall be used to
13 enhance law enforcement efforts pertaining to this section.

14 (15) ~~—(14)—~~ This section does not apply to a person who is a
15 bona fide purchaser for value of the motor vehicle or major
16 component parts. ~~—described in subsection (1)—~~

17 Enacting section 1. This amendatory act does not take
18 effect unless Senate Bill No. 259

19 of the 92nd Legislature is enacted into
20 law.