

HOUSE BILL No. 5685

April 25, 1990, Introduced by Rep. Griffin and referred to the Committee on Public Health.

A bill to amend section 7524 of Act No. 368 of the Public Acts of 1978, entitled as amended

"Public health code,"

as amended by Act No. 30 of the Public Acts of 1990, being section 333.7524 of the Michigan Compiled Laws; and to add part 63.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 7524 of Act No. 368 of the Public Acts
2 of 1978, as amended by Act No. 30 of the Public Acts of 1990,
3 being section 333.7524 of the Michigan Compiled Laws, is amended
4 and part 63 is added to read as follows:

PART 63

6 SEC. 6301. THE SUBSTANCE ABUSE PREVENTION AND EDUCATION
7 FUND IS CREATED AS A SEPARATE FUND IN THE STATE TREASURY. MONEY
8 IN THE FUND SHALL BE EXPENDED ONLY AS PROVIDED IN THIS ARTICLE.

1 THE STATE TREASURER SHALL CREDIT TO THE FUND ALL AMOUNTS RECEIVED
2 UNDER SECTION 7524. THE STATE TREASURER SHALL INVEST FUND MONEY
3 IN THE SAME MANNER AS SURPLUS FUNDS ARE INVESTED UNDER SECTION 3
4 OF ACT NO. 105 OF THE PUBLIC ACTS OF 1855, BEING SECTION 21.143
5 OF THE MICHIGAN COMPILED LAWS. EARNINGS FROM THE FUND SHALL BE
6 CREDITED TO THE FUND.

7 SEC. 6302. (1) A GOVERNMENTAL ENTITY OR AN ENTITY EXEMPT
8 FROM TAXATION UNDER SECTION 501(c)(3) OF THE INTERNAL REVENUE
9 CODE THAT PROVIDES SUBSTANCE ABUSE PREVENTION SERVICES OR SUB-
10 STANCE ABUSE TREATMENT AND REHABILITATION SERVICES IN THE COUNTY
11 IN WHICH PROPERTY IS FORFEITED UNDER SECTION 7524 MAY APPLY TO
12 THE OFFICE OF SUBSTANCE ABUSE SERVICES FOR 1 OR MORE GRANTS TO
13 PROVIDE SUBSTANCE ABUSE PREVENTION SERVICES OR SUBSTANCE ABUSE
14 TREATMENT AND REHABILITATION SERVICES IN THAT COUNTY. EACH
15 APPLICATION SHALL BE ON A FORM PROVIDED BY THE OFFICE OF SUB-
16 STANCE ABUSE SERVICES.

17 (2) THE OFFICE OF SUBSTANCE ABUSE SERVICES SHALL COMPILE AND
18 MAINTAIN INFORMATION REGARDING PROPERTY THAT IS FORFEITED UNDER
19 SECTION 7524 FOR USE BY GOVERNMENTAL ENTITIES AND ENTITIES EXEMPT
20 FROM TAXATION UNDER SECTION 501(c)(3) OF THE INTERNAL REVENUE
21 CODE IN MAKING GRANT APPLICATIONS UNDER SUBSECTION (1).

22 SEC. 6303. THE ADMINISTRATOR SHALL DIRECT AND AUTHORIZE THE
23 STATE TREASURER, IN WRITING, TO DISBURSE MONEY FROM THE FUND AS
24 GRANTS TO GOVERNMENTAL ENTITIES AND ENTITIES EXEMPT FROM TAXATION
25 UNDER SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE THAT PROP-
26 ERLY APPLY UNDER SECTION 6302, TO PAY FOR SUBSTANCE ABUSE
27 PREVENTION SERVICES AND SUBSTANCE ABUSE TREATMENT AND

1 REHABILITATION SERVICES IN THE COUNTY IN WHICH PROPERTY IS
2 FORFEITED UNDER SECTION 7524.

3 SEC. 6304. AN ENTITY THAT RECEIVES A DISTRIBUTION UNDER
4 SECTION 6303 SHALL USE THAT DISTRIBUTION TO ENHANCE AND INCREASE
5 SUBSTANCE ABUSE PREVENTION SERVICES AND SUBSTANCE ABUSE TREATMENT
6 AND REHABILITATION SERVICES IN THAT COUNTY, AND NOT TO SUPPLANT
7 LOCAL, FEDERAL, AND OTHER STATE FUNDS THAT ARE AVAILABLE FOR PRO-
8 VIDING SUBSTANCE ABUSE PREVENTION SERVICES AND SUBSTANCE ABUSE
9 TREATMENT AND REHABILITATION SERVICES.

10 Sec. 7524. (1) When property is forfeited under this arti-
11 cle or pursuant to section 17766a, the local unit of government
12 that seized the property may do any of the following, or if the
13 property is seized by or in the custody of the state, the state
14 may do any of the following, subject to section 7523(1)(d):

15 ~~(a) Retain it for official use.~~

16 (A) ~~(b)~~ Sell ANY PROPERTY that ~~which~~ is not required BY
17 LAW to be destroyed ~~by law~~ and ~~which~~ THAT is not harmful to
18 the public. The proceeds OF THE SALE OF THE PROPERTY and any
19 money, negotiable instruments, securities, or any other thing of
20 value as described in section 7521(1)(f) that are forfeited pur-
21 suant to this article shall be applied as follows:

22 (i) For the payment of proper expenses of the proceedings
23 for forfeiture and sale, including expenses incurred during the
24 seizure process, maintenance of custody, advertising, and court
25 costs.

26 (ii) The balance remaining after the payment of expenses
27 shall be distributed by the court having jurisdiction over the

1 forfeiture proceedings to ~~the entity having budgetary authority~~
 2 ~~over the seizing agency. If more than 1 agency was substantially~~
 3 ~~involved in effecting the forfeiture, the court having jurisdic-~~
 4 ~~tion over the forfeiture proceeding shall equitably distribute~~
 5 ~~the money among the entities having budgetary authority over the~~
 6 ~~seizing agencies. The money received under this subparagraph~~
 7 ~~shall be used to enhance law enforcement efforts pertaining to~~
 8 ~~this article or section 17766a.~~ THE DEPARTMENT OF TREASURY FOR
 9 DEPOSIT IN THE SUBSTANCE ABUSE PREVENTION AND EDUCATION FUND CRE-
 10 ATED IN SECTION 6301. THE COURT SHALL PROVIDE A WRITTEN REPORT
 11 OF THE DISTRIBUTION TO THE DEPARTMENT OF TREASURY AS PRESCRIBED
 12 BY THE DEPARTMENT OF TREASURY, AND TO THE OFFICE OF SUBSTANCE
 13 ABUSE SERVICES AS PRESCRIBED BY THE OFFICE OF SUBSTANCE ABUSE
 14 SERVICES.

15 (B) ~~(c)~~ Require the administrator to take custody of the
 16 property and remove it for disposition in accordance with law.

17 (C) ~~(d)~~ Forward ~~it~~ THE PROPERTY to the bureau for
 18 disposition.

19 (2) In the course of selling real property pursuant to sub-
 20 section ~~(1)(b)~~ (1)(A), the court that has entered an order of
 21 forfeiture may, on motion of the agency to whom the property has
 22 been forfeited, appoint a receiver to dispose of the real prop-
 23 erty forfeited. The receiver shall be entitled to reasonable
 24 compensation. The receiver ~~shall have authority to do all~~ MAY
 25 DO 1 OR MORE of the following:

26 (a) List the forfeited real property for sale.

1 (b) Make whatever arrangements are necessary for the
2 maintenance and preservation of the forfeited real property.

3 (c) Accept offers to purchase the forfeited real property.

4 (d) Execute instruments transferring title to the forfeited
5 real property.