

Senate Bill 356

Sponsored by COMMITTEE ON JUDICIARY

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Revises laws relating to civil forfeiture.
Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to civil forfeiture; creating new provisions; amending ORS 30.315, 131.594, 131.597, 137.662,
3 163.707, 167.164, 358.925, 475.495, 647.155, 809.730 and 809.735; repealing ORS 475A.005, 475A.010,
4 475A.015, 475A.020, 475A.025, 475A.030, 475A.035, 475A.040, 475A.045, 475A.050, 475A.055,
5 475A.060, 475A.065, 475A.070, 475A.075, 475A.080, 475A.085, 475A.091, 475A.096, 475A.100,
6 475A.110, 475A.111, 475A.115, 475A.120, 475A.126, 475A.130, 475A.155 and 475A.160; appropriat-
7 ing money; and declaring an emergency.

8 **Be It Enacted by the People of the State of Oregon:**

DEFINITIONS

SECTION 1. Definitions. As used in sections 1 to 51 of this 2009 Act:

9
10
11
12
13 (1) **"All persons known to have an interest" means:**

14 (a) **Any person who filed a notice of interest for seized property with any public office,**
15 **in the manner required or permitted by law, before the property was seized for forfeiture;**

16 (b) **Any person from whose custody property is seized for forfeiture; and**

17 (c) **Any person who has an interest in property seized for forfeiture, including all owners**
18 **and occupants of the property, whose identity and address is known or is ascertainable upon**
19 **diligent inquiry and whose rights and interest in the property may be affected by the action.**

20 (2) **"Attorney fees" has the meaning given that term in ORCP 68 A.**

21 (3) **"Financial institution" means any person lawfully conducting business as:**

22 (a) **A financial institution or trust company, as those terms are defined in ORS 706.008;**

23 (b) **A consumer finance company subject to the provisions of ORS chapter 725;**

24 (c) **A mortgage banker or a mortgage broker as those terms are defined in ORS 59.840,**
25 **a mortgage servicing company or other mortgage company;**

26 (d) **An officer, agency, department or instrumentality of the federal government, includ-**
27 **ing but not limited to:**

28 (A) **The Secretary of Housing and Urban Development;**

29 (B) **The Federal Housing Administration;**

30 (C) **The United States Department of Veterans Affairs;**

31 (D) **Rural Development and the Farm Service Agency of the United States Department**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 of Agriculture;

2 (E) The Federal National Mortgage Association;

3 (F) The Government National Mortgage Administration;

4 (G) The Federal Home Loan Mortgage Corporation;

5 (H) The Federal Agricultural Mortgage Corporation; and

6 (I) The Small Business Administration;

7 (e) An agency, department or instrumentality of the state, including but not limited to:

8 (A) The Housing Agency;

9 (B) The Department of Veterans' Affairs; and

10 (C) The Public Employees Retirement System;

11 (f) An agency, department or instrumentality of any local government, as defined by ORS
12 174.116 or special government body, as defined by ORS 174.117, including but not limited to
13 such agencies as the Portland Development Commission;

14 (g) An insurer as defined in ORS 731.106;

15 (h) A private mortgage insurance company;

16 (i) A pension plan or fund or other retirement plan; and

17 (j) A broker-dealer or investment adviser as defined in ORS 59.015.

18 (4) "Forfeiting agency" means a public body that is seeking forfeiture of property under
19 sections 1 to 51 of this 2009 Act.

20 (5) "Forfeiture counsel" means an attorney designated by a forfeiting agency to represent
21 the forfeiting agency in forfeiture proceedings.

22 (6) "Forfeiture proceeds" means money seized for forfeiture, earnings from property
23 seized for forfeiture and amounts realized from the sale of property sold for forfeiture.

24 (7) "Instrumentality" has the meaning given in ORS 131.550.

25 (8) "Law enforcement agency" means any agency that employs police officers or prose-
26 cutes criminal cases.

27 (9) "Police officer" has the meaning given that term in ORS 133.525.

28 (10) "Proceeds of prohibited conduct" means property derived directly or indirectly from
29 prohibited conduct, or maintained by or realized through prohibited conduct. "Proceeds of
30 prohibited conduct" includes any benefit, interest or property of any kind, without reduction
31 for expenses of acquiring or maintaining the property.

32 (11) "Prohibited conduct" means:

33 (a) Violation of, solicitation to violate, attempt to violate or conspiracy to violate a pro-
34 vision of ORS 475.005 to 475.285 and 475.805 to 475.980 when the conduct constitutes the
35 commission of a crime as described in ORS 161.515; and

36 (b) Other conduct that constitutes the commission of a crime as described in ORS
37 161.515, that provides for civil forfeiture of proceeds or instrumentalities of the conduct and
38 that is made subject to the provisions of sections 1 to 51 of this 2009 Act under section 2 (4)
39 of this 2009 Act or other law.

40 (12) "Property" means any interest in anything of value, including the whole of any lot
41 or tract of land and tangible and intangible personal property, including currency, instru-
42 ments or securities or any other kind of privilege, interest, claim or right whether due or
43 to become due.

44 (13) "Public body" has the meaning given in ORS 174.109.

45 (14) "Seizing agency" means a law enforcement agency that has seized property for

1 forfeiture.

2 (15) "Weapon" means any instrument of offensive or defensive combat or anything used,
3 or designed to be used, in destroying, defeating or injuring a person.

4
5 **CIVIL FORFEITURE GENERALLY**
6

7 **SECTION 2. Legislative findings; preemption of local laws; remedy not exclusive.** (1) The
8 Legislative Assembly finds that:

9 (a) Prohibited conduct occurs in the course of criminal activities that result in, and are
10 facilitated by, the acquisition, possession or transfer of property subject to civil forfeiture
11 under sections 1 to 51 of this 2009 Act.

12 (b) Transactions involving property subject to civil forfeiture under sections 1 to 51 of
13 this 2009 Act escape taxation.

14 (c) Governments attempting to respond to prohibited conduct require additional re-
15 sources.

16 (d) Proceeds and instrumentalities of prohibited conduct should be forfeited, the rights
17 and interests of affected persons protected, and the laws of this state relating to civil
18 forfeiture of property based on prohibited conduct should be uniform throughout the state.

19 (2) The Legislative Assembly adopts the provisions of sections 1 to 51 of this 2009 Act as
20 the sole and exclusive law of the state governing civil forfeiture of real and personal property
21 based on prohibited conduct. Sections 1 to 51 of this 2009 Act supersede all charter pro-
22 visions, ordinances, regulations and other enactments adopted by cities and counties relating
23 to civil forfeitures. All forfeitures under the provisions of sections 1 to 51 of this 2009 Act
24 are subject to the limitations of section 10, Article XV of the Oregon Constitution.

25 (3) Sections 1 to 51 of this 2009 Act are applicable throughout this state. The electors or
26 the governing body of a city or county may not enact, and the governing body of a city or
27 county may not enforce, any charter provision, ordinance, resolution or other regulation
28 that is inconsistent with this section.

29 (4) Sections 1 to 51 of this 2009 Act do not impair the right of any city or county to enact
30 ordinances providing for the civil forfeiture of property if:

31 (a) The prohibited conduct constitutes the commission of a crime as described in ORS
32 161.515;

33 (b) The property constitutes proceeds or instrumentalities of the prohibited conduct; and

34 (c) The civil forfeiture is subject to the procedures and limitations set forth in sections
35 1 to 51 of this 2009 Act.

36 (5) Sections 1 to 51 of this 2009 Act do not limit or impair any right or remedy that any
37 person or entity may have under ORS 166.715 to 166.735. The application of any remedy under
38 sections 1 to 51 of this 2009 Act is remedial and not punitive and does not affect the appli-
39 cation of any other civil or criminal remedy under any other provision of law. Civil remedies
40 under sections 1 to 51 of this 2009 Act are supplemental and are not mutually exclusive.

41 **SECTION 3. Vesting of title to forfeited property.** Subject to sections 1 to 51 of this 2009
42 Act, all right, title and interest in property forfeited under sections 1 to 51 of this 2009 Act
43 vests in the forfeiting agency upon the occurrence of the prohibited conduct on which the
44 forfeiture is based.

PROPERTY SUBJECT TO FORFEITURE

SECTION 4. Property subject to forfeiture. The following property is subject to forfeiture under sections 1 to 51 of this 2009 Act:

(1) All controlled substances that have been manufactured, distributed, dispensed, possessed or acquired in the course of prohibited conduct.

(2) All raw materials, products and equipment of any kind that are used in providing, manufacturing, compounding, processing, delivering, importing or exporting any service or substance in the course of prohibited conduct.

(3) All property that is used as a container for property described in subsection (1) or (2) of this section.

(4) All conveyances, including aircraft, vehicles or vessels, that are used to transport or in any manner facilitate the transportation, sale, receipt, possession or concealment of property described in subsection (1) or (2) of this section, and all conveyances, including aircraft, vehicles or vessels, that are used in prohibited conduct or that are used to facilitate prohibited conduct in any manner.

(5) All books, records, computers and research, including formulae, microfilm, tapes and data that are used to facilitate prohibited conduct in any manner.

(6) All moneys, negotiable instruments, balances in deposit accounts or other accounts, securities or other things of value furnished by any person in the course of prohibited conduct, all proceeds of prohibited conduct, and all moneys, negotiable instruments, balances in deposit and other accounts and securities used to facilitate any prohibited conduct.

(7) All real property, including any right, title and interest in the whole of any lot or tract of land and any appurtenances or improvements, that is used in any manner, in whole or part, to commit or facilitate prohibited conduct.

(8) All weapons possessed, used or available for use in any manner to facilitate prohibited conduct.

(9) Any property described in this section that was intended for use in committing or facilitating an attempt to commit a crime as described in ORS 161.405, a solicitation as described in ORS 161.435 or a conspiracy as described in ORS 161.450.

SECTION 5. Consensual search of motor vehicle; required notice. (1) Notwithstanding any other provision of sections 1 to 51 of this 2009 Act, property that is seized solely on the basis of a consensual search of a motor vehicle is not subject to forfeiture unless, before obtaining the consent of a person for the search, the person is provided with written, multilingual notice of the right of the person to refuse to consent to the search. The notice shall include at least the following information:

(a) Notice that the person has a right to refuse to consent to a search.

(b) Notice that a refusal to consent to a search cannot be used against the person for any purpose.

(c) Notice that anything found in the search can be seized as evidence of a crime or can be seized for forfeiture.

(2) A notice or consent form under this section shall be considered multilingual if the notice or form provides information in at least English and Spanish.

SECTION 6. Seizure of currency. Notwithstanding any other provision of sections 1 to 51 of this 2009 Act, United States currency in an amount less than \$15,000 may not be seized

1 for forfeiture solely on the basis that the money is in the form of cash rather than some
2 other form.

3
4 **SEIZURE OF PROPERTY FOR FORFEITURE**

5
6 (Generally)

7
8 **SECTION 7. Seizure generally.** (1) Property seized for forfeiture is not subject to replevin,
9 conveyance, sequestration or attachment, and is not subject to a motion or order to return
10 under ORS chapter 133.

11 (2) Property that has been unconstitutionally seized may be forfeited if the property is
12 determined to be subject to forfeiture under sections 1 to 51 of this 2009 Act based on evi-
13 dence that is not the fruit of the unconstitutional seizure.

14 (3) Property other than real property may be constructively seized by affixing a forfeiture
15 notice to the property, or by recording a forfeiture notice in the public record. Real property,
16 including equitable interests under land sale contracts, may be seized only by recording a
17 forfeiture notice in the form prescribed by section 19 of this 2009 Act.

18 (4) If property is seized from the possession of a person who has a possessory lien in the
19 property, the lien remains in effect after the seizure and is enforceable as though the person
20 had retained possession of the property.

21
22 (Inventory and receipt; written warning)

23
24 **SECTION 8. Inventory and receipt.** (1) Promptly upon seizure of property for forfeiture,
25 the police officer who seized the property shall make an inventory of the seized property.
26 The inventory may contain an estimate of the value of the seized property.

27 (2) If seized property is taken from the possession of a person, or there is a person who
28 is in apparent control of the property at the time of the seizure, the officer shall deliver a
29 receipt to that person when the property is seized. The receipt prepared under this sub-
30 section must contain:

31 (a) The inventory prepared under subsection (1) of this section;

32 (b) The identity of the seizing agency; and

33 (c) The address and telephone number of the office or other place where the person may
34 obtain further information concerning the forfeiture.

35 (3) A seizing agency shall amend the inventory prepared by a police officer under this
36 section if the agency determines at any time before the commencement of a forfeiture action
37 under section 26 of this 2009 Act that the inventory is substantially incorrect. The changes
38 to the inventory must be clearly indicated in the amended inventory. A copy of the original
39 inventory and any amendments made to the original inventory must be served with any
40 summons and complaint served under section 27 of this 2009 Act. If the amendment occurs
41 after the commencement of a forfeiture action, the amended inventory must be served on
42 all persons previously served with summons and complaint in the proceeding.

43 (4) If tangible personal property is constructively seized as described in section 7 (3) of
44 this 2009 Act, the officer shall affix the receipt to the property. If the property is physically
45 removed from the place of seizure, and the place is unoccupied or nobody is present with

1 apparent control over the property, the officer shall promptly file the receipt in the public
2 records of the forfeiting agency.

3
4 (Manner of seizure)

5
6 **SECTION 9. Seizure with court order.** (1) Property may be seized by any police officer
7 pursuant to an order of the court. Forfeiture counsel or a seizing agency may apply for an
8 ex parte order directing seizure of specified property.

9 (2) An application for an order directing seizure under subsection (1) of this section may
10 be made to any judge as defined in ORS 133.525. The application shall be supported by one
11 or more affidavits setting forth facts and circumstances that support a finding that probable
12 cause exists to believe that the described property is subject to forfeiture. The court shall
13 issue the order upon a finding of probable cause to believe that the described property is
14 subject to forfeiture. The order may be made as part of a search warrant.

15 (3) An order issued under this section may specify the manner in which intangible prop-
16 erty may be seized for forfeiture.

17 (4) Except as provided in section 13 (3) of this 2009 Act, an order under this section shall
18 direct any person having control or custody of the property, including money and other as-
19 sets held in the form of an account in a financial institution, to deliver the property to the
20 police officer.

21 **SECTION 10. Seizure without court order.** (1) Property may be seized for forfeiture by a
22 police officer without a court order if:

23 (a) There is probable cause to believe that property is subject to forfeiture, and the
24 property may constitutionally be seized without a warrant;

25 (b) The seizure is in the course of a constitutionally valid criminal investigative stop,
26 arrest or search, and there is probable cause to believe that the property is subject to
27 forfeiture;

28 (c) The property is directly or indirectly dangerous to the health or safety of any person;
29 or

30 (d) An owner consents to the seizure.

31 (2) If a police officer finds cash, weapons or negotiable instruments in close proximity to
32 controlled substances or to instrumentalities of prohibited conduct, the officer has probable
33 cause to believe that the property is subject to forfeiture.

34
35 (Delivery of property)

36
37 **SECTION 11. Delivery by third person.** (1) Except as provided in section 13 (3) of this 2009
38 Act, a person who has control or custody of property must deliver the property to a police
39 officer if the police officer presents a court order issued under section 9 of this 2009 Act or
40 the police officer has probable cause to believe that the property is subject to forfeiture.

41 (2) Any person who delivers property in obedience to a court order or pursuant to a di-
42 rection from a police officer is not liable to any person by reason of the delivery, and is not
43 liable for any costs incurred by reason of any contamination of the delivered property, in-
44 cluding but not limited to any disposal costs for the property, any hazardous waste or ma-
45 terial, any contraband or any other contamination contained in property seized under this

1 section.

2
3 (Effect of seizure on liens and security interests
4 of financial institutions)
5

6 **SECTION 12. Liens and security interests of financial institutions.** (1) Seizure of property
7 for forfeiture and other proceedings under sections 1 to 51 of this 2009 Act does not prevent,
8 abate or delay the initiation or prosecution of a suit or action by a financial institution for
9 the possession of seized property in which the financial institution claims a lien or security
10 interest, or initiation or prosecution of a suit or action by a financial institution for the
11 foreclosure of a lien or security interest claimed by the financial institution. A financial in-
12 stitution may proceed with any suit or action involving property in which the institution
13 claims a lien or security interest even though a seizure has occurred and a forfeiture action
14 has been commenced or will be commenced. The financial institution's suit or action may
15 be consolidated with the forfeiture action for the purpose of trial. If seized property is sold
16 before the conclusion of the forfeiture action, the sheriff, trustee or other person who is
17 conducting the sale and who has actual notice of the forfeiture action shall distribute the
18 sale proceeds as follows:

19 (a) To the payment of the expenses of the sale.

20 (b) After payment of the expenses of the sale, to the payment of the obligations owed to
21 the foreclosing financial institution that are secured by the property, and to the payment of
22 the obligations owed to any other person that has a lien or security interest in the property
23 that has been foreclosed in the suit or action. Payment under this paragraph shall be made
24 in the order determined by the court.

25 (c) If there is any remaining amount after the payments required under paragraphs (a)
26 and (b) of this subsection, the remaining amount shall be distributed to the seizing or for-
27 feiting agency, or to the court in which the forfeiture action is pending.

28 (2) A sheriff, trustee or other person who distributes sale proceeds as provided in sub-
29 section (1) of this section is not liable to any person who has or asserts an interest in the
30 property.

31
32 (Care and custody of property)
33

34 **SECTION 13. Care and custody of seized property generally.** (1) Pending final disposition
35 of seized property, and subject to the need to retain the property for any criminal proceed-
36 ing, a forfeiting agency shall maintain and care for property that is in the physical custody
37 of the seizing or forfeiting agency in a manner that is reasonably appropriate for the pres-
38 ervation of the property's value.

39 (2) A forfeiting agency may transfer property seized for forfeiture to any city, county,
40 state or federal agency with authority to seek forfeiture of the property, unless the transfer
41 diminishes or reduces the rights of any third party under sections 1 to 51 of this 2009 Act
42 or constitutes a violation of section 10 (13), Article XV of the Oregon Constitution.

43 (3) If property seized for forfeiture consists of money, stocks, bonds, promissory notes
44 or other security or evidence of indebtedness, and the property is held in some form of ac-
45 count in a financial institution, the property may remain in the account pending a final de-

1 cision in the forfeiture action. Unless otherwise allowed by order of the court, transactions
2 involving the account are not permitted until final disposition of the property, except for the
3 deposit or reinvestment of dividends or other normally recurring payments on the property.
4 Any accrual to the value of the property during the pendency of forfeiture proceedings shall
5 be disbursed in the manner provided for the disbursement of interest under section 15 of this
6 2009 Act.

7 (4) Sections 1 to 51 of this 2009 Act do not prevent a seizing agency from entering into
8 an agreement with a person who claims seized property, or with any other person, for the
9 reimbursement of the seizing agency for the costs and expenses relating to towing and
10 storage of seized property, or for the reimbursement of the cost of discharging any
11 possessory chattel lien on the property arising under ORS 87.152 to 87.162 that attaches to
12 the property after seizure of the property and before release or forfeiture of the property.

13 **SECTION 14. Order for sale, lease, rental or operation of seized property.** (1) Pending
14 final disposition of property seized for forfeiture, and subject to the need to retain the
15 property for any criminal proceeding, a forfeiting agency may apply to the court for an order
16 allowing the seized property to be sold, leased, rented or operated in the manner and on
17 terms that may be specified in the court's order. Any sale, lease, rental or operation of
18 seized property under this section must be conducted in a commercially reasonable manner,
19 and may not result in a material reduction of the property's value. An order may be entered
20 under this section only:

21 (a) After notice and opportunity to be heard is provided to all persons known to have an
22 interest in the property, or who claim to have an interest in the property; and

23 (b) With the consent of all persons holding security interests of record in the property.

24 (2) Unless otherwise ordered by the court, the proceeds of the sale, lease, rental or op-
25 eration of seized property under this section shall be held by the forfeiting agency in a
26 forfeiture trust account established under section 15 of this 2009 Act, and the rights of
27 holders of security interests of record in the property attach to the proceeds of the sale,
28 lease, rental or operation in the order of the priority of their claims.

29 **SECTION 15. Forfeiture trust accounts.** (1) Except for currency with collector value, all
30 money seized for forfeiture, together with all money received from the sale, lease, rental or
31 operation of seized property, shall be immediately deposited in an insured interest-bearing
32 forfeiture trust account or accounts maintained by the seizing or forfeiting agency exclu-
33 sively for this purpose. Cash may be retained as evidence in a criminal proceeding, but must
34 be deposited in a trust account or trust accounts immediately after the cash is no longer
35 needed as evidence.

36 (2) Subject to any court order, amounts deposited in a forfeiture trust account, or held
37 in an account in a financial institution under section 13 (3) of this 2009 Act, including interest
38 on those amounts, shall be disbursed as follows:

39 (a) If forfeiture proceedings are abandoned, or if the court ultimately fails to enter a
40 judgment of forfeiture, the amount of the account shall be disbursed by the seizing or for-
41 feiting agency to the person from whom the property was seized.

42 (b) If a judgment of forfeiture is entered, but parties other than the forfeiting agency
43 establish rights to portions of the amount deposited in the account that are in the aggregate
44 equal to or larger than the amount in the account, the account shall be disbursed by the
45 forfeiting agency to the parties in the order of the priority of their claims.

1 (c) If a judgment of forfeiture is entered, and the total amount in the account is greater
2 than the amount needed to satisfy the interests of security interest holders, lienholders and
3 other claimants, the balance remaining after payment to those claimants shall be retained
4 by the forfeiting agency for distribution as required by sections 43 and 44 of this 2009 Act.

5
6 **HEARING ON PROBABLE CAUSE AND DECISION ON SEEKING FORFEITURE**

7
8 (Hearing on probable cause)

9
10 **SECTION 16. Hearing on probable cause.** (1) Any person with an interest in property that
11 has been seized for forfeiture may file an application to have an order to show cause order
12 issued to a forfeiting agency to determine if probable cause exists to seize the property for
13 forfeiture. The application must be filed not more than 15 days after forfeiture notice is
14 served under section 18 of this 2009 Act, or within 15 days after the person receives actual
15 knowledge of the seizure, whichever is later. A copy of the application must be served on the
16 forfeiture counsel.

17 (2) When a hearing is held on a show cause order issued under this section, the court
18 shall determine if probable cause to seize the property for forfeiture exists on the date of the
19 hearing. If the court finds that probable cause for seizure of the property for forfeiture does
20 not exist, the forfeiting agency shall release the property.

21
22 (Decision on seeking forfeiture)

23
24 **SECTION 17. Decision on seeking forfeiture.** (1) A seizing agency, after consultation with
25 the district attorney of the county in which the property was seized, must decide whether
26 to seek forfeiture of seized property not more than 30 days after the property is seized. If
27 the seizing agency elects not to seek forfeiture, the agency shall pay all costs and expenses
28 relating to towing and storage of the property, and shall release the property and cause to
29 be discharged any possessory chattel liens arising under ORS 87.152 to 87.162 that have at-
30 tached to the property since the seizure.

31 (2) Property may be released under this section to a person other than the person from
32 whose custody or control the property was taken if the seizing agency mails notice to the
33 last-known addresses of all persons known to have an interest in the property. The notice
34 shall specify the person to whom the property is to be released and shall detail the time and
35 place of the release.

36
37 **FORFEITURE NOTICE**

38
39 (Forfeiture notice)

40
41 **SECTION 18. Forfeiture notice.** (1) A forfeiture notice must contain:

42 (a) A copy of the inventory prepared by the police officer under section 8 of this 2009 Act,
43 with any amendments made under section 8 (3) of this 2009 Act;

44 (b) The name of the person from whom the property was seized;

45 (c) The name, address and telephone number of the seizing agency;

1 (d) The address and telephone number of the office or other place where further infor-
 2 mation concerning the seizure may be obtained; and

3 (e) A statement in substantially the following form:
 4

5
 6 **NOTICE OF SEIZURE FOR FORFEITURE**

7 **Notice to Potential Claimant - Read These Papers Carefully !!**

8 If you have any interest in the seized property described in these papers, you must claim
 9 that interest or you will automatically lose that interest. If you do not file a claim for the
 10 property, the property may be forfeited even if you are not convicted of any crime. To claim
 11 an interest, you must file a written claim with the forfeiture counsel named below. The
 12 written claim must be signed by you, under penalty of perjury, and state: (a) Your true
 13 name; (b) The address at which you will accept future mailings from the court and forfeiture
 14 counsel; and (c) A statement that you have an interest in the seized property. Your deadline
 15 for filing the claim document is 21 days from the day this form is given to you. If you have
 16 any questions, you should see an attorney immediately.
 17

18
 19 (2) A police officer who seizes property for forfeiture may serve a forfeiture notice on the
 20 person from whose possession the property is taken, or on the person in apparent control
 21 of the property, at the time the property is seized.

22 (3) If a police officer seizes property for forfeiture and does not serve a forfeiture notice
 23 under subsection (2) of this section, the forfeiting agency shall issue the forfeiture notice
 24 not more than 15 days after the seizure.

25 (4) Except as provided in subsections (5) and (6) of this section, a forfeiting agency shall
 26 make reasonable efforts to serve a forfeiture notice on all persons known to have an interest
 27 in the seized property. A person may be served as provided in ORCP 7 D except that sum-
 28 mons must include information regarding the right to file a claim as provided by section 21
 29 of this 2009 Act, if applicable, and the deadline for filing the claim. If the property is cash in
 30 the amount of \$1,000 or less, or if the fair market value of the property is \$1,000 or less, the
 31 forfeiting agency may publish notice of seizure for forfeiture in a newspaper as provided in
 32 ORCP 7 D(6)(b) to (d). In all other cases, the forfeiting agency shall publish notice of seizure
 33 for forfeiture in a newspaper as provided in ORCP 7 D(6)(b) to (d). A copy of the notice and
 34 inventory shall be provided to the forfeiting agency's forfeiture counsel.

35 (5) If a forfeiting agency publishes forfeiture notice under subsection (4) of this section,
 36 the agency may include in a single publication as many forfeiture notices as the agency
 37 considers convenient. The publication may contain a single statement of matters from the
 38 forfeiture notices that are common to all of the notices and that would otherwise result in
 39 needless repetition. The publication must contain for each forfeiture notice a separate copy
 40 of the inventory and a separate statement of the identity of the person from whose custody
 41 the property was seized.

42 (6) A forfeiture notice need not be served on a person who has received a receipt under
 43 section 8 of this 2009 Act if:

44 (a) The receipt contains an estimate of the value of the property seized;

45 (b) The seizing agency has not amended the inventory under section 8 (3) of this 2009 Act;

1 and

2 (c) The receipt contains information regarding the right to file a claim as described in
3 section 21 of this 2009 Act and the deadline for filing the claim.

4 (7) If a person received a receipt as described in subsection (6) of this section, but the
5 person must be served with a forfeiture notice because the seizing agency has amended the
6 inventory under section 8 (3) of this 2009 Act, the seizing agency may serve a forfeiture no-
7 tice on the person by mailing a true copy of the notice to the person by certified mail, return
8 receipt requested.

9 **SECTION 19. Recorded forfeiture notice.** (1) If a forfeiting agency intends to seek forfei-
10 ture of real property, the forfeiting agency may record a forfeiture notice in the form pre-
11 scribed in this section in the County Clerk Lien Record. The notice must contain the legal
12 description of the real property, any street address for the property, and the name and ad-
13 dress of the forfeiture counsel. From the time of recording the notice, the recording is notice
14 to purchasers and other transferees of the rights and equities in the premises of the for-
15 feiting agency.

16 (2) A forfeiture notice must be in substantially the following form:

17 _____

18

19

FORFEITURE NOTICE

20

Pursuant to section 19 of this 2009 Act, the undersigned states:

21

That _____ (forfeiting agency) intends to initiate a forfeiture action against the
22 following described real property:

23

1. The description of the real property to be affected is:

24

25

26

27

28

29

2. The common address, if any, is:

30

31

32

33

Dated this _____ day of _____, _____.

34

This forfeiture notice expires on _____ day of _____, _____, absent future
35 filings.

36

Name of agency seeking forfeiture

37

38

Name of Attorney

39

40

Address

41

42

43

44

Telephone Number

45

1 State of Oregon)
2) ss.
3 County of _____)

4 The foregoing instrument was acknowledged before me this _____ day of
5 _____, _____.

6 _____
7 Notary Public for Oregon
8 My commission expires _____.
9 _____

10
11 (3) A forfeiture notice recorded under this section expires 30 days after the date of filing
12 unless another forfeiture notice is recorded within the 30-day period. If another forfeiture
13 notice is recorded within the 30-day period, the notice remains in effect for 30 days after the
14 notice is recorded. The forfeiting agency may continue to record forfeiture notices in like
15 manner until final disposition of the real property.

16 **SECTION 20. Transfer of proceedings prohibited.** After service of a forfeiture notice un-
17 der section 18 of this 2009 Act, or recording of a forfeiture notice under section 19 of this
18 2009 Act, a forfeiting agency may not transfer the proceedings to the federal government
19 unless a state court has affirmatively found by a preponderance of the evidence that:

- 20 (1) The activity giving rise to the forfeiture is interstate in nature and sufficiently com-
21 plex to justify the transfer;
- 22 (2) The seized property may be forfeited only under federal law; or
- 23 (3) Pursuing forfeiture under state law would unduly burden the forfeiting agency.

24
25 **CLAIMS**

26
27 (Generally)

28
29 **SECTION 21. Claims.** (1) Except as provided in subsection (2) of this section, a person
30 claiming an interest in property seized for forfeiture must file a claim with the forfeiting
31 agency’s forfeiture counsel not more than 21 days after service of a forfeiture notice.

32 (2) If service of a forfeiture notice is made by publication under section 18 (4) of this 2009
33 Act, a person claiming an interest in the property must file a claim with the forfeiting
34 agency’s forfeiture counsel not more than 21 days after the last publication date. Extensions
35 for filing claims may not be granted.

36 (3) A claim under this section must be signed by the claimant under penalty of perjury
37 and must include:

- 38 (a) The true name of the claimant;
- 39 (b) The address at which the claimant will accept future mailings from the court and
40 forfeiture counsel; and
- 41 (c) A statement that the claimant has an interest in the seized property.

42
43 (Expedited hearing)

44
45 **SECTION 22. Expedited hearing on claim.** (1) A person claiming an interest in seized

1 property may file a petition for an expedited hearing within 15 days after service of a
2 forfeiture notice on the person or within such further time as the court may allow for good
3 cause shown.

4 (2) A petition for an expedited hearing must contain a claim as described in section 21
5 of this 2009 Act if a claim has not previously been filed. The petition must indicate whether
6 the petitioner seeks one or more of the following:

7 (a) A determination at the hearing of any of the affirmative defenses provided for in
8 section 33 of this 2009 Act.

9 (b) An order restoring custody of seized property to the petitioner during the pendency
10 of the proceedings.

11 (c) Appointment of a receiver.

12 (3) A person filing a petition under this section shall serve a copy of the petition on all
13 persons known to have an interest in the property. Service must be made as provided in
14 ORCP 7 D. Service by publication is not required before an expedited hearing.

15 (4) A hearing shall be held within 15 days after service of all persons known to have an
16 interest in the property, or at such later time as the court may allow for good cause shown.
17 The hearing shall be limited to deciding whether to grant the relief sought in the petition.

18 (5) The court may enter an order directing the return of the seized property to the
19 claimant during the pendency of the hearing if the court finds, by a preponderance of the
20 evidence, that it is probable that the property will remain available for forfeiture at the
21 completion of the proceedings and that there is a reasonable possibility that the petitioner
22 will ultimately prevail in the proceeding.

23 (6) If the petition is denied, and the petitioner subsequently discovers evidence relevant
24 to the claimed relief, the petitioner may file a new petition under this section at any time
25 before a trial in the forfeiture action. The new petition shall be served as provided in section
26 27 of this 2009 Act.

27 (7) The parties in a forfeiture action may at any time stipulate to the entry of an order
28 restoring custody of seized property to a petitioner who claims an interest in the property.
29 The order shall comply with the requirements of section 24 (1) of this 2009 Act.

30 **SECTION 23. Expedited hearing on affirmative defenses.** (1) In any expedited hearing
31 under section 22 of this 2009 Act in which a petitioner seeks a determination at the hearing
32 of any of the affirmative defenses provided for in section 33 of this 2009 Act, the court may
33 consider evidence relating to those affirmative defenses and shall make a determination as
34 to any of those defenses that may be asserted by the petitioner.

35 (2) If the court finds that the petitioner has proven an affirmative defense provided for
36 in section 33 of this 2009 Act, the court shall order that custody of the seized property be
37 returned to the petitioner, to the extent of the petitioner's interest, pending a final deter-
38 mination as to the disposition of the property, unless the forfeiting agency can show that the
39 return of the property will result in prejudice to the agency in seeking forfeiture of other
40 claimants' interest in the property.

41 (3) If the court finds that the petitioner has failed to prove an affirmative defense pro-
42 vided for in section 33 of this 2009 Act, the court shall continue the matter for further pro-
43 ceedings as a forfeiture action under sections 1 to 51 of this 2009 Act.

44 **SECTION 24. Order restoring custody of property after expedited hearing.** (1) An order
45 restoring custody of property to a petitioner under section 22 or 23 of this 2009 Act shall:

1 (a) Prohibit the petitioner from using the property in unlawful conduct of any kind, or
 2 from allowing the property to be used by any other person in unlawful conduct;

3 (b) Require the petitioner to service and maintain the property as may be reasonably
 4 appropriate to preserve the property's value; and

5 (c) Require the petitioner to inform the court of the exact location of the property at the
 6 time of any trial in a forfeiture action and to deliver the property to the forfeiting agency
 7 immediately upon the issuance of a judgment of forfeiture.

8 (2) An order restoring custody of property to a petitioner under section 22 or 23 of this
 9 2009 Act may include such other requirements as the court finds appropriate pending a final
 10 determination as to the disposition of the property.

11 (3) An order restoring custody of property to a petitioner under section 22 or 23 of this
 12 2009 Act is enforceable by a contempt proceeding brought on the relation of forfeiture
 13 counsel, by an order directing the petitioner to deliver the property to the custody of the
 14 forfeiting agency, by an order awarding to the forfeiting agency its reasonably incurred at-
 15 torney fees, costs and investigative expenses, and by such other remedies or relief as the
 16 court may find appropriate.

17
 18 **EX PARTE FORFEITURES**
 19

20 **SECTION 25. Ex parte forfeiture.** (1) An ex parte judgment of forfeiture may be entered
 21 under this section only if:

22 (a) The property is personal property;

23 (b) The property is not subject to an interest in favor of any person known to have an
 24 interest, other than a person who is believed by the forfeiting agency to have engaged in
 25 prohibited conduct; and

26 (c) A claim is not filed in the manner provided by section 21 of this 2009 Act within the
 27 time allowed.

28 (2) At any time after the time for filing a claim under section 21 of this 2009 Act has
 29 expired, a forfeiting agency may petition the circuit court specified in section 26 (3) of this
 30 2009 Act for an ex parte judgment of forfeiture under this section. The petition must state
 31 that the requirements of subsection (1) of this section have been met. An affidavit must be
 32 attached to the petition that states that forfeiture notice was served on all persons claiming
 33 an interest in the property, or that sets forth facts demonstrating the forfeiting agency's
 34 efforts to accomplish service, together with proof of any publication of notice.

35 (3) Upon filing of a petition under the section, the court shall enter a judgment forfeiting
 36 the property identified in the petition.

37
 38 **FORFEITURE ACTIONS**
 39

40 (Generally)

41
 42 **SECTION 26. Forfeiture actions generally.** (1) A civil forfeiture action in rem may be
 43 brought as provided in this section in any case in which forfeiture is sought. A civil forfei-
 44 ture action must be brought if:

45 (a) The property is real property;

1 (b) The property is in whole or part a manufactured dwelling as defined in ORS 446.003;

2 (c) The property is a floating home as defined in ORS 830.700;

3 (d) A claim has been made for the property under section 21 of this 2009 Act; or

4 (e) A person, other than a person who is believed by the forfeiting agency to have en-
5 gaged in prohibited conduct, is known to have an interest in the property.

6 (2) If a claim has been made for seized property under section 21 of this 2009 Act,
7 forfeiture counsel must commence a forfeiture action not more than 15 days after receipt
8 of the claim. In all other cases, a forfeiture action must be commenced by forfeiture counsel
9 within 30 days after seizure of the property.

10 (3) If the property to be forfeited is real property, the forfeiture action must be com-
11 menced in the circuit court for a county in which the property is situated. In all other cases,
12 the forfeiture action must be commenced in the circuit court for the county in which the
13 property was seized, or in the circuit court for the county in which any part of the prohibited
14 conduct took place.

15 (4) A forfeiture action is commenced by filing a complaint. A copy of the inventory pre-
16 pared under section 8 of this 2009 Act must be attached to the complaint. The complaint need
17 only allege that there is probable cause for seizure of the property or that a court order was
18 issued under section 9 of this 2009 Act, and need not allege that any claimant has been con-
19 victed of a crime. A complaint under this section may be amended at any time to allege that
20 a claimant has been convicted of a crime.

21 (5) A complaint in a forfeiture action is not subject to a motion to strike, a motion for
22 summary judgment or any other pretrial motion for dismissal that is based solely on the lack
23 of a criminal conviction in support of the forfeiture. This subsection does not affect the
24 ability of a claimant to file a motion to strike or a motion for summary judgment based on
25 the acquittal of the claimant of all criminal charges on which the forfeiture action is based,
26 or based on dismissal of all criminal charges on which the forfeiture action is based.

27 (6) Forfeiture actions are governed by the Oregon Rules of Civil Procedure except to the
28 extent those rules conflict with sections 1 to 51 of this 2009 Act.

29
30 (Service of complaint)

31
32 **SECTION 27. Service.** (1) Upon commencement of a forfeiture action, the forfeiting
33 agency must serve the summons and complaint on all persons known to have an interest in
34 the property in the manner provided by ORCP 5 and 7 D. In addition, notice of the action
35 must be published as provided in ORCP 7 D(6)(b) to (d) unless the forfeiture notice for the
36 property was previously published in the manner provided in section 18 (4) of this 2009 Act.

37 (2) If the property to be forfeited in a forfeiture action is a vehicle, and substitute service
38 on the claimant is required because personal service cannot be reasonably accomplished,
39 service in the manner provided by ORCP 7 D(4) is sufficient to establish jurisdiction over a
40 registered owner or operator of a vehicle.

41 (3) If the property to be forfeited in a forfeiture action is in whole or part a manufac-
42 tured dwelling as defined in ORS 446.003 or a floating home as defined in ORS 830.700, the
43 forfeiting agency must record a notice of seizure containing a description of the manufac-
44 tured dwelling or floating home in all public offices maintaining records that impart con-
45 structive notice of matters relating to manufactured dwellings or floating homes.

(Response to complaint)

1
2
3 **SECTION 28. Responsive pleading.** Except as provided by section 29 of this 2009 Act, a
4 person claiming an interest in property that is the subject of a forfeiture action must file a
5 responsive pleading as provided in the Oregon Rules of Civil Procedure. If the person has not
6 previously filed a claim under section 21 of this 2009 Act, a claim as described in section 21
7 (3) of this 2009 Act must be attached to the responsive pleading.

8 **SECTION 29. Response by affidavit.** (1) In lieu of filing a responsive pleading under sec-
9 tion 28 of this 2009 Act, a financial institution holding an interest in the property may re-
10 spond to a complaint with an affidavit establishing the financial institution's interest in the
11 property.

12 (2) In lieu of filing a responsive pleading under section 28 of this 2009 Act, a person who
13 has an interest in the property by reason of being the transferee or conveyor of an interest
14 in the property under a contract for transfer or conveyance of an interest in real property
15 as defined in ORS 93.905 may respond to a complaint in a forfeiture action by filing an affi-
16 davit establishing that:

17 (a) The person did not take the property with the intent to defeat forfeiture of the
18 property;

19 (b) The person did not know and did not have reason to know that the property consti-
20 tuted proceeds or an instrumentality of prohibited conduct; and

21 (c) The claimant did not acquiesce in the criminal conduct as described in section 32 (4)
22 of this 2009 Act.

23 (3) An affidavit under subsection (1) or (2) of this section must be filed within 30 days
24 after service of the summons and complaint. The failure to file the affidavit or other re-
25 sponsive pleading under section 28 of this 2009 Act within the time allowed constitutes a de-
26 fault.

27 (4) A forfeiting agency may file objections to any or all of the assertions made in an af-
28 fidavit filed under subsection (1) or (2) of this section. The objections must be filed within
29 20 days after the filing of an affidavit under subsection (1) or (2) of this section. The person
30 filing the affidavit may respond to the objections by filing a supplemental affidavit limited to
31 the matters stated in the affidavit of the forfeiting agency. The responding affidavit must
32 be filed not later than five days after the forfeiting agency files objections.

33 (5) If a forfeiting agency does not file objections within the time allowed by subsection
34 (4) of this section, the interest of the person filing the affidavit is conclusively established
35 for all purposes under sections 1 to 51 of this 2009 Act.

36 **SECTION 30. Hearing on objections to affidavit.** (1) If a forfeiting agency files objections
37 under section 29 of this 2009 Act, the court shall determine from the affidavits whether there
38 is a genuine issue of material fact with respect to the assertions of the financial institution,
39 transferor, conveyor or successor in interest.

40 (2) If the court determines that there is no genuine issue of material fact as to the truth
41 of the assertions in an affidavit filed under section 29 (2) of this 2009 Act:

42 (a) The interest of the financial institution, transferor, conveyor or successor in interest
43 shall be conclusively established for all purposes under sections 1 to 51 of this 2009 Act;

44 (b) A transferor, conveyor or successor in interest shall be considered a financial insti-
45 tution for all purposes under sections 1 to 51 of this 2009 Act; and

1 (c) The court shall order the forfeiting agency to pay the costs and disbursements, as
 2 described in ORCP 68 A, and the attorney fees of the prevailing financial institution,
 3 transferor, conveyer or successor in interest.

4 (3) If the court determines that there is a genuine issue of material fact as to the truth
 5 of the assertions in an affidavit filed under section 29 of this 2009 Act, the financial institu-
 6 tion, transferor, conveyer or successor in interest shall, within 15 days, file a responsive
 7 pleading as provided by section 28 of this 2009 Act. The court may order the financial insti-
 8 tution, transferor, conveyer or successor in interest to pay the attorney fees of the forfeiting
 9 agency that were incurred in contesting the affidavit of the financial institution, transferor,
 10 conveyer or successor in interest if the court determines that the affidavit of the financial
 11 institution, transferor, conveyer or successor in interest was frivolous.

12 **SECTION 31. Foreclosure of security interests, liens and vendor's interest.** (1) If a re-
 13 sponsive pleading or affidavit is filed under section 28 or 29 of this 2009 Act, the court shall
 14 foreclose all security interests, liens and vendor's interests in the property, including con-
 15 tracts for the transfer or conveyance of the property, for which the court determines that
 16 there is a legal or equitable basis for foreclosure.

17 (2) Foreclosure of a security interest, lien or vendor's interest under this section does
 18 not prevent a claimant from obtaining any deficiency to which the claimant would otherwise
 19 be entitled under the law.

20
 21 (Standards of proof and defenses)
 22

23 **SECTION 32. Standards of proof in forfeiture action.** (1) In all forfeiture actions, the
 24 forfeiting agency must prove that a person has been convicted of a crime that constitutes
 25 prohibited conduct, and that the property to be forfeited is:

- 26 (a) Proceeds of the crime for which the person has been convicted;
- 27 (b) An instrumentality of the crime for which the person has been convicted;
- 28 (c) Proceeds of one or more other crimes similar to the crime for which the person was
 29 convicted; or
- 30 (d) An instrumentality of one or more other crimes similar to the crime for which the
 31 person was convicted.

32 (2) A forfeiting agency may seek forfeiture of the property of a claimant who has been
 33 convicted of a crime that constitutes prohibited conduct if the property to be forfeited meets
 34 the requirements of subsection (1) of this section. A forfeiting agency may seek forfeiture
 35 of the property of a claimant who has not been convicted of a crime if the forfeiting agency
 36 proves that:

- 37 (a) Another person has been convicted of a crime that constitutes prohibited conduct;
- 38 (b) The property to be forfeited meets the requirements of subsection (1) of this section;
- 39 and
- 40 (c) The claimant:
 - 41 (A) Took the property with the intent to defeat forfeiture of the property;
 - 42 (B) Knew or should have known that the property was proceeds of prohibited conduct;
 - 43 or
 - 44 (C) Acquiesced in the prohibited conduct.

45 (3) Except as provided in subsection (5) of this section, if the property to be forfeited in

1 a forfeiture action is personal property, the forfeiting agency must prove the elements
2 specified in subsection (2) of this section by a preponderance of the evidence. If the property
3 to be forfeited in a forfeiture action is real property, the forfeiting agency must prove the
4 elements specified in subsection (2) of this section by clear and convincing evidence.

5 (4) For the purposes of subsection (2)(c) of this section, a claimant shall be considered
6 to have acquiesced in prohibited conduct if the claimant knew of the prohibited conduct and
7 failed to take reasonable action under the circumstances to terminate the prohibited conduct
8 or prevent use of the seized property to facilitate the prohibited conduct.

9 (5) If the forfeiting agency establishes in a forfeiture action that cash, weapons or ne-
10 gotiable instruments were found in close proximity to controlled substances or to instru-
11 mentalities of prohibited conduct, the burden is on any person claiming the cash, weapons
12 or negotiable instruments to prove by a preponderance of the evidence that the cash, weap-
13 ons or negotiable instruments are not proceeds of prohibited conduct or an instrumentality
14 of prohibited conduct.

15 **SECTION 33. Affirmative defenses in forfeiture action.** (1) A claimant may plead as an
16 affirmative defense that the property was seized in violation of section 5 of this 2009 Act.

17 (2) In any forfeiture action brought against real property claimed to be an
18 instrumentality of prohibited conduct relating to controlled substances, a claimant may plead
19 as an affirmative defense that the controlled substance was solely for personal use.

20 (3) If, by a preponderance of the evidence, the claimant proves a defense under this sec-
21 tion by a preponderance of the evidence, the court shall enter judgment for the claimant.

22
23 (Stays and consolidation of actions)
24

25 **SECTION 34. Stays.** (1) The court may stay a forfeiture action upon motion of a party
26 and good cause shown. Good cause may include a reasonable fear on the part of a claimant
27 that the claimant could be prosecuted for conduct arising out of the same factual situation
28 that gave rise to the seizure of property. Good cause for a motion made by forfeiture counsel
29 may include the need for additional time to commence or complete a criminal proceeding
30 related to the forfeiture action.

31 (2) The court may stay a forfeiture action upon the filing of criminal charges that are
32 related to the prohibited conduct that is the basis for the action. The stay may be granted
33 upon the motion of forfeiture counsel, the motion of the district attorney in the related
34 criminal proceeding, or the motion of the defendant in the related criminal proceeding. A
35 stay granted under this section remains in effect until the final resolution of the related
36 criminal proceeding. A motion for a stay by the defendant in the related criminal proceeding
37 constitutes a waiver of double jeopardy by the defendant as to the forfeiture action and any
38 related criminal proceeding.

39 (3) A forfeiture action that has been stayed under this section may be consolidated for
40 trial or other resolution with any related criminal proceeding as provided in section 35 of this
41 2009 Act.

42 (4) Any party may file a motion with the court at any time to lift a stay granted under
43 this section if good cause no longer exists for the stay.

44 **SECTION 35. Consolidation of actions.** (1) A forfeiture action may be consolidated with
45 any other action that relates to the same property or parties on motion by any party in the

1 forfeiture action.

2 (2) Upon motion by the state or other public body, or any criminal defendant who is also
 3 a claimant, a forfeiture action under this section may be consolidated for trial or other re-
 4 solution with any related criminal proceeding. Trial or other resolution of the forfeiture
 5 action shall immediately follow the resolution of the related criminal proceeding, shall be
 6 part of the other proceeding and shall be heard by the same trier of fact. Any objection by
 7 the defendant to the consolidation, or any motion by the defendant to sever the related
 8 criminal case from the forfeiture action, constitutes a waiver of double jeopardy as to the
 9 related criminal action and the forfeiture action.

10
 11 (Special motion for release of property)

12
 13 **SECTION 36. Special motion for release of property.** (1) Any claimant who is alleged to
 14 have engaged in prohibited conduct, and who has filed a responsive pleading or affidavit in
 15 the manner required by section 28 or 29 of this 2009 Act, may file a special motion for the
 16 release of all or part of the property subject to the forfeiture action if a criminal action al-
 17 leging the commission of a crime, as described in ORS 161.515, is not brought against any
 18 owner of the property within 90 days after the property is seized. The court shall grant the
 19 motion except upon good cause shown by the forfeiting agency. The release of the property
 20 does not affect the ability of the forfeiting agency to continue the action for the purpose of
 21 seeking forfeiture of the released property.

22 (2) A motion under this section may not be made for the release of any property that is
 23 held as evidence or for protective purposes.

24
 25 (Judgment)

26
 27 **SECTION 37. Judgment forfeiting property generally.** (1) A judgment forfeiting property
 28 shall recite the basis for the judgment.

29 (2) After entry of a judgment forfeiting property, the forfeiting agency may transfer good
 30 and sufficient title for the property to purchasers and other transferees, and the title shall
 31 be recognized by all courts and public bodies. Any public body whose official functions include
 32 the issuance of certificates of title or other evidence of title is immune from civil or criminal
 33 liability if the issuance is pursuant to a judgment of forfeiture.

34 (3) If real property is forfeited under a judgment forfeiting property, the forfeiting agency
 35 shall warrant the title of the property against constitutional defect. A warranty under this
 36 section is limited to the purchase price of the real property.

37 (4) Forfeiture counsel shall send a copy of each judgment entered in forfeiture pro-
 38 ceedings, including ex parte judgments entered under section 25 of this 2009 Act, to the Asset
 39 Forfeiture Oversight Advisory Committee.

40 (5) A forfeiting agency may apply to any circuit court judge for a writ of assistance di-
 41 recting the sheriff of the county to assist the forfeiting agency in seizing property identified
 42 in a judgment forfeiting property.

43 **SECTION 38. Judgment forfeiting property; judgment for forfeiting agency.** (1) If a judg-
 44 ment forfeiting property is entered, and the judgment finds against all claimants who have
 45 filed a responsive pleading or affidavit under section 28 or 29 of this 2009 Act, title to the

1 forfeited property passes to the forfeiting agency free of any interest or encumbrance in fa-
2 vor of a person who has been given notice of the proceedings.

3 (2) If the court has determined that the property should be forfeited and has not fore-
4 closed the interests of any party in the property, the seizing agency shall pay all costs and
5 expenses relating to towing and storage of the property and shall cause to be discharged any
6 possessory chattel liens on the property arising under ORS 87.152 to 87.162 that have at-
7 tached to the property since the seizure, and the court shall enter a judgment forfeiting the
8 property to the forfeiting agency, subject to the interests of any claimants for whom judg-
9 ment was entered.

10 (3) If a judgment forfeiting property is entered, all valid interests in the property that
11 are not foreclosed or otherwise extinguished under the judgment remain in effect.

12 **SECTION 39. Judgment for claimant.** (1) Except as provided in subsection (2) of this
13 section, if a judgment is entered for a claimant in a proceeding under sections 1 to 51 of this
14 2009 Act, the claimant's property or interest in the property shall be returned or conveyed
15 immediately to the claimant. All security interests, liens and other interests applicable to the
16 property shall remain in effect as though the property had never been seized. Upon the re-
17 turn of the property to the owner, the seizing agency shall pay all costs and expenses relat-
18 ing to towing and storage of the property, and shall cause to be discharged any possessory
19 chattel liens on the property arising under ORS 87.152 to 87.162 that have attached to the
20 property since the seizure. The court shall award costs, disbursements and attorney fees in
21 the manner provided by ORCP 68 to the prevailing claimant, to be paid by the forfeiting
22 agency.

23 (2) If a judgment is entered for a claimant in a proceeding under sections 1 to 51 of this
24 2009 Act, but the court has foreclosed one or more interests in the property under section
25 31 of this 2009 Act, the seizing agency shall pay all costs and expenses relating to towing and
26 storage of the property, and shall cause to be discharged any possessory chattel liens on the
27 property arising under ORS 87.152 to 87.162 that have attached to the property since the
28 seizure. The judgment shall require that the property then be sold, pursuant to a sheriff's
29 sale or other sale authorized by the court, within such time as may be prescribed by the
30 court. The property shall be sold subject to any interests in the property that have not been
31 foreclosed, including any liens or security interests of a claimant whose claim has been up-
32 held or of a financial institution that has filed the affidavit described in section 29 (1) of this
33 2009 Act. The judgment shall require that the proceeds of the sale be applied as follows:

34 (a) The proceeds shall first be used to pay the costs of the sale.

35 (b) After payment of the costs of the sale, the proceeds shall be applied to the satisfac-
36 tion of the foreclosed liens, security interests and contracts in the order of their priority.

37 (c) After making the payments required under paragraphs (a) and (b) of this subsection,
38 any remaining amounts shall be paid to the claimant.

39 **SECTION 40. Default judgment.** (1) The court shall enter a judgment finding that a per-
40 son who claims an interest in property that is the subject of a forfeiture action is in default,
41 and provide for the forfeiture of the claimant's interest without hearing, if:

42 (a) The person does not make a claim for the property under section 21 of this 2009 Act
43 or file a responsive pleading under section 28 of this 2009 Act; or

44 (b) The person files a responsive pleading under section 28 of this 2009 Act but is there-
45 after found to be in default in the forfeiture action.

1 (2) A default judgment may be entered under this section only if the forfeiting agency
 2 files an affidavit with the court showing that there was probable cause for seizure of the
 3 property.

4 5 DISPOSITION OF FORFEITED PROPERTY

6
7 **SECTION 41. Disposition generally.** Except as otherwise provided by intergovernmental
 8 agreement and sections 1 to 51 of this 2009 Act, a forfeiting agency may:

9 (1) Sell, lease, lend or transfer forfeited property to any federal, state or local law
 10 enforcement agency or district attorney.

11 (2) Sell forfeited property by public or other commercially reasonable sale and pay from
 12 the proceeds the expenses of keeping and selling the property.

13 (3) Retain forfeited property.

14 (4) With written authorization from the district attorney for the county in which the
 15 property was seized, destroy any forfeited firearms or controlled substances.

16 **SECTION 42. Distribution generally; intergovernmental agreements.** A forfeiting agency
 17 shall distribute forfeiture proceeds equitably. Distribution of forfeiture proceeds may be
 18 made pursuant to intergovernmental agreement under ORS chapter 190. An intergovern-
 19 mental agreement providing for the distribution of forfeiture proceeds may not provide for
 20 a distribution that violates section 10, Article XV of the Oregon Constitution.

21 **SECTION 43. Distribution of forfeiture proceeds by local government.** (1) The provisions
 22 of this section apply only to a forfeiting agency other than the state, and apply only to
 23 forfeiture proceeds arising out of prohibited conduct as defined by section 1 (11)(a) of this
 24 2009 Act.

25 (2) If the forfeiting agency is not a county, the forfeiting agency shall enter into an
 26 agreement, under ORS chapter 190, with the county in which the property was seized to
 27 provide a portion of the forfeiture proceeds to the county.

28 (3) After entry of a judgment of forfeiture, a forfeiting agency shall first pay from the
 29 forfeiture proceeds the costs incurred by seizing and forfeiting agencies in investigating and
 30 prosecuting the case, including costs, disbursements and attorney fees as defined in ORCP
 31 68 A, special expenses such as the provision of currency for undercover law enforcement
 32 operations, and the expenses of maintaining the seized property. The forfeiting agency may
 33 not pay expenditures made in connection with the ordinary maintenance and operation of a
 34 seizing or forfeiting agency under this subsection.

35 (4) After payment of costs under subsection (3) of this section, the forfeiting agency
 36 shall:

37 (a) Deduct an amount equal to five percent of the forfeiture proceeds and deposit that
 38 amount in the Illegal Drug Cleanup Fund established by ORS 475.495 for the purposes speci-
 39 fied in ORS 475.495 (5) and (6);

40 (b) Deduct an amount equal to 2.5 percent of the forfeiture proceeds and deposit that
 41 amount in the Asset Forfeiture Oversight Account;

42 (c) Deduct an amount equal to 20 percent of the forfeiture proceeds and deposit that
 43 amount in the Oregon Criminal Justice Commission Account established under ORS 137.662
 44 for disbursement to drug court programs as described in ORS 3.450; and

45 (d) Deduct an amount equal to 10 percent of the forfeiture proceeds and deposit that

1 amount in the State Commission on Children and Families Account established by ORS
2 417.733 for disbursement to relief nurseries as described in ORS 417.788.

3 (5) If the forfeiting agency has entered into an agreement with a county under subsection
4 (2) of this section, after paying costs under subsection (3) of this section and making the
5 deductions required by subsection (4) of this section, the forfeiting agency shall pay the
6 county the amounts required by the agreement.

7 (6) After making all payments and deductions required by subsections (3), (4) and (5) of
8 this section, the forfeiting agency may use the remaining forfeiture proceeds, including
9 amounts received by a county under subsection (5) of this section or by a any other public
10 body under an intergovernmental agreement entered into under section 42 of this 2009 Act,
11 only for:

12 (a) The purchase of equipment necessary for the enforcement of laws relating to the
13 unlawful delivery, distribution, manufacture or possession of controlled substances;

14 (b) Currency for undercover law enforcement operations;

15 (c) Drug awareness and drug education programs offered in middle schools and high
16 schools;

17 (d) The expenses of a forfeiting agency in operating joint narcotic operations with other
18 forfeiting agencies pursuant to the terms of an intergovernmental agreement, including
19 paying for rental space, utilities and office equipment; and

20 (e) Expenses of a district attorney in criminal prosecutions for unlawful delivery, dis-
21 tribution, manufacture or possession of controlled substances, as determined through inter-
22 governmental agreement between the forfeiting agency and the district attorney.

23 (7) Notwithstanding subsection (6) of this section, growing equipment and laboratory
24 equipment seized by a forfeiting agency that was used, or intended for use, in the manufac-
25 turing of controlled substances may be donated to a public school, community college or in-
26 stitution of higher education.

27 (8) A forfeiting agency shall sell as much property as may be needed to make the dis-
28 tributions required by this section. Distributions required under subsection (4) of this sec-
29 tion must be made once every three months and are due within 20 days of the end of each
30 quarter. No interest shall accrue on amounts that are paid within the period specified by this
31 subsection.

32 **SECTION 44. Distribution of forfeiture proceeds by state.** (1) The provisions of this sec-
33 tion apply only when the forfeiting agency is the state, and apply only to forfeiture proceeds
34 arising out of prohibited conduct as defined by section 1 (11)(a) of this 2009 Act.

35 (2) After entry of a judgment of forfeiture, a forfeiting agency shall first pay from the
36 forfeiture proceeds the costs incurred by seizing and forfeiting agencies in investigating and
37 prosecuting the case, including costs, disbursements and attorney fees as defined in ORCP
38 68 A, special expenses such as the provision of currency for undercover law enforcement
39 operations, and the expenses of maintaining the seized property. The forfeiting agency may
40 not pay expenditures made in connection with the ordinary maintenance and operation of a
41 seizing or forfeiting agency under this subsection. Any amount paid to or retained by the
42 Department of Justice under this subsection shall be deposited in the Criminal Justice Re-
43 volving Account in the State Treasury. Any amount paid to or retained by the Oregon State
44 Police under this subsection shall be deposited in the State Police Account.

45 (3) After payment of costs under subsection (2) of this section, the forfeiting agency

1 shall:

2 (a) Deduct an amount equal to 10 percent of the forfeiture proceeds and deposit that
3 amount in the Illegal Drug Cleanup Fund established by ORS 475.495 for the purposes speci-
4 fied in ORS 475.495 (5) and (6);

5 (b) Deduct an amount equal to three percent of the forfeiture proceeds, not to exceed
6 \$50,000 in a biennium, and deposit that amount in the Asset Forfeiture Oversight Account;

7 (c) Deduct an amount equal to 20 percent of the forfeiture proceeds and deposit that
8 amount in the Oregon Criminal Justice Commission Account established under ORS 137.662
9 for disbursement to drug court programs as described in ORS 3.450; and

10 (d) Deduct an amount equal to 10 percent of the forfeiture proceeds and deposit that
11 amount in the State Commission on Children and Families Account established by ORS
12 417.733 for disbursement to relief nurseries as described in ORS 417.788.

13 (4) If the forfeiting agency has entered into an intergovernmental agreement with an-
14 other public body under section 42 of this 2009 Act, or has entered into an agreement with
15 any other law enforcement agency of the state relating to distribution of forfeiture proceeds,
16 after paying costs under subsection (2) of this section and making the deductions required
17 by subsection (3) of this section, the forfeiting agency shall pay an equitable portion of the
18 forfeiture proceeds to each agency participating in the seizure or forfeiture as provided by
19 the agreement.

20 (5) After making all payments and deductions required by subsections (2), (3) and (4) of
21 this section, the forfeiting agency shall distribute the remaining forfeiture proceeds as fol-
22 lows:

23 (a) If no law enforcement agency other than the Department of Justice participated in
24 the seizure or forfeiture, the remaining forfeiture proceeds, and forfeiture proceeds received
25 by the Department of Justice under subsection (4) of this section, shall be divided between
26 the Criminal Justice Revolving Account and the Special Crime and Forfeiture Account ac-
27 cording to the following schedule:

28 (A) One hundred percent of the first \$200,000 accumulated shall be deposited in the
29 Criminal Justice Revolving Account.

30 (B) Seventy-five percent of the next \$200,000 shall be deposited in the Criminal Justice
31 Revolving Account and the balance in the Special Crime and Forfeiture Account.

32 (C) Fifty percent of the next \$200,000 shall be deposited in the Criminal Justice Revolving
33 Account and the balance in the Special Crime and Forfeiture Account.

34 (D) Twenty-five percent of the next \$200,000 shall be deposited in the Criminal Justice
35 Revolving Account and the balance in the Special Crime and Forfeiture Account.

36 (E) One hundred percent of all additional sums shall be deposited in the Special Crime
37 and Forfeiture Account.

38 (b) If no law enforcement agency other than the Department of State Police participated
39 in the seizure or forfeiture, the remaining proceeds, and proceeds received by the Depart-
40 ment of State Police under subsection (4) of this section, shall be divided between the State
41 Police Account and the Special Crime and Forfeiture Account according to the following
42 schedule:

43 (A) One hundred percent of the first \$600,000 accumulated shall be deposited in the State
44 Police Account.

45 (B) Seventy-five percent of the next \$300,000 shall be deposited in the State Police Ac-

1 count and the balance in the Special Crime and Forfeiture Account.

2 (C) Fifty percent of the next \$200,000 shall be deposited in the State Police Account and
 3 the balance in the Special Crime and Forfeiture Account.

4 (D) Twenty-five percent of the next \$200,000 shall be deposited in the State Police Ac-
 5 count and the balance in the Special Crime and Forfeiture Account.

6 (E) One hundred percent of all additional sums shall be deposited in the Special Crime
 7 and Forfeiture Account.

8 (6) Forfeiture proceeds distributed under subsection (5) of this section may be used only
 9 for:

10 (a) The purchase of equipment necessary for the enforcement of laws relating to the
 11 unlawful delivery, distribution, manufacture or possession of controlled substances;

12 (b) Currency for undercover law enforcement operations;

13 (c) Drug awareness and drug education programs offered in middle schools and high
 14 schools; and

15 (d) The expenses of a forfeiting agency in operating joint narcotic operations with other
 16 forfeiting agencies pursuant to the terms of an intergovernmental agreement, including
 17 paying for rental space, utilities and office equipment.

18 (7) A forfeiting agency shall sell as much property as may be needed to make the dis-
 19 tributions required by this section. Distributions required under subsection (3) of this sec-
 20 tion must be made once every three months and are due within 20 days of the end of each
 21 quarter. No interest shall accrue on amounts that are paid within the period specified by this
 22 subsection.

23 **SECTION 45. Special Crime and Forfeiture Account.** The Special Crime and Forfeiture
 24 Account is established in the General Fund of the State Treasury. The account shall consist
 25 of all forfeiture proceeds deposited in the account under section 44 of this 2009 Act. All
 26 moneys in the account are continuously appropriated to the Department of Justice and may
 27 be used only for the purposes specified in section 44 (6) of this 2009 Act.

28
 29 MISCELLANEOUS

30
 31 **SECTION 46. Prosecuting attorneys and forfeiture counsel.** (1) Notwithstanding ORS
 32 8.720 or any other provision of law, but subject to the provisions of ORS 180.060, a district
 33 attorney may act as forfeiture counsel in any forfeiture proceeding.

34 (2) In any forfeiture proceeding for which related criminal proceedings have been brought
 35 or could be brought, a prosecuting attorney or forfeiture counsel may participate in settle-
 36 ment negotiations initiated by the defendant or claimant or by the attorney representing the
 37 defendant or claimant.

38 **SECTION 47. Liability of seizing agencies, forfeiting agencies and forfeiture counsel.** (1)
 39 Seizing agencies, forfeiting agencies and forfeiture counsel are not civilly or criminally liable
 40 for any acts in seizing or forfeiting property under the provisions of sections 1 to 51 of this
 41 2009 Act if there was reasonable suspicion that the property was subject to seizure or
 42 forfeiture. An order directing seizure issued under section 9 of this 2009 Act shall constitute
 43 a finding of reasonable suspicion that the property was subject to forfeiture. The immunity
 44 provided by this section extends to all officers, employees and agents of seizing agencies,
 45 forfeiting agencies and forfeiture counsel.

1 (2) Nothing in this section affects any liability that may be imposed under the provisions
2 of section 10 (14), Article XV of the Oregon Constitution.

3 **SECTION 48. Indemnification of officers, employees and agents; payment of civil penal-**
4 **ties.** (1) Unless the claim arises out of malfeasance in office or willful or wanton neglect of
5 duty, a public body as defined in ORS 30.260 may defend, save harmless and indemnify any
6 officer, employee or agent of the public body against whom a claim is made under section
7 10 (14), Article XV of the Oregon Constitution.

8 (2) Any amount recovered as a civil penalty in a claim made under section 10 (14), Article
9 XV of the Oregon Constitution, shall be paid into the Criminal Injuries Compensation Ac-
10 count of the Department of Justice Crime Victims' Assistance Section to be used for the
11 purposes set forth in ORS chapter 147.

12
13 **ASSET FORFEITURE OVERSIGHT ADVISORY COMMITTEE**
14

15 **SECTION 49. Record keeping requirements.** (1) All forfeiting agencies shall maintain
16 written documentation of each seizure for forfeiture made under the provisions of sections
17 1 to 51 of this 2009 Act, sale of seized or forfeited property under sections 1 to 51 of this 2009
18 Act, decision to retain property forfeited under the provisions of sections 1 to 51 of this 2009
19 Act, transfer of property forfeited under sections 1 to 51 of this 2009 Act and other dispo-
20 sitions of property seized for forfeiture or forfeited under the provisions of sections 1 to 51
21 of this 2009 Act.

22 (2) Forfeiture counsel shall report each seizure for forfeiture and each forfeiture under
23 the provisions of sections 1 to 51 of this 2009 Act to the Asset Forfeiture Oversight Advisory
24 Committee as soon as reasonably possible after the conclusion of forfeiture proceedings. The
25 committee shall develop and make available forms for the purpose of reporting forfeitures.

26 (3) Law enforcement agencies shall supply to forfeiture counsel all information requested
27 by forfeiture counsel necessary for the preparation of the report required by subsection (2)
28 of this section.

29 (4) Public bodies that receive forfeiture proceeds under sections 43 (2) and 44 (4) of this
30 2009 Act shall submit a report to the Asset Forfeiture Oversight Advisory Committee for any
31 year in which those proceeds are received. The committee shall develop and make available
32 forms for the purpose of those reports. The forms shall require the public body to report on
33 how proceeds received by the public body have been or will be used, and such other infor-
34 mation as may be requested by the committee. Reports shall be submitted each December
35 15 for the preceding fiscal year of the public body.

36 **SECTION 50. Asset Forfeiture Oversight Advisory Committee.** (1) The Asset Forfeiture
37 Oversight Advisory Committee is created. The committee consists of 12 members to be ap-
38 pointed as follows:

39 (a) The President of the Senate and the Speaker of the House of Representatives shall
40 appoint six legislators to the committee. Three shall be Senators appointed by the President.
41 Three shall be Representatives appointed by the Speaker.

42 (b) The Governor shall appoint three members to the committee.

43 (c) The Attorney General shall appoint three members to the committee.

44 (2) The term of a legislative member of the committee shall be two years. The term of
45 all other members shall be four years. Members of the committee may be reappointed. If a

1 vacancy occurs on the committee for any reason during the term of membership, the official
 2 who appointed the member to the vacant position shall appoint a new member to serve the
 3 remainder of the term. A member of the committee may be removed from the committee
 4 at any time by the official who appointed the member.

5 (3)(a) The members of the committee shall select from among themselves a chairperson
 6 and vice chairperson.

7 (b) The committee shall meet at such times and places as determined by the chairperson.

8 (4) Legislative members shall be entitled to payment of compensation and expense re-
 9 imbursement under ORS 171.072, payable from funds appropriated to the Legislative Assem-
 10 bly.

11 (5) The committee shall:

12 (a) Prepare reports detailing the number and nature of forfeitures carried out under ORS
 13 131.550 to 131.600 and sections 1 to 51 of this 2009 Act, including the disposition and use of
 14 the proceeds from the forfeitures. The reports shall be submitted on or before March 31 of
 15 each year to the Speaker of the House of Representatives, President of the Senate, Attorney
 16 General and Governor.

17 (b) In consultation with forfeiture counsel, review and, if necessary, modify the reports
 18 required from forfeiture counsel and public bodies to ensure that information necessary for
 19 oversight is being obtained and is gathered in an efficient and effective manner.

20 (c) Make any recommendations it deems necessary to increase the effectiveness, fairness
 21 and efficiency of forfeiture actions brought under ORS 131.550 to 131.600 and sections 1 to
 22 51 of this 2009 Act.

23 (d) Make any recommendations for additional legislation governing forfeiture actions
 24 brought under ORS 131.550 to 131.600 and sections 1 to 51 of this 2009 Act.

25 (e) Conduct studies or other activities as necessary to accomplish the purposes of this
 26 subsection.

27 (6) The executive director of the Oregon Criminal Justice Commission shall provide the
 28 committee with staff, subject to funds available for that purpose.

29 (7) For purposes of this section, "forfeiture counsel" includes forfeiture counsel as de-
 30 fined in ORS 131.550.

31 **SECTION 51. Asset Forfeiture Oversight Account.** (1) The Asset Forfeiture Oversight
 32 Account is established in the State Treasury, separate and distinct from the General Fund.

33 (2) The following moneys shall be deposited into the State Treasury and credited to the
 34 Asset Forfeiture Oversight Account:

35 (a) Moneys received from a public body under the provisions of sections 43 and 44 of this
 36 2009 Act; and

37 (b) Any other moneys appropriated to the Asset Forfeiture Oversight Account.

38 (3) The State Treasurer may invest and reinvest moneys in the Asset Forfeiture Over-
 39 sight Account in the manner provided by law. Interest earned by the account shall be
 40 credited to the account.

41 (4) The moneys in the Asset Forfeiture Oversight Account are continuously appropriated
 42 to the Oregon Criminal Justice Commission to be used for the expenses of the Asset Forfei-
 43 ture Oversight Advisory Committee.

44 (5) If, at the end of a biennium, the Asset Forfeiture Oversight Account has received
 45 amounts under the provisions of sections 43 and 44 of this 2009 Act that are in excess of 115

1 **percent of the biennial expenditure limitation established for expenditures from the account,**
 2 **the Oregon Criminal Justice Commission shall refund to each public body that made payment**
 3 **into the account during the biennium a pro rata share of the amounts that are in excess of**
 4 **115 percent of the expenditure limitation for the account, based on the amount of forfeiture**
 5 **proceeds paid into the account by the public body. The commission is not required to issue**
 6 **any refund under this subsection if the amount of the refund is less than \$25.**

7
 8 **USE OF FUNDS IN ILLEGAL DRUG CLEANUP FUND**

9
 10 **SECTION 52.** ORS 475.495 is amended to read:

11 475.495. (1) The Illegal Drug Cleanup Fund is established separate and distinct from the General
 12 Fund in the State Treasury.

13 (2) The following moneys shall be deposited into the State Treasury and credited to the Illegal
 14 Drug Cleanup Fund:

15 (a) Moneys recovered or otherwise received from responsible parties for cleanup costs;

16 (b) Moneys received from a state agency, local government unit or any agency of a local gov-
 17 ernment unit for cleanup of illegal drug manufacturing sites, including moneys received from forfei-
 18 ture proceeds under the provisions of [ORS 475A.120 and 475A.126] **sections 43 and 44 of this 2009**
 19 **Act;**

20 (c) Moneys received from the federal government for cleanup of illegal drug manufacturing sites;
 21 and

22 (d) Any penalty, fine or punitive damages recovered under ORS 475.435, 475.455 or 475.485.

23 (3) The State Treasurer may invest and reinvest moneys in the Illegal Drug Cleanup Fund in the
 24 manner provided by law. Interest earned by the fund shall be credited to the fund.

25 (4) The moneys in the Illegal Drug Cleanup Fund are appropriated continuously to the Depart-
 26 ment of Environmental Quality to be used as provided for in subsection (5) of this section.

27 (5) Moneys in the Illegal Drug Cleanup Fund may be used for the following purposes:

28 (a) Payment of the state's cleanup costs; and

29 (b) Funding any action or activity authorized by ORS 475.415 to 475.455, 475.475 and 475.485.

30 **(6) In addition to the purposes provided for in subsection (5) of this section, moneys in**
 31 **the Illegal Drug Cleanup Fund received from forfeiture proceeds under the provisions of**
 32 **sections 43 and 44 of this 2009 Act may be transferred to the Department of Human Services**
 33 **to support the administration of the illegal drug manufacturing cleanup program provided**
 34 **for in ORS 453.855 to 453.912.**

35 [(6)] (7) The department may not expend more than \$250,000 in each biennium of the forfeiture
 36 proceeds that are paid into the Illegal Drug Cleanup Fund by political subdivisions under the pro-
 37 visions of [ORS 475A.120] **section 43 of this 2009 Act.** If at the end of a biennium more than
 38 \$250,000 has been paid into the Illegal Drug Cleanup Fund under the provisions of [ORS 475A.120]
 39 **section 43 of this 2009 Act,** the department shall refund to each political subdivision that made
 40 payments into the fund a pro rata share of the excess amount, based on the amount of forfeiture
 41 proceeds paid into the fund by the political subdivision.

42
 43 **CONFORMING AMENDMENTS**

44
 45 **SECTION 53.** ORS 30.315 is amended to read:

1 30.315. (1) An incorporated city or any county may maintain civil proceedings in courts of this
2 state against any person or property to enforce requirements or prohibitions of its ordinances or
3 resolutions when it seeks:

4 (a) To collect a fee or charge;

5 (b) To enforce a forfeiture;

6 (c) To require or enjoin the performance of an act affecting real property;

7 (d) To enjoin continuance of a violation that has existed for 10 days or more; or

8 (e) To enjoin further commission of a violation that otherwise may result in additional violations
9 of the same or related penal provisions affecting the public morals, health or safety.

10 (2) The remedies provided by this section are supplementary and in addition to those described
11 in ORS 30.310.

12 (3) Nothing in this section shall affect the limitations imposed on cities and counties by [*ORS*
13 *475A.010 (3) and (4)*] **section 2 (3) and (4) of this 2009 Act.**

14 **SECTION 54.** ORS 131.594 is amended to read:

15 131.594. (1) After the seizing agency distributes property under ORS 131.588, and when the
16 seizing agency is not the state, the seizing agency shall dispose of and distribute property as follows:

17 (a) The seizing agency shall pay costs first from the property or its proceeds. As used in this
18 subsection, “costs” includes the expenses of publication, service of notices, towing, storage and
19 servicing or maintaining the seized property under ORS 131.564.

20 (b) After costs have been paid, the seizing agency shall distribute to the victim any amount the
21 seizing agency was ordered to distribute under ORS 131.588 (4).

22 (c) After costs have been paid and distributions under paragraph (b) of this subsection have been
23 made, the seizing agency shall distribute the rest of the property to the general fund of the political
24 subdivision that operates the seizing agency.

25 (2) Of the property distributed under subsection (1)(c) of this section, the political subdivision
26 shall distribute:

27 (a) Three percent to the Asset Forfeiture Oversight Account established in [*ORS 475A.160*]
28 **section 51 of this 2009 Act;**

29 (b) Seven percent to the Illegal Drug Cleanup Fund established in ORS 475.495 for the purposes
30 specified in ORS 475.495 (5) **and (6);** and

31 (c) Ten percent to the state General Fund.

32 (3) Of the property distributed under subsection (1)(c) of this section that remains in the general
33 fund of the political subdivision after the distributions required by subsection (2) of this section have
34 been made:

35 (a) Fifty percent must be for official law enforcement use; and

36 (b) Fifty percent must be used for substance abuse treatment pursuant to a plan developed under
37 ORS 430.420.

38 (4) Except as otherwise provided by intergovernmental agreement, the seizing agency may:

39 (a) Sell, lease, lend or transfer the property or proceeds to any federal, state or local law
40 enforcement agency or district attorney.

41 (b) Sell the forfeited property by public or other commercially reasonable sale and pay from the
42 proceeds the expenses of keeping and selling the property.

43 (c) Retain the property.

44 (d) With written authorization from the district attorney for the seizing agency’s jurisdiction,
45 destroy any firearms or controlled substances.

1 (5) A political subdivision may sell as much property as may be needed to make the distributions
2 required by subsections (1) and (2) of this section. A political subdivision shall make distributions
3 to the Asset Forfeiture Oversight Account, the Illegal Drug Cleanup Fund and the state General
4 Fund that are required by subsection (2) of this section once every three months. The distributions
5 are due within 20 days of the end of each quarter. Interest does not accrue on amounts that are paid
6 within the period specified by this subsection.

7 (6) A seizing agency may donate growing equipment and laboratory equipment that was used,
8 or intended for use, in manufacturing of controlled substances to a public school, community college
9 or state institution of higher education.

10 (7) This section applies only to criminal forfeiture proceeds arising out of prohibited conduct.

11 **SECTION 55.** ORS 131.597 is amended to read:

12 131.597. (1) After the seizing agency distributes property under ORS 131.588, and when the
13 seizing agency is the state or when the state is the recipient of property forfeited under ORS 131.550
14 to 131.600, the seizing agency shall dispose of and distribute property as follows:

15 (a) The seizing agency shall pay costs first from the property or its proceeds. As used in this
16 subsection, "costs" includes the expenses of publication, service of notices, towing, storage and
17 servicing or maintaining the seized property under ORS 131.564.

18 (b) After costs have been paid, the seizing agency shall distribute to the victim any amount the
19 seizing agency was ordered to distribute under ORS 131.588 (4).

20 (c) Of the property remaining after costs have been paid under paragraph (a) of this subsection
21 and distributions have been made under paragraph (b) of this subsection, the seizing agency shall
22 distribute:

23 (A) Three percent to the Asset Forfeiture Oversight Account established in ORS [475A.160]
24 **section 51 of this 2009 Act;**

25 (B) Seven percent to the Illegal Drug Cleanup Fund established in ORS 475.495 for the purposes
26 specified in ORS 475.495 (5) **and (6);**

27 (C) Ten percent to the state General Fund;

28 (D) Subject to subsection (5) of this section, 40 percent to the Department of State Police or the
29 Department of Justice for official law enforcement use; and

30 (E) Forty percent to the Drug Prevention and Education Fund established in ORS 430.422.

31 (2)(a) Any amount paid to or retained by the Department of Justice under subsection (1) of this
32 section must be deposited in the Criminal Justice Revolving Account in the State Treasury.

33 (b) Any amount paid to or retained by the Department of State Police under subsection (1) of
34 this section must be deposited in the State Police Account.

35 (3) The state may:

36 (a) With written authorization from the district attorney for the jurisdiction in which the prop-
37 erty was seized, destroy any firearms or controlled substances.

38 (b) Sell the forfeited property by public or other commercially reasonable sale and pay from the
39 proceeds the expenses of keeping and selling the property.

40 (c) Retain any vehicles, firearms or other equipment usable for law enforcement purposes, for
41 official law enforcement use directly by the state.

42 (d) Lend or transfer any vehicles, firearms or other equipment usable for law enforcement pur-
43 poses to any federal, state or local law enforcement agency or district attorney for official law
44 enforcement use directly by the transferee entity.

45 (4) When the state has entered into an intergovernmental agreement with one or more political

1 subdivisions under ORS 131.591, or when a law enforcement agency of this state has entered into
 2 an agreement with another law enforcement agency of this state, an equitable portion of the for-
 3 feited property distributed under subsection (1)(c)(D) of this section must be distributed to each
 4 agency participating in the seizure or criminal forfeiture as provided by the agreement.

5 (5) The property distributed under subsection (1)(c)(D) of this section, including any proceeds
 6 received by the state under an intergovernmental agreement or under an agreement between state
 7 law enforcement agencies, must be divided as follows:

8 (a) When no law enforcement agency other than the Department of Justice participated in the
 9 seizure or forfeiture, or when the Department of Justice has entered into an agreement under sub-
 10 section (4) of this section, the property must be deposited in the Criminal Justice Revolving Account.

11 (b) When no law enforcement agency other than the Department of State Police participated in
 12 the seizure or forfeiture, or when the Department of State Police has entered into an agreement
 13 under subsection (4) of this section, the property must be deposited in the State Police Account.

14 (6) The seizing agency may sell as much property as may be needed to make the distributions
 15 required by subsection (1) of this section. The seizing agency shall make distributions to the Asset
 16 Forfeiture Oversight Account and the Illegal Drug Cleanup Fund that are required by subsection (1)
 17 of this section once every three months. The distributions are due within 20 days of the end of each
 18 quarter. Interest does not accrue on amounts that are paid within the period specified by this sub-
 19 section.

20 **SECTION 56.** ORS 137.662 is amended to read:

21 137.662. The Oregon Criminal Justice Commission Account is established separate and distinct
 22 from the General Fund. All moneys received by the Oregon Criminal Justice Commission, other than
 23 appropriations from the General Fund, and except those moneys described in [ORS 475A.160] **sec-**
 24 **tion 51 of this 2009 Act**, shall be deposited into the account and are continuously appropriated to
 25 the commission to carry out the duties, functions and powers of the commission.

26 **SECTION 57.** ORS 163.707 is amended to read:

27 163.707. (1) A motor vehicle used by the owner in a drive-by shooting is subject to civil in rem
 28 forfeiture.

29 (2) Seizure and forfeiture proceedings under this section shall be conducted in accordance with
 30 [ORS chapter 475A] **sections 1 to 51 of this 2009 Act**.

31 (3) As used in this section, "drive-by shooting" means discharge of a firearm from a motor ve-
 32 hicle while committing or attempting to commit:

33 (a) Aggravated murder under ORS 163.095;

34 (b) Murder under ORS 163.115;

35 (c) Manslaughter in any degree under ORS 163.118 or 163.125;

36 (d) Assault in any degree under ORS 163.160, 163.165, 163.175 or 163.185;

37 (e) Menacing under ORS 163.190;

38 (f) Recklessly endangering another person under ORS 163.195;

39 (g) Assaulting a public safety officer under ORS 163.208; or

40 (h) Intimidation in any degree under ORS 166.155 or 166.165.

41 **SECTION 58.** ORS 167.164 is amended to read:

42 167.164. (1) On and after December 1, 1991, a person commits the crime of possession of a gray
 43 machine if the person manufactures, sells, leases, transports, places, possesses or services a gray
 44 machine or conducts or negotiates a transaction affecting or designed to affect the ownership, cus-
 45 tody or use of a gray machine.

1 (2) Possession of a gray machine is a Class C felony.

2 (3) Violation of, solicitation to violate, attempt to violate or conspiracy to violate subsection (1)
3 of this section constitutes prohibited conduct for purposes of [ORS chapter 475A] **sections 1 to 51**
4 **of this 2009 Act**, and shall give rise to civil in rem forfeiture as provided in [ORS chapter 475A]
5 **sections 1 to 51 of this 2009 Act**. A judgment providing for forfeiture may direct that the machine
6 be destroyed.

7 (4) It is a defense to a charge of possession of a gray machine if the machine that caused the
8 charge to be brought was manufactured prior to 1958 and was not operated for purposes of unlawful
9 gambling.

10 **SECTION 59.** ORS 358.925 is amended to read:

11 358.925. (1) Violation of ORS 358.920 or 390.235 is prohibited conduct for the purposes of [ORS
12 chapter 475A] **sections 1 to 51 of this 2009 Act**. Proceeds and instrumentalities of a violation of
13 ORS 358.920 or 390.235 may be seized and forfeited in the manner provided by [ORS chapter 475A]
14 **sections 1 to 51 of this 2009 Act**. An action for civil forfeiture under this section may be com-
15 menced by the Attorney General or by the district attorney for the county in which any of the
16 property is seized.

17 (2) Property subject to forfeiture under this section may be seized by a police officer upon court
18 process. Seizure without process may be made if:

19 (a) The seizure is incident to a lawful arrest or search or an inspection under an administrative
20 inspection warrant; or

21 (b) The property subject to seizure has been the subject of a prior judgment in favor of the state.

22 (3) In the event of a seizure under subsection (1) of this section, a forfeiture proceeding shall
23 be instituted promptly. Property taken or detained under this section shall not be subject to
24 replevin, but is deemed to be in the custody of the police officer making the seizure, subject only
25 to the order of the court. When property is seized under this section, pending forfeiture and final
26 disposition, the police officer may:

27 (a) Place the property under seal;

28 (b) Remove the property to a place designated by the court; or

29 (c) Require another agency authorized by law to take custody of the property and remove it to
30 an appropriate location.

31 (4) In any action brought under this section, the circuit court shall give priority to the hearing
32 and determination. Pending final determination, the circuit court may at any time enter such in-
33 junctions, prohibitions or restraining orders, or take such actions as the court may deem proper.

34 (5) A judgment rendered in favor of the state in any criminal proceeding for a violation of ORS
35 358.920 or 390.235 shall estop the defendant in any subsequent civil action or proceeding brought
36 by the state or any other person as to all matters as to which such judgment would be an estoppel
37 as between the state and the defendant.

38 (6) Notwithstanding any provision of [ORS chapter 475A] **sections 1 to 51 of this 2009 Act**,
39 after entry of a judgment of forfeiture in an action under this section, a forfeiting agency shall de-
40 liver the forfeited property and proceeds of the forfeited property to the Commission on Indian
41 Services after making any deductions allowed for costs incurred by the forfeiting agency. The
42 commission shall deliver the property and proceeds to the appropriate Indian tribe, as designated
43 by the commission. If there is no appropriate Indian tribe, the commission shall use the property and
44 proceeds for Indian historic preservation.

45 **SECTION 60.** ORS 647.155 is amended to read:

1 647.155. (1) The following are subject to seizure and forfeiture in the same manner as the pro-
2 ceeds of prohibited conduct under [ORS chapter 475A] **sections 1 to 51 of this 2009 Act:**

3 (a) All raw materials and equipment that are used, or intended for use, in providing, manufac-
4 turing and delivering items bearing a counterfeit mark or services identified by a counterfeit mark;

5 (b) All conveyances that are used, or intended for use, to transport items bearing a counterfeit
6 mark;

7 (c) All books, records, computers and data that are used or intended for use in the production,
8 manufacture, sale or delivery of items bearing a counterfeit mark or services identified by a
9 counterfeit mark; and

10 (d) All moneys, negotiable instruments, balances in deposit or other accounts, securities or other
11 things of value furnished or intended to be furnished by any person in the course of activity con-
12 stituting a violation of ORS 647.140, 647.145 or 647.150.

13 (2) Items bearing a counterfeit mark are subject to seizure and disposition as provided in ORS
14 133.525 to 133.703. However, if the registrant so requests, the agency holding the seized items shall
15 release the seized items to the registrant or make such other disposition as the registrant directs.
16 If the registrant does not direct disposition of the seized items, the agency shall destroy the items.

17 **SECTION 61.** ORS 809.730 is amended to read:

18 809.730. (1) A motor vehicle may be seized and forfeited if the person operating the vehicle is
19 arrested or issued a citation for driving while under the influence of intoxicants in violation of ORS
20 813.010 and the person, within three years prior to the arrest or issuance of the citation, has been
21 convicted of:

22 (a) Driving while under the influence of intoxicants in violation of:

23 (A) ORS 813.010; or

24 (B) The statutory counterpart to ORS 813.010 in another jurisdiction;

25 (b) A driving under the influence of intoxicants offense in another jurisdiction that involved the
26 impaired driving of a vehicle due to the use of intoxicating liquor, a controlled substance, an
27 inhalant or any combination thereof;

28 (c) A driving offense in another jurisdiction that involved operating a vehicle while having a
29 blood alcohol content above that jurisdiction's permissible blood alcohol content;

30 (d) Murder, manslaughter, criminally negligent homicide or assault that resulted from the oper-
31 ation of a motor vehicle in this state or in another jurisdiction; or

32 (e) Aggravated vehicular homicide under ORS 163.149.

33 (2) For the purposes of subsection (1) of this section, a conviction for a driving offense in an-
34 other jurisdiction based solely on a person under 21 years of age having a blood alcohol content that
35 is lower than the permissible blood alcohol content in that jurisdiction for a person 21 years of age
36 or older does not constitute a prior conviction.

37 (3) All seizure and forfeiture proceedings under this section shall be conducted in accordance
38 with [ORS chapter 475A] **sections 1 to 51 of this 2009 Act.**

39 **SECTION 62.** ORS 809.735 is amended to read:

40 809.735. (1) The seizure and forfeiture provisions of ORS 809.730 do not preempt a city or county
41 ordinance enacted and in effect on June 22, 1999, relating to forfeiture of a motor vehicle operated
42 by a person described in ORS 809.730.

43 (2) The seizure and forfeiture provisions of ORS 809.730 do not preempt a city with a population
44 exceeding 400,000 or a county with a population exceeding 500,000 from enacting, on or before
45 January 1, 2000, an ordinance relating to seizure and forfeiture of a motor vehicle operated by a

1 person described in ORS 809.730.

2 (3) Notwithstanding subsections (1) and (2) of this section, seizure and forfeiture procedures in
3 a city or county ordinance relating to seizure and forfeiture of a motor vehicle operated by a person
4 described in ORS 809.730 shall be in accordance with [*ORS chapter 475A*] **sections 1 to 51 of this**
5 **2009 Act.**

6 7 CAPTIONS

8
9 **SECTION 63.** The unit and section captions used in this 2009 Act are provided only for
10 the convenience of the reader and do not become part of the statutory law of this state or
11 express any legislative intent in the enactment of this 2009 Act.

12 13 REPEALS

14
15 **SECTION 64.** ORS 475A.005, 475A.010, 475A.015, 475A.020, 475A.025, 475A.030, 475A.035,
16 475A.040, 475A.045, 475A.050, 475A.055, 475A.060, 475A.065, 475A.070, 475A.075, 475A.080,
17 475A.085, 475A.091, 475A.096, 475A.100, 475A.110, 475A.111, 475A.115, 475A.120, 475A.126,
18 475A.130, 475A.155 and 475A.160 are repealed.

19 **SECTION 65.** The repeal of statutory sections by section 64 of this 2009 Act does not af-
20 fect any forfeiture proceeding commenced before the effective date of this 2009 Act by giving
21 a notice of seizure for forfeiture under ORS 475A.055, as in effect immediately before the
22 effective date of this 2009 Act, or by recording a notice of intent to forfeit under ORS
23 475A.050, as in effect immediately before the effective date of this 2009 Act. Any forfeiture
24 proceeding commenced before the effective date of this 2009 Act as described in this sub-
25 section shall continue to be governed by the provisions of ORS 475A.005, 475A.010, 475A.015,
26 475A.020, 475A.025, 475A.030, 475A.035, 475A.040, 475A.045, 475A.050, 475A.055, 475A.060,
27 475A.065, 475A.070, 475A.075, 475A.080, 475A.085, 475A.091, 475A.096, 475A.100, 475A.110,
28 475A.111, 475A.115, 475A.120, 475A.126, 475A.130, 475A.155 and 475A.160, as in effect imme-
29 diately before the effective date of this 2009 Act.

30 31 EMERGENCY CLAUSE

32
33 **SECTION 66.** This 2009 Act being necessary for the immediate preservation of the public
34 peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect
35 on its passage.