

1.1 moves to amend H.F. No. 2856, the delete everything amendment
1.2 (H2856DE2), as follows:

1.3 Page 89, after line 29 insert:

1.4 **"ARTICLE 8**

1.5 **FORFEITURE**

1.6 Section 1. Minnesota Statutes 2016, section 84.7741, subdivision 3, is amended to read:

1.7 Subd. 3. **Right to possession vests immediately; custody.** All right, title, and interest
1.8 in an off-highway vehicle subject to forfeiture under this section vests in the appropriate
1.9 agency upon commission of the conduct resulting in the designated offense giving rise to
1.10 the forfeiture. Any vehicle seized under this section ~~is not subject to replevin, but~~ is deemed
1.11 to be in the custody of the appropriate agency subject to the orders and decrees of the court
1.12 having jurisdiction over the forfeiture proceedings. When an off-highway vehicle is seized
1.13 under this section, the appropriate agency shall use reasonable diligence to secure the
1.14 property and prevent waste and may do any of the following:

- 1.15 (1) place the vehicle under seal;
- 1.16 (2) remove the vehicle to a place designated by the agency; and
- 1.17 (3) place a disabling device on the vehicle.

1.18 Sec. 2. Minnesota Statutes 2016, section 84.7741, subdivision 7, is amended to read:

1.19 Subd. 7. **Presumptions; limitations on vehicle forfeiture.** (a) An off-highway vehicle
1.20 is presumed subject to forfeiture under this section if the driver:

- 1.21 (1) is convicted of the designated offense upon which the forfeiture is based; or

2.1 (2) fails to appear for a scheduled court appearance with respect to the designated offense
2.2 charged and fails to voluntarily surrender within 48 hours after the time required for
2.3 appearance.

2.4 (b) An off-highway vehicle encumbered by a security interest perfected according to
2.5 section 168A.17, subdivision 2, or subject to a lease that has a term of 180 days or more,
2.6 is subject to the interest of the secured party or lessor unless the party or lessor had knowledge
2.7 of or consented to the act upon which the forfeiture is based. However, when the proceeds
2.8 of the sale of a seized vehicle do not equal or exceed the outstanding loan balance, the
2.9 appropriate agency shall remit all proceeds of the sale to the secured party after deducting
2.10 the agency's costs for the seizure, tow, storage, forfeiture, and sale of the vehicle. If the sale
2.11 of the vehicle is conducted in a commercially reasonable manner consistent with section
2.12 336.9-610, the agency is not liable to the secured party for any amount owed on the loan in
2.13 excess of the sale proceeds. The validity and amount of a nonperfected security interest
2.14 must be established by its holder by clear and convincing evidence.

2.15 (c) Notwithstanding paragraph (b), the secured party's or lessor's interest in an
2.16 off-highway vehicle is not subject to forfeiture based solely on the secured party's or lessor's
2.17 knowledge of the act or omission upon which the forfeiture is based if the secured party or
2.18 lessor demonstrates by clear and convincing evidence that the party or lessor took reasonable
2.19 steps to terminate use of the vehicle by the offender.

2.20 (d) An off-highway vehicle is not subject to forfeiture under this section if its owner can
2.21 demonstrate by clear and convincing evidence that the owner did not have actual or
2.22 constructive knowledge that the vehicle would be used or operated in any manner contrary
2.23 to law or that the owner took reasonable steps to prevent use of the vehicle by the offender.
2.24 A hearing on a petition filed pursuant to this paragraph shall, to the extent practicable and
2.25 consistent with the interests of justice, be held within 30 days of the filing of the petition.
2.26 No petition filed or testimony given at a hearing pursuant to this paragraph shall be used as
2.27 evidence in the related criminal matter. Nothing in this paragraph prevents any individual
2.28 who has filed a petition under this section from providing information to any prosecuting
2.29 authority or defendant involved in the related criminal matter or their representatives, or
2.30 from testifying in any trial as to facts within the individual's knowledge. If the offender is
2.31 a family or household member of the owner and has three or more prior off-highway vehicle
2.32 convictions, the owner is presumed to know of any vehicle use by the offender that is
2.33 contrary to law.

2.34 (e) A claimant who is the defendant in the underlying criminal matter may bring a motion
2.35 for replevin pursuant to section 609.5313, subdivision 3.

3.1 Sec. 3. Minnesota Statutes 2016, section 84.7741, subdivision 8, is amended to read:

3.2 Subd. 8. **Administrative forfeiture procedure.** (a) An off-highway vehicle used to
3.3 commit a designated offense is subject to administrative forfeiture under this subdivision.

3.4 (b) Within 60 days from when an off-highway vehicle is seized under subdivision 2, or
3.5 within a reasonable time after seizure, the appropriate agency shall serve the driver or
3.6 operator of the vehicle with a notice of the seizure and intent to forfeit the vehicle.

3.7 Additionally, when an off-highway vehicle is seized under subdivision 2, or within a
3.8 reasonable time after that, all persons known to have an ownership, possessory, or security
3.9 interest in the vehicle must be notified of the seizure and the intent to forfeit the vehicle.

3.10 For those vehicles required to be registered under chapter 168, the notification to a person
3.11 known to have a security interest in the vehicle is required only if the vehicle is registered
3.12 under chapter 168 and the interest is listed on the vehicle's title. Upon motion by the
3.13 appropriate agency or prosecuting authority, a court may extend the time period for sending
3.14 notice for a period not to exceed 90 days for good cause shown. Notice mailed by certified
3.15 mail to the address shown in Department of Public Safety records is sufficient notice to the
3.16 registered owner of the vehicle. For off-highway vehicles not required to be registered under
3.17 chapter 168, notice mailed by certified mail to the address shown in the applicable filing or
3.18 registration for the vehicle is sufficient notice to a person known to have an ownership,
3.19 possessory, or security interest in the vehicle. Otherwise, notice may be given in the manner
3.20 provided by law for service of a summons in a civil action.

3.21 (c) The notice must be in writing and contain:

3.22 (1) a description of the vehicle seized;

3.23 (2) the date of the seizure; and

3.24 (3) notice of the right to obtain judicial review of the forfeiture and of the procedure for
3.25 obtaining that judicial review, printed in English. This requirement does not preclude the
3.26 appropriate agency from printing the notice in other languages in addition to English.

3.27 Substantially the following language must appear conspicuously in the notice:

3.28 "WARNING: You ~~will~~ may automatically lose the above-described property and the
3.29 right to be heard in court if you do not file a lawsuit and serve the prosecuting authority
3.30 within 60 days. You may file your lawsuit in conciliation court if the property is worth
3.31 \$15,000 or less; otherwise, you must file in district court. You may not have to pay a filing
3.32 fee for your lawsuit if you are unable to afford the fee. You do not have to pay a conciliation
3.33 court fee if your property is worth less than \$500. If you are not the defendant, you may

4.1 also file an innocent owner petition. If you are the defendant, you may file a petition for
4.2 replevin."

4.3 (d) If notice is not sent in accordance with paragraph (b), and no time extension is granted
4.4 or the extension period has expired, the appropriate agency shall return the property to the
4.5 person from whom the property was seized, if known. An agency's return of property due
4.6 to lack of proper notice does not restrict the agency's authority to commence a forfeiture
4.7 proceeding at a later time. The agency shall not be required to return contraband or other
4.8 property that the person from whom the property was seized may not legally possess.

4.9 (e) Within 60 days following service of a notice of seizure and forfeiture under this
4.10 subdivision, a claimant may file a demand for a judicial determination of the forfeiture. The
4.11 demand must be in the form of a civil complaint and must be filed with the court
4.12 administrator in the county in which the seizure occurred, together with proof of service of
4.13 a copy of the complaint on the prosecuting authority having jurisdiction over the forfeiture
4.14 and the standard filing fee for civil actions unless the petitioner has the right to sue in forma
4.15 pauperis under section 563.01. The claimant may serve the complaint on the prosecuting
4.16 authority by any means permitted by court rules. If the value of the seized property is \$15,000
4.17 or less, the claimant may file an action in conciliation court for recovery of the seized vehicle.
4.18 A copy of the conciliation court statement of claim must be served personally or by mail
4.19 on the prosecuting authority having jurisdiction over the forfeiture within 60 days following
4.20 service of the notice of seizure and forfeiture under this subdivision. If the value of the
4.21 seized property is less than \$500, the claimant does not have to pay the conciliation court
4.22 filing fee. No responsive pleading is required of the prosecuting authority and no court fees
4.23 may be charged for the prosecuting authority's appearance in the matter. Pleadings, filings,
4.24 and methods of service are governed by the Rules of Civil Procedure.

4.25 (f) The complaint must be captioned in the name of the claimant as plaintiff and the
4.26 seized vehicle as defendant and must state with specificity the grounds on which the claimant
4.27 alleges the vehicle was improperly seized, the claimant's interest in the vehicle seized, and
4.28 any affirmative defenses the claimant may have. Notwithstanding any law to the contrary,
4.29 an action for the return of an off-highway vehicle seized under this section may not be
4.30 maintained by or on behalf of any person who has been served with a notice of seizure and
4.31 forfeiture unless the person has complied with this subdivision.

4.32 (g) If the claimant makes a timely demand for a judicial determination under this
4.33 subdivision, the forfeiture proceedings must be conducted according to subdivision 9.

5.1 Sec. 4. Minnesota Statutes 2016, section 84.7741, subdivision 9, is amended to read:

5.2 Subd. 9. **Judicial forfeiture procedure.** (a) This subdivision governs judicial
5.3 determinations of the forfeiture of an off-highway vehicle used to commit a designated
5.4 offense. An action for forfeiture is a civil in rem action and is independent of any criminal
5.5 prosecution. All proceedings are governed by the Rules of Civil Procedure.

5.6 (b) If no demand for judicial determination of the forfeiture is pending, the prosecuting
5.7 authority may, in the name of the jurisdiction pursuing the forfeiture, file a separate complaint
5.8 against the vehicle, describing it, specifying that it was used in the commission of a
5.9 designated offense, and specifying the time and place of its unlawful use.

5.10 (c) The prosecuting authority may file an answer to a properly served demand for judicial
5.11 determination, including an affirmative counterclaim for forfeiture. The prosecuting authority
5.12 is not required to file an answer.

5.13 (d) A judicial determination under this subdivision must be held at the earliest practicable
5.14 date, and in any event no later than 180 days following the filing of the demand by the
5.15 claimant. If a related criminal proceeding is pending, the hearing under this subdivision
5.16 shall not be held until the conclusion of the criminal proceedings. Hearings on petitions or
5.17 actions brought pursuant to subdivision 7, paragraph (d), or section 609.5313, subdivision
5.18 3, must be held at the earliest practicable date and may not be delayed pending the conclusion
5.19 of the criminal proceedings. The district court administrator shall schedule the hearing as
5.20 soon as practicable after the conclusion of the criminal prosecution. The district court
5.21 administrator shall establish procedures to ensure efficient compliance with this subdivision.
5.22 The hearing is to the court without a jury.

5.23 (e) There is a presumption that an off-highway vehicle seized under this section is subject
5.24 to forfeiture if the prosecuting authority establishes that the vehicle was used in the
5.25 commission of a designated offense. A claimant bears the burden of proving any affirmative
5.26 defense raised.

5.27 (f) If the forfeiture is based on the commission of a designated offense and the person
5.28 charged with the designated offense appears in court as required and is not convicted of the
5.29 offense, the court shall order the property returned to the person legally entitled to it upon
5.30 that person's compliance with the redemption requirements of subdivision 12.

5.31 (g) If the lawful ownership of the vehicle used in the commission of a designated offense
5.32 can be determined and the owner makes the demonstration required under subdivision 7,
5.33 paragraph (d), the vehicle must be returned immediately upon the owner's compliance with
5.34 the redemption requirements of subdivision 12.

6.1 (h) If the court orders the return of a seized vehicle under this subdivision, it must order
6.2 that filing fees be reimbursed to the person who filed the demand for judicial determination.
6.3 In addition, the court may order sanctions under section 549.211. Any reimbursement fees
6.4 or sanctions must be paid from other forfeiture proceeds of the law enforcement agency
6.5 and prosecuting authority involved and in the same proportion as distributed under
6.6 subdivision 10, paragraph (b).

6.7 (i) No petition filed or testimony given at a hearing pursuant to this subdivision shall be
6.8 used as evidence in the related criminal matter. Nothing in this paragraph prevents any
6.9 individual who has filed a petition under this section from providing information to any
6.10 prosecuting authority or defendant involved in the related criminal matter or their
6.11 representatives, or from testifying in any trial as to facts within the individual's knowledge.

6.12 Sec. 5. Minnesota Statutes 2016, section 84.7741, subdivision 10, is amended to read:

6.13 Subd. 10. **Disposition of forfeited vehicle.** (a) If the vehicle is administratively forfeited
6.14 under subdivision 8, or if the court finds under subdivision 9 that the vehicle is subject to
6.15 forfeiture under subdivisions 6 and 7, the appropriate agency shall:

6.16 (1) sell the vehicle and distribute the proceeds under paragraph (b); or

6.17 (2) keep the vehicle for official use. If the agency keeps a forfeited off-highway vehicle
6.18 for official use, the agency shall make reasonable efforts to ensure that the off-highway
6.19 vehicle is available for use by the agency's officers who participate in off-highway vehicle
6.20 enforcement or education programs.

6.21 (b) The proceeds from the sale of forfeited vehicles, after payment of seizure, towing,
6.22 storage, forfeiture, and sale expenses and satisfaction of valid liens against the property,
6.23 must be ~~distributed as follows:~~ forwarded to the commissioner of public safety within 60
6.24 days after resolution of the forfeiture and distributed pursuant to section 609.5315,
6.25 subdivision 5.

6.26 ~~(1) 70 percent of the proceeds must be forwarded to the appropriate agency for deposit~~
6.27 ~~as a supplement to the state or local agency's operating fund or similar fund for use in~~
6.28 ~~purchasing equipment for off-highway vehicle enforcement, training, and education; and~~

6.29 ~~(2) 30 percent of the money or proceeds must be forwarded to the prosecuting authority~~
6.30 ~~that handled the forfeiture for deposit as a supplement to its operating fund or similar fund~~
6.31 ~~for prosecutorial purposes.~~

6.32 (c) If a vehicle is sold under paragraph (a), the appropriate agency shall not sell the
6.33 vehicle to: (1) an officer or employee of the agency that seized the property or to a person

7.1 related to the officer or employee by blood or marriage; or (2) the prosecuting authority or
7.2 any individual working in the same office or a person related to the authority or individual
7.3 by blood or marriage.

7.4 (d) Sales of forfeited vehicles under this section must be conducted in a commercially
7.5 reasonable manner.

7.6 (e) If a vehicle is forfeited administratively under this section and no demand for judicial
7.7 determination is made, the appropriate agency shall provide the prosecuting authority with
7.8 a copy of the forfeiture or evidence receipt, the notice of seizure and intent to forfeit, a
7.9 statement of probable cause for forfeiture of the property, and a description of the property
7.10 and its estimated value. Upon review and certification by the prosecuting authority that (1)
7.11 the appropriate agency provided a receipt in accordance with subdivision 2, paragraph (c),
7.12 (2) the appropriate agency served notice in accordance with subdivision 8, and (3) probable
7.13 cause for forfeiture exists based on the officer's statement, the appropriate agency may
7.14 dispose of the property in any of the ways listed in this subdivision.

7.15 Sec. 6. Minnesota Statutes 2016, section 169A.63, subdivision 3, is amended to read:

7.16 Subd. 3. **Right to possession vests immediately; custody.** All right, title, and interest
7.17 in a vehicle subject to forfeiture under this section vests in the appropriate agency upon
7.18 commission of the conduct resulting in the designated offense or designated license
7.19 revocation giving rise to the forfeiture. Any vehicle seized under this section ~~is not subject~~
7.20 ~~to replevin, but~~ is deemed to be in the custody of the appropriate agency subject to the orders
7.21 and decrees of the court having jurisdiction over the forfeiture proceedings. When a vehicle
7.22 is seized under this section, the appropriate agency shall use reasonable diligence to secure
7.23 the property and prevent waste and may do any of the following:

7.24 (1) place the vehicle under seal;

7.25 (2) remove the vehicle to a place designated by it; and

7.26 (3) place a disabling device on the vehicle.

7.27 Sec. 7. Minnesota Statutes 2016, section 169A.63, is amended by adding a subdivision to
7.28 read:

7.29 Subd. 4a. **Ignition interlock.** (a) Notwithstanding any law to the contrary, if a person
7.30 alleged to have committed the conduct resulting in a designated offense or the designated
7.31 license revocation giving rise to the forfeiture is the owner of a vehicle that has been seized
7.32 under this section and seeks possession of the vehicle before the forfeiture action is

8.1 determined, the owner may apply for a restricted license and participation in the ignition
8.2 interlock program pursuant to section 171.306.

8.3 (b) A vehicle equipped with an ignition interlock device pursuant to this subdivision is
8.4 not subject to forfeiture unless:

8.5 (1) the commissioner terminates the owner's participation in the program pursuant to
8.6 section 171.306, subdivision 5, paragraph (b); or

8.7 (2) the owner voluntarily terminates participation in the program before criminal charges
8.8 for a designated offense and civil proceedings for a designated license revocation are resolved
8.9 in the owner's favor, or the owner becomes eligible for restoration of full driving privileges.

8.10 (c) This subdivision does not apply to a vehicle being held for investigatory purposes.

8.11 Sec. 8. Minnesota Statutes 2017 Supplement, section 169A.63, subdivision 7, is amended
8.12 to read:

8.13 Subd. 7. **Limitations on vehicle forfeiture.** (a) A vehicle is presumed subject to forfeiture
8.14 under this section if:

8.15 (1) the driver is convicted of the designated offense upon which the forfeiture is based;

8.16 (2) the driver fails to appear for a scheduled court appearance with respect to the
8.17 designated offense charged and fails to voluntarily surrender within 48 hours after the time
8.18 required for appearance; or

8.19 (3) the driver's conduct results in a designated license revocation and the driver fails to
8.20 seek judicial review of the revocation in a timely manner as required by section 169A.53,
8.21 subdivision 2, (petition for judicial review), or the license revocation is judicially reviewed
8.22 and sustained under section 169A.53, subdivision 2.

8.23 (b) A vehicle encumbered by a security interest perfected according to section 168A.17,
8.24 subdivision 2, or subject to a lease that has a term of 180 days or more, is subject to the
8.25 interest of the secured party or lessor unless the party or lessor had knowledge of or consented
8.26 to the act upon which the forfeiture is based. However, when the proceeds of the sale of a
8.27 seized vehicle do not equal or exceed the outstanding loan balance, the appropriate agency
8.28 shall remit all proceeds of the sale to the secured party after deducting the agency's costs
8.29 for the seizure, tow, storage, forfeiture, and sale of the vehicle. If the sale of the vehicle is
8.30 conducted in a commercially reasonable manner consistent with the provisions of section
8.31 336.9-610, the agency is not liable to the secured party for any amount owed on the loan in

9.1 excess of the sale proceeds. The validity and amount of a nonperfected security interest
9.2 must be established by its holder by clear and convincing evidence.

9.3 (c) Notwithstanding paragraph (b), the secured party's or lessor's interest in a vehicle is
9.4 not subject to forfeiture based solely on the secured party's or lessor's knowledge of the act
9.5 or omission upon which the forfeiture is based if the secured party or lessor demonstrates
9.6 by clear and convincing evidence that the party or lessor took reasonable steps to terminate
9.7 use of the vehicle by the offender.

9.8 (d) A motor vehicle is not subject to forfeiture under this section if any of its owners
9.9 who petition the court can demonstrate by clear and convincing evidence that the petitioning
9.10 owner did not have actual or constructive knowledge that the vehicle would be used or
9.11 operated in any manner contrary to law or that the petitioning owner took reasonable steps
9.12 to prevent use of the vehicle by the offender. A hearing on a petition filed pursuant to this
9.13 paragraph shall, to the extent practicable and consistent with the interests of justice, be held
9.14 within 30 days of the filing of the petition. No petition filed or testimony given at a hearing
9.15 pursuant to this paragraph shall be used as evidence in the related criminal matter. Nothing
9.16 in this paragraph prevents any individual who has filed a petition under this section from
9.17 providing information to any prosecuting authority or defendant involved in the related
9.18 criminal matter or their representatives, or from testifying in any trial as to facts within the
9.19 individual's knowledge. If the offender is a family or household member of any of the owners
9.20 who petition the court and has three or more prior impaired driving convictions, the
9.21 petitioning owner is presumed to know of any vehicle use by the offender that is contrary
9.22 to law. "Vehicle use contrary to law" includes, but is not limited to, violations of the
9.23 following statutes:

9.24 (1) section 171.24 (violations; driving without valid license);

9.25 (2) section 169.791 (criminal penalty for failure to produce proof of insurance);

9.26 (3) section 171.09 (driving restrictions; authority, violations);

9.27 (4) section 169A.20 (driving while impaired);

9.28 (5) section 169A.33 (underage drinking and driving); and

9.29 (6) section 169A.35 (open bottle law).

9.30 (e) A claimant who is the defendant in the underlying criminal matter may bring a motion
9.31 for replevin pursuant to section 609.5313, subdivision 3.

10.1 Sec. 9. Minnesota Statutes 2016, section 169A.63, subdivision 8, is amended to read:

10.2 Subd. 8. **Administrative forfeiture procedure.** (a) A motor vehicle used to commit a
10.3 designated offense or used in conduct resulting in a designated license revocation is subject
10.4 to administrative forfeiture under this subdivision.

10.5 (b) Within 60 days from when a motor vehicle is seized under subdivision 2, or within
10.6 a reasonable time after seizure, the appropriate agency shall serve the driver or operator of
10.7 the vehicle with a notice of the seizure and intent to forfeit the vehicle. Additionally, when
10.8 a motor vehicle is seized under subdivision 2, or within a reasonable time after that, all
10.9 persons known to have an ownership, possessory, or security interest in the vehicle must
10.10 be notified of the seizure and the intent to forfeit the vehicle. For those vehicles required to
10.11 be registered under chapter 168, the notification to a person known to have a security interest
10.12 in the vehicle is required only if the vehicle is registered under chapter 168 and the interest
10.13 is listed on the vehicle's title. Upon motion by the appropriate agency or prosecuting
10.14 authority, a court may extend the time period for sending notice for a period not to exceed
10.15 90 days for good cause shown. Notice mailed by certified mail to the address shown in
10.16 Department of Public Safety records is sufficient notice to the registered owner of the
10.17 vehicle. For motor vehicles not required to be registered under chapter 168, notice mailed
10.18 by certified mail to the address shown in the applicable filing or registration for the vehicle
10.19 is sufficient notice to a person known to have an ownership, possessory, or security interest
10.20 in the vehicle. Otherwise, notice may be given in the manner provided by law for service
10.21 of a summons in a civil action.

10.22 (c) The notice must be in writing and contain:

10.23 (1) a description of the vehicle seized;

10.24 (2) the date of seizure; and

10.25 (3) notice of the right to obtain judicial review of the forfeiture and of the procedure for
10.26 obtaining that judicial review, printed in English. This requirement does not preclude the
10.27 appropriate agency from printing the notice in other languages in addition to English.

10.28 Substantially the following language must appear conspicuously in the notice:

10.29 "WARNING: You ~~will~~ may automatically lose the above-described property and the
10.30 right to be heard in court if you do not file a lawsuit and serve the prosecuting authority
10.31 within 60 days. You may file your lawsuit in conciliation court if the property is worth
10.32 \$15,000 or less; otherwise, you must file in district court. You may not have to pay a filing
10.33 fee for your lawsuit if you are unable to afford the fee. You do not have to pay a conciliation

11.1 court fee if your property is worth less than \$500. If you are not the defendant, you may
11.2 also file an innocent owner petition. If you are the defendant, you may file a petition for
11.3 replevin."

11.4 (d) If notice is not sent in accordance with paragraph (b), and no time extension is granted
11.5 or the extension period has expired, the appropriate agency shall return the property to the
11.6 person from whom the property was seized, if known. An agency's return of property due
11.7 to lack of proper notice does not restrict the agency's authority to commence a forfeiture
11.8 proceeding at a later time. The agency shall not be required to return contraband or other
11.9 property that the person from whom the property was seized may not legally possess.

11.10 (e) Within 60 days following service of a notice of seizure and forfeiture under this
11.11 subdivision, a claimant may file a demand for a judicial determination of the forfeiture. The
11.12 demand must be in the form of a civil complaint and must be filed with the court
11.13 administrator in the county in which the seizure occurred, together with proof of service of
11.14 a copy of the complaint on the prosecuting authority having jurisdiction over the forfeiture,
11.15 including the standard filing fee for civil actions unless the petitioner has the right to sue
11.16 in forma pauperis under section 563.01. The claimant may serve the complaint by any means
11.17 permitted by court rules. If the value of the seized property is \$15,000 or less, the claimant
11.18 may file an action in conciliation court for recovery of the seized vehicle. A copy of the
11.19 conciliation court statement of claim must be served personally or by mail on the prosecuting
11.20 authority having jurisdiction over the forfeiture, as well as on the appropriate agency that
11.21 initiated the forfeiture, within 60 days following service of the notice of seizure and forfeiture
11.22 under this subdivision. If the value of the seized property is less than \$500, the claimant
11.23 does not have to pay the conciliation court filing fee.

11.24 No responsive pleading is required of the prosecuting authority and no court fees may
11.25 be charged for the prosecuting authority's appearance in the matter. The prosecuting authority
11.26 may appear for the appropriate agency. Pleadings, filings, and methods of service are
11.27 governed by the Rules of Civil Procedure.

11.28 (f) The complaint must be captioned in the name of the claimant as plaintiff and the
11.29 seized vehicle as defendant, and must state with specificity the grounds on which the claimant
11.30 alleges the vehicle was improperly seized, the claimant's interest in the vehicle seized, and
11.31 any affirmative defenses the claimant may have. Notwithstanding any law to the contrary,
11.32 an action for the return of a vehicle seized under this section may not be maintained by or
11.33 on behalf of any person who has been served with a notice of seizure and forfeiture unless
11.34 the person has complied with this subdivision.

12.1 (g) If the claimant makes a timely demand for a judicial determination under this
12.2 subdivision, the forfeiture proceedings must be conducted as provided under subdivision
12.3 9.

12.4 Sec. 10. Minnesota Statutes 2016, section 169A.63, subdivision 9, is amended to read:

12.5 Subd. 9. **Judicial forfeiture procedure.** (a) This subdivision governs judicial
12.6 determinations of the forfeiture of a motor vehicle used to commit a designated offense or
12.7 used in conduct resulting in a designated license revocation. An action for forfeiture is a
12.8 civil in rem action and is independent of any criminal prosecution. All proceedings are
12.9 governed by the Rules of Civil Procedure.

12.10 (b) If no demand for judicial determination of the forfeiture is pending, the prosecuting
12.11 authority may, in the name of the jurisdiction pursuing the forfeiture, file a separate complaint
12.12 against the vehicle, describing it, specifying that it was used in the commission of a
12.13 designated offense or was used in conduct resulting in a designated license revocation, and
12.14 specifying the time and place of its unlawful use.

12.15 (c) The prosecuting authority may file an answer to a properly served demand for judicial
12.16 determination, including an affirmative counterclaim for forfeiture. The prosecuting authority
12.17 is not required to file an answer.

12.18 (d) A judicial determination under this subdivision must be held at the earliest practicable
12.19 date, and in any event no later than 180 days following the filing of the demand by the
12.20 claimant. If a related criminal proceeding is pending, the hearing under this subdivision
12.21 shall not be held until the conclusion of the criminal proceedings. Hearings on petitions or
12.22 actions brought pursuant to subdivision 7, paragraph (d), or section 609.5313, subdivision
12.23 3, must be held at the earliest practicable date and may not be delayed pending the conclusion
12.24 of the criminal proceedings. The district court administrator shall schedule the hearing as
12.25 soon as practicable after the conclusion of the criminal prosecution. The district court
12.26 administrator shall establish procedures to ensure efficient compliance with this subdivision.
12.27 The hearing is to the court without a jury.

12.28 (e) There is a presumption that a vehicle seized under this section is subject to forfeiture
12.29 if the prosecuting authority establishes that the vehicle was used in the commission of a
12.30 designated offense or designated license revocation. A claimant bears the burden of proving
12.31 any affirmative defense raised.

12.32 (f) If the forfeiture is based on the commission of a designated offense and the person
12.33 charged with the designated offense appears in court as required and is not convicted of the

13.1 offense, the court shall order the property returned to the person legally entitled to it upon
13.2 that person's compliance with the redemption requirements of section 169A.42. If the
13.3 forfeiture is based on a designated license revocation, and the license revocation is rescinded
13.4 under section 169A.53, subdivision 3 (judicial review hearing, issues, order, appeal), the
13.5 court shall order the property returned to the person legally entitled to it upon that person's
13.6 compliance with the redemption requirements of section 169A.42.

13.7 (g) If the lawful ownership of the vehicle used in the commission of a designated offense
13.8 or used in conduct resulting in a designated license revocation can be determined and the
13.9 owner makes the demonstration required under subdivision 7, paragraph (d), the vehicle
13.10 must be returned immediately upon the owner's compliance with the redemption requirements
13.11 of section 169A.42.

13.12 (h) If the court orders the return of a seized vehicle under this subdivision it must order
13.13 that filing fees be reimbursed to the person who filed the demand for judicial determination.
13.14 In addition, the court may order sanctions under section 549.211 (sanctions in civil actions).
13.15 Any reimbursement fees or sanctions must be paid from other forfeiture proceeds of the
13.16 law enforcement agency and prosecuting authority involved and in the same proportion as
13.17 distributed under subdivision 10, paragraph (b).

13.18 (i) No petition filed or testimony given at a hearing pursuant to this subdivision shall be
13.19 used as evidence in the related criminal matter. Nothing in this paragraph prevents any
13.20 individual who has filed a petition under this section from providing information to any
13.21 prosecuting authority or defendant involved in the related criminal matter or their
13.22 representatives, or from testifying in any trial as to facts within the individual's knowledge.

13.23 Sec. 11. Minnesota Statutes 2016, section 169A.63, subdivision 10, is amended to read:

13.24 **Subd. 10. Disposition of forfeited vehicle.** (a) If the vehicle is administratively forfeited
13.25 under subdivision 8, or if the court finds under subdivision 9 that the vehicle is subject to
13.26 forfeiture under subdivisions 6 and 7, the appropriate agency shall:

13.27 (1) sell the vehicle and distribute the proceeds under paragraph (b); or

13.28 (2) keep the vehicle for official use. If the agency keeps a forfeited motor vehicle for
13.29 official use, it shall make reasonable efforts to ensure that the motor vehicle is available for
13.30 use by the agency's officers who participate in the drug abuse resistance education program.

13.31 (b) The proceeds from the sale of forfeited vehicles, after payment of seizure, towing,
13.32 storage, forfeiture, and sale expenses, and satisfaction of valid liens against the property,

14.1 must be ~~distributed as follows:~~ forwarded to the commissioner within 60 days after resolution
14.2 of the forfeiture and distributed pursuant to section 609.5315, subdivision 5.

14.3 ~~(1) 70 percent of the proceeds must be forwarded to the appropriate agency for deposit~~
14.4 ~~as a supplement to the state or local agency's operating fund or similar fund for use in~~
14.5 ~~DWI-related enforcement, training, and education; and~~

14.6 ~~(2) 30 percent of the money or proceeds must be forwarded to the prosecuting authority~~
14.7 ~~that handled the forfeiture for deposit as a supplement to its operating fund or similar fund~~
14.8 ~~for prosecutorial purposes.~~

14.9 (c) If a vehicle is sold under paragraph (a), the appropriate agency shall not sell the
14.10 vehicle to: (1) an officer or employee of the agency that seized the property or to a person
14.11 related to the officer or employee by blood or marriage; or (2) the prosecuting authority or
14.12 any individual working in the same office or a person related to the authority or individual
14.13 by blood or marriage.

14.14 (d) Sales of forfeited vehicles under this section must be conducted in a commercially
14.15 reasonable manner.

14.16 (e) If a vehicle is forfeited administratively under this section and no demand for judicial
14.17 determination is made, the appropriate agency shall provide the prosecuting authority with
14.18 a copy of the forfeiture or evidence receipt, the notice of seizure and intent to forfeit, a
14.19 statement of probable cause for forfeiture of the property, and a description of the property
14.20 and its estimated value. Upon review and certification by the prosecuting authority that (1)
14.21 the appropriate agency provided a receipt in accordance with subdivision 2, paragraph (c),
14.22 (2) the appropriate agency served notice in accordance with subdivision 8, and (3) probable
14.23 cause for forfeiture exists based on the officer's statement, the appropriate agency may
14.24 dispose of the property in any of the ways listed in this subdivision.

14.25 Sec. 12. Minnesota Statutes 2017 Supplement, section 171.306, subdivision 1, is amended
14.26 to read:

14.27 Subdivision 1. **Definitions.** (a) As used in this section, the terms in this subdivision have
14.28 the meanings given them.

14.29 (b) "Ignition interlock device" or "device" means equipment that is designed to measure
14.30 breath alcohol concentration and to prevent a motor vehicle's ignition from being started
14.31 by a person whose breath alcohol concentration measures 0.02 or higher on the equipment.

14.32 (c) "Location tracking capabilities" means the ability of an electronic or wireless device
14.33 to identify and transmit its geographic location through the operation of the device.

15.1 (d) "Program participant" means a person who has qualified to take part in the ignition
15.2 interlock program under this section, and either seeks return of a vehicle subject to forfeiture
15.3 under section 169A.63, subdivision 4a, or whose driver's license has been:

15.4 (1) revoked, canceled, or denied under section 169A.52; 169A.54; 171.04, subdivision
15.5 1, clause (10); or 171.177; or

15.6 (2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended
15.7 under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item
15.8 (i) or (iii), (3), or (4); subdivision 2, clause (2), item (i) or (iii), (3), or (4); or subdivision
15.9 3, clause (2), item (i) or (iii), (3), or (4); or 609.2114, subdivision 2, clause (2), item (i) or
15.10 (iii), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily harm.

15.11 (e) "Qualified prior impaired driving incident" has the meaning given in section 169A.03,
15.12 subdivision 22.

15.13 Sec. 13. Minnesota Statutes 2016, section 609.531, subdivision 1a, is amended to read:

15.14 Subd. 1a. **Construction.** Sections 609.531 to 609.5318 must be ~~liberally~~ strictly construed
15.15 to carry out the following remedial purposes:

15.16 (1) to enforce the law;

15.17 (2) to deter crime;

15.18 (3) to reduce the economic incentive to engage in criminal enterprise;

15.19 (4) to increase the pecuniary loss resulting from the detection of criminal activity; ~~and~~

15.20 (5) to forfeit property unlawfully used or acquired ~~and divert the property to law~~
15.21 ~~enforcement purposes; and~~

15.22 (6) to protect property and due process rights of innocent property owners.

15.23 Sec. 14. Minnesota Statutes 2016, section 609.531, subdivision 5, is amended to read:

15.24 Subd. 5. **Right to possession vests immediately; custody of seized property.** All right,
15.25 title, and interest in property subject to forfeiture under sections 609.531 to 609.5318 vests
15.26 in the appropriate agency upon commission of the act or omission giving rise to the forfeiture.
15.27 Any property seized under sections 609.531 to 609.5318 ~~is not subject to replevin, but is~~
15.28 deemed to be in the custody of the appropriate agency subject to the orders and decrees of
15.29 the court having jurisdiction over the forfeiture proceedings. When property is so seized,
15.30 the appropriate agency shall use reasonable diligence to secure the property and prevent
15.31 waste and may do any of the following:

- 16.1 (1) place the property under seal;
- 16.2 (2) remove the property to a place designated by it; and
- 16.3 (3) in the case of controlled substances, require the state Board of Pharmacy to take
- 16.4 custody of the property and remove it to an appropriate location for disposition in accordance
- 16.5 with law.

16.6 Sec. 15. Minnesota Statutes 2016, section 609.531, subdivision 8, is amended to read:

16.7 Subd. 8. **Forfeiture policies; statewide model policy required.** (a) By December 1,

16.8 2010, the Peace Officer Standards and Training Board, after consulting with the Minnesota

16.9 County Attorneys Association, the Minnesota Sheriffs' Association, the Minnesota Chiefs

16.10 of Police Association, and the Minnesota Police and Peace Officers Association, shall

16.11 develop a model policy that articulates best practices for forfeiture and is designed to

16.12 encourage the uniform application of forfeiture laws statewide. At a minimum, the policy

16.13 shall address the following:

- 16.14 (1) best practices in pursuing, seizing, and tracking forfeitures;
- 16.15 (2) type and frequency of training for law enforcement on forfeiture laws; and
- 16.16 (3) situations in which forfeitures should not be pursued.

16.17 (b) By December 1, 2010, the Minnesota County Attorneys Association, after consulting

16.18 with the attorney general, the Peace Officer Standards and Training Board, the Minnesota

16.19 Sheriffs' Association, the Minnesota Chiefs of Police Association, and the Minnesota Police

16.20 and Peace Officers Association, shall develop a model policy that articulates best practices

16.21 for forfeiture and is designed to encourage the uniform application of forfeiture laws

16.22 statewide. At a minimum, the policy shall address the following:

- 16.23 (1) statutory role of prosecuting authorities in forfeiture procedures;
- 16.24 (2) best practices for timely and fair resolution of forfeiture cases;
- 16.25 (3) type and frequency of training for prosecuting authorities on forfeiture laws; and
- 16.26 (4) situations in which forfeitures should not be pursued.

16.27 (c) By December 1, 2010, the Minnesota County Attorneys Association and the Peace

16.28 Officer Standards and Training Board shall forward an electronic copy of its respective

16.29 model policy to the chairs and ranking minority members of the senate and house of

16.30 representatives committees having jurisdiction over criminal justice and civil law policy.

17.1 (d) By March 1, 2011, the chief law enforcement officer of every state and local law
17.2 enforcement agency and every prosecution office in the state shall adopt and implement a
17.3 written policy on forfeiture that is identical or substantially similar to the model policies
17.4 developed under paragraphs (a) and (b). The written policy shall be made available to the
17.5 public upon request.

17.6 (e) By December 1, 2019, the County Attorneys Association and Peace Officer Standards
17.7 and Training Board must update the model policies identified in paragraphs (a) and (b) and
17.8 forward an electronic copy of the updated model policy to the chairs and ranking minority
17.9 members of the senate and house of representatives committees having jurisdiction over
17.10 criminal justice and civil law policy.

17.11 (f) By March 1, 2020, the chief law enforcement officer of every state and local law
17.12 enforcement agency and every prosecution office in the state must update the written policy
17.13 adopted and implemented under paragraph (d) to be identical or substantially similar to the
17.14 model policies updated under paragraph (e).

17.15 Sec. 16. Minnesota Statutes 2016, section 609.5313, is amended to read:

17.16 **609.5313 FORFEITURE BY JUDICIAL ACTION; PROCEDURE.**

17.17 Subdivision 1. **Complaint; notice.** (a) The forfeiture of property under sections 609.5311
17.18 and 609.5312 is governed by this section. A separate complaint must be filed against the
17.19 property stating the act, omission, or occurrence giving rise to the forfeiture and the date
17.20 and place of the act or occurrence. Within 60 days from when the seizure occurs, the
17.21 prosecuting authority shall notify the owner or possessor of the property of the action, if
17.22 known or readily ascertainable. The action must be captioned in the name of the prosecuting
17.23 authority or the prosecuting authority's designee as plaintiff and the property as defendant.
17.24 Upon motion by the prosecuting authority, a court may extend the time period for sending
17.25 notice for a period not to exceed 90 days for good cause shown.

17.26 (b) If notice is not sent in accordance with paragraph (a), and no time extension is granted
17.27 or the extension period has expired, the appropriate agency shall return the property to the
17.28 person from whom the property was seized, if known. An agency's return of property due
17.29 to lack of proper notice does not restrict the right of the agency to commence a forfeiture
17.30 proceeding at a later time. The agency shall not be required to return contraband or other
17.31 property that the person from whom the property was seized may not legally possess.

17.32 Subd. 2. **Innocent owner.** (a) Any person, other than the defendant, asserting a legal
17.33 interest in property which has been seized or restrained may, until the criminal conviction,

18.1 file an action in conciliation court or petition the court for a hearing to adjudicate the validity
18.2 of the person's alleged interest in the property.

18.3 (b) The petition shall be signed by the petitioner under penalty of perjury and shall set
18.4 forth the nature and extent of the petitioner's right, title, or interest in the property, the time
18.5 and circumstances of the petitioner's acquisition of the right, title, or interest in the property,
18.6 any additional facts supporting the petitioner's claim, and the relief sought.

18.7 (c) The hearing on the petition shall be held before a judge and, to the extent practicable
18.8 and consistent with the interests of justice, be held within 30 days of the filing of the petition.
18.9 The court may consolidate the hearing on the petition with a hearing on any other petition
18.10 filed by a person other than the defendant under this subdivision.

18.11 (d) At the hearing, the petitioner may testify and present evidence and witnesses on the
18.12 petitioner's own behalf, and cross-examine witnesses who appear at the hearing. The state
18.13 may present evidence and witnesses in rebuttal and in defense of its claim to the property
18.14 and cross-examine witnesses who appear at the hearing.

18.15 (e) The petitioner who has an ownership interest in property subject to forfeiture existing
18.16 at the time the illegal conduct giving rise to forfeiture occurred and who claims to be an
18.17 innocent owner bears the burden of proving by clear and convincing evidence that the person
18.18 has a legal interest in the seized property.

18.19 (f) If paragraph (e) is satisfied and the state seeks to proceed with the forfeiture against
18.20 the property, the state shall prove by clear and convincing evidence that the petitioner
18.21 actively or passively permitted the defendant to use the property while having actual or
18.22 constructive knowledge that the property would be used in the manner contrary to law for
18.23 which the defendant was charged and failed to take reasonable steps to prevent use of the
18.24 property by the defendant.

18.25 (g) For purposes of this subdivision, a person, other than the defendant, who claims an
18.26 interest in seized property is presumed to know that property would be used in a manner
18.27 contrary to law consistent with the offense of which the defendant was convicted if the
18.28 defendant is a family or household member as defined in section 169A.63, subdivision 1,
18.29 paragraph (e), and:

18.30 (1) the defendant has three or more prior impaired driving convictions and the underlying
18.31 criminal matter alleges a violation of a designated offense as defined in section 169A.63,
18.32 subdivision 1, paragraph (d), or conduct resulting in a designated license revocation as
18.33 defined in section 169A.63, subdivision 1, paragraph (d);

19.1 (2) the defendant has three or more prior controlled substance convictions and the
19.2 underlying criminal matter alleges a controlled substance violation; or

19.3 (3) the defendant has three or more designated offense convictions and the underlying
19.4 criminal matter alleges a designated offense violation.

19.5 (h) A petitioner who acquired an ownership interest in property subject to forfeiture
19.6 after the commission of a crime giving rise to the forfeiture and who claims to be an innocent
19.7 owner bears the burden of proving by clear and convincing evidence that the person has a
19.8 legal interest in the seized property.

19.9 (i) If paragraph (h) is satisfied and the state seeks to proceed with the forfeiture against
19.10 the property, the state shall prove by clear and convincing evidence that, at the time the
19.11 petitioner acquired the property, the person:

19.12 (1) had actual knowledge that the property was subject to forfeiture; or

19.13 (2) was not a bona fide purchaser who made the purchase (1) without notice of any
19.14 defect in title, and (2) for valuable consideration.

19.15 (j) If the state fails to meet its burden in paragraph (h), the court shall find that the
19.16 petitioner is an innocent owner and shall order the state to relinquish all claims of title to
19.17 the property.

19.18 (k) An individual who asserts a claim pursuant to this subdivision is barred from asserting
19.19 a claim pursuant to subdivision 5.

19.20 (l) The defendant or convicted offender may invoke the right against self-incrimination
19.21 or the marital privilege during the forfeiture-related stage of the prosecution. The trier of
19.22 fact at the hearing may draw an adverse inference from the invocation of the right or
19.23 privilege.

19.24 (m) No petition filed or testimony given at a hearing pursuant to this subdivision shall
19.25 be used as evidence in the related criminal matter. Nothing in this paragraph prevents any
19.26 individual who has filed a petition under this section from providing information to any
19.27 prosecuting authority or defendant involved in the related criminal matter or their
19.28 representatives, or from testifying in any trial as to facts within the individual's knowledge.

19.29 Subd. 3. **Replevin hearing.** (a) Following the seizure of property, a defendant has a
19.30 right to a pretrial hearing before a judge to determine the validity of the seizure.

20.1 (b) The defendant may claim at any time prior to 60 days before trial of the related
20.2 criminal offense the right to possession of property by filing an action in conciliation court
20.3 or a motion to the court to issue a writ of replevin.

20.4 (c) The claimant shall file a complaint or motion establishing the validity of the alleged
20.5 interest in the property.

20.6 (d) The court shall hold a hearing before a judge no more than 30 days after the complaint
20.7 or petition is filed.

20.8 (e) The state shall file an answer showing probable cause for the seizure or cross motions
20.9 at least ten days before the hearing.

20.10 (f) Either party may, by agreement or for good cause, move the court for one extension
20.11 of no more than ten days. Any such motion may be supported by affidavits or other
20.12 submissions.

20.13 (g) The court shall issue a writ of replevin if it finds that:

20.14 (1) it is likely the final judgment will be that the state must return the property to the
20.15 claimant;

20.16 (2) the property is not reasonably required to be held for evidentiary reasons; or

20.17 (3) the property is the only reasonable means for a defendant to pay for legal
20.18 representation in the forfeiture or criminal proceeding.

20.19 At the court's discretion under clause (3), it may order the return of funds or property
20.20 sufficient to obtain counsel of choice but less than the total amount seized.

20.21 (h) In lieu of ordering the issuance of the writ, the court may order the state to give
20.22 security or written assurance for satisfaction of any judgment, including damages, that may
20.23 be rendered in the action, or order other relief as may be just.

20.24 (i) A defendant who asserts a claim under this subdivision is not barred from asserting
20.25 a claim pursuant to subdivision 9.

20.26 (j) No complaint or motion filed, or testimony given at a hearing, pursuant to this
20.27 subdivision shall be used as evidence in the related criminal matter. Nothing in this paragraph
20.28 prevents any individual who has filed a petition under this section from providing information
20.29 to any prosecuting authority or defendant involved in the related criminal matter or their
20.30 representatives, or from testifying in any trial as to facts within the individual's knowledge.

20.31 Subd. 4. **Discovery.** Discovery in a forfeiture proceeding is subject to the Rules of
20.32 Criminal Procedure.

- 21.1 Subd. 5. **Proceeding.** (a) A contested forfeiture proceeding shall be held before a judge.
- 21.2 (b) The court shall provide notice of the hearing to the defendant in the related criminal
- 21.3 matter and any owner or possessor of the property.
- 21.4 (c) Except as otherwise provided in this section, when a judge conducts a contested
- 21.5 forfeiture proceeding, the judge is not bound by the common law or statutory rules of
- 21.6 evidence or technical or formal rules of pleading or procedure.
- 21.7 (d) The defendant and any owner or possessor of the property shall be entitled to challenge
- 21.8 the forfeiture and may be represented by counsel. If the defendant in the related criminal
- 21.9 matter was represented by the public defender, the state public defender or chief public
- 21.10 defender of the judicial district may authorize representation of the defendant in the forfeiture
- 21.11 proceeding.
- 21.12 (e) Nothing in this subdivision prohibits resolution of the forfeiture proceeding by
- 21.13 stipulation or as part of a plea agreement except that the court shall not accept a plea
- 21.14 agreement or other arrangement that:
- 21.15 (1) allows a defendant to contribute or donate property to a person, charity, or other
- 21.16 organization; or
- 21.17 (2) prevents the claims of any owner or possessor of the property from being heard.
- 21.18 Subd. 6. **Standards of proof.** (a) At a hearing held pursuant to subdivision 5, a person,
- 21.19 other than the defendant, who claims an interest in seized property has the burden to prove
- 21.20 by clear and convincing evidence that the person has a legal interest in the seized property.
- 21.21 (b) The prosecuting authority has the burden to prove by clear and convincing evidence
- 21.22 that:
- 21.23 (1) the defendant in the related criminal matter is the sole owner of the property, or any
- 21.24 other person who claims an ownership interest in seized property actively or passively
- 21.25 permitted the defendant to use the property while having actual or constructive knowledge
- 21.26 that the property would be used in the manner contrary to law for which the defendant was
- 21.27 charged and failed to take reasonable steps to prevent use of the property by the defendant;
- 21.28 (2) the related criminal matter resulted in a conviction for the criminal offense related
- 21.29 to the action for forfeiture; and
- 21.30 (3) the seized property was an instrument or represents the proceeds of the underlying
- 21.31 offense.

22.1 (c) The presumptions in subdivision 2, paragraph (f), apply to a hearing under this
22.2 subdivision.

22.3 Sec. 17. Minnesota Statutes 2016, section 609.5314, subdivision 2, is amended to read:

22.4 Subd. 2. **Administrative forfeiture procedure.** (a) Forfeiture of property described in
22.5 subdivision 1 that does not exceed \$50,000 in value is governed by this subdivision. Within
22.6 60 days from when seizure occurs, all persons known to have an ownership, possessory, or
22.7 security interest in seized property must be notified of the seizure and the intent to forfeit
22.8 the property. In the case of a motor vehicle required to be registered under chapter 168,
22.9 notice mailed by certified mail to the address shown in Department of Public Safety records
22.10 is deemed sufficient notice to the registered owner. The notification to a person known to
22.11 have a security interest in seized property required under this paragraph applies only to
22.12 motor vehicles required to be registered under chapter 168 and only if the security interest
22.13 is listed on the vehicle's title. Upon motion by the appropriate agency or the prosecuting
22.14 authority, a court may extend the time period for sending notice for a period not to exceed
22.15 90 days for good cause shown.

22.16 (b) Notice may otherwise be given in the manner provided by law for service of a
22.17 summons in a civil action. The notice must be in writing and contain:

22.18 (1) a description of the property seized;

22.19 (2) the date of seizure; and

22.20 (3) notice of the right to obtain judicial review of the forfeiture and of the procedure for
22.21 obtaining that judicial review, printed in English. This requirement does not preclude the
22.22 appropriate agency from printing the notice in other languages in addition to English.

22.23 Substantially the following language must appear conspicuously in the notice:

22.24 "WARNING: You ~~will~~ may automatically lose the above-described property and the
22.25 right to be heard in court if you do not file a lawsuit and serve the prosecuting authority
22.26 within 60 days. You may file your lawsuit in conciliation court if the property is worth
22.27 \$15,000 or less; otherwise, you must file in district court. You may not have to pay a filing
22.28 fee for your lawsuit if you are unable to afford the fee. You do not have to pay a conciliation
22.29 court fee if your property is worth less than \$500. If you are not the defendant, you may
22.30 also file an innocent owner petition. If you are the defendant, you may file a petition for
22.31 replevin."

22.32 (c) If notice is not sent in accordance with paragraph (a), and no time extension is granted
22.33 or the extension period has expired, the appropriate agency shall return the property to the

23.1 person from whom the property was seized, if known. An agency's return of property due
23.2 to lack of proper notice does not restrict the agency's authority to commence a forfeiture
23.3 proceeding at a later time. The agency shall not be required to return contraband or other
23.4 property that the person from whom the property was seized may not legally possess.

23.5 Sec. 18. Minnesota Statutes 2016, section 609.5314, subdivision 3, is amended to read:

23.6 Subd. 3. **Judicial determination.** (a) Within 60 days following service of a notice of
23.7 seizure and forfeiture under this section, a claimant may file a demand for a judicial
23.8 determination of the forfeiture. The demand must be in the form of a civil complaint and
23.9 must be filed with the court administrator in the county in which the seizure occurred,
23.10 together with proof of service of a copy of the complaint on the prosecuting authority for
23.11 that county, and the standard filing fee for civil actions unless the petitioner has the right
23.12 to sue in forma pauperis under section 563.01. The claimant may serve the complaint on
23.13 the prosecuting authority by any means permitted by court rules. If the value of the seized
23.14 property is \$15,000 or less, the claimant may file an action in conciliation court for recovery
23.15 of the seized property. If the value of the seized property is less than \$500, the claimant
23.16 does not have to pay the conciliation court filing fee. No responsive pleading is required of
23.17 the prosecuting authority and no court fees may be charged for the prosecuting authority's
23.18 appearance in the matter. The district court administrator shall schedule the hearing as soon
23.19 as practicable after, and in any event no later than 90 days following, the conclusion of the
23.20 criminal prosecution. The proceedings are governed by the Rules of Civil Procedure.

23.21 (b) The complaint must be captioned in the name of the claimant as plaintiff and the
23.22 seized property as defendant, and must state with specificity the grounds on which the
23.23 claimant alleges the property was improperly seized and the plaintiff's interest in the property
23.24 seized. Notwithstanding any law to the contrary, an action for the return of property seized
23.25 under this section may not be maintained by or on behalf of any person who has been served
23.26 with a notice of seizure and forfeiture unless the person has complied with this subdivision.

23.27 (c) If the claimant makes a timely demand for judicial determination under this
23.28 subdivision, the appropriate agency must conduct the forfeiture under ~~section~~ sections
23.29 609.531, subdivision 6a, and 609.5313, subdivisions 4 through 6. The limitations and
23.30 defenses set forth in section 609.5311, subdivision 3, apply to the judicial determination.

23.31 (d) If a demand for judicial determination of an administrative forfeiture is filed under
23.32 this subdivision and the court orders the return of the seized property, the court shall order
23.33 that filing fees be reimbursed to the person who filed the demand. In addition, the court
23.34 may order sanctions under section 549.211. If the court orders payment of these costs, they

24.1 must be paid from forfeited money or proceeds from the sale of forfeited property from the
24.2 appropriate law enforcement and prosecuting agencies in the same proportion as they would
24.3 be distributed under section 609.5315, subdivision 5.

24.4 Sec. 19. Minnesota Statutes 2016, section 609.5314, is amended by adding a subdivision
24.5 to read:

24.6 Subd. 4. **Innocent owner claims; replevin hearing.** Notwithstanding subdivision 3, a
24.7 claimant, other than the defendant in the underlying criminal matter, may assert an innocent
24.8 owner claim pursuant to section 609.5313, subdivision 2. A claimant who is the defendant
24.9 in the underlying criminal matter may bring a motion for replevin pursuant to section
24.10 609.5313, subdivision 3.

24.11 Sec. 20. Minnesota Statutes 2016, section 609.5315, subdivision 2, is amended to read:

24.12 **Subd. 2. Disposition of administratively forfeited property.** If property is forfeited
24.13 administratively under section 609.5314 or 609.5318 and no demand for judicial
24.14 determination is made, the appropriate agency shall provide the prosecuting authority with
24.15 a copy of the forfeiture or evidence receipt, the notice of seizure and intent to forfeit, a
24.16 statement of probable cause for forfeiture of the property, and a description of the property
24.17 and its estimated value. Upon review and certification by the prosecuting authority that (1)
24.18 the appropriate agency provided a receipt in accordance with section 609.531, subdivision
24.19 4, or 626.16; (2) the appropriate agency served notice in accordance with section 609.5314,
24.20 subdivision 2, or 609.5318, subdivision 2; and (3) probable cause for forfeiture exists based
24.21 on the officer's statement, the appropriate agency may dispose of the property in any of the
24.22 ways listed in subdivision 1, but may not sell or use property until a defendant has been
24.23 convicted or admitted guilt in a criminal proceeding unless the property is abandoned
24.24 property.

24.25 Sec. 21. Minnesota Statutes 2016, section 609.5315, subdivision 5, is amended to read:

24.26 **Subd. 5. Distribution of money.** (a) The money or proceeds from the sale of forfeited
24.27 property, after payment of seizure, storage, forfeiture, and sale expenses, and satisfaction
24.28 of valid liens against the property, must be distributed as follows: forwarded to the
24.29 commissioner within 60 days after resolution of the forfeiture.

24.30 ~~(1) 70 percent of the money or proceeds must be forwarded to the appropriate agency~~
24.31 ~~for deposit as a supplement to the agency's operating fund or similar fund for use in law~~
24.32 ~~enforcement;~~

25.1 ~~(2) 20 percent of the money or proceeds must be forwarded to the prosecuting authority~~
25.2 ~~that handled the forfeiture for deposit as a supplement to its operating fund or similar fund~~
25.3 ~~for prosecutorial purposes; and~~

25.4 ~~(3) the remaining ten percent of the money or proceeds must be forwarded within 60~~
25.5 ~~days after resolution of the forfeiture to the state treasury and credited to the general fund.~~
25.6 ~~Any local police relief association organized under chapter 423 which received or was~~
25.7 ~~entitled to receive the proceeds of any sale made under this section before the effective date~~
25.8 ~~of Laws 1988, chapter 665, sections 1 to 17, shall continue to receive and retain the proceeds~~
25.9 ~~of these sales.~~

25.10 (b) The commissioner shall establish a grant program through the Office of Justice
25.11 Programs.

25.12 (c) The commissioner shall create two separate accounts. One shall consist of all money
25.13 or proceeds from the sale of forfeited property received from an appropriate agency within
25.14 the seven-county metropolitan area as defined in section 473.121, subdivision 4. The other
25.15 shall consist of all money or proceeds from the sale of forfeited property received from an
25.16 appropriate agency outside the seven-county metropolitan area.

25.17 (d) An appropriate agency is eligible for grants for any lawful purpose if the appropriate
25.18 agency forwarded money or proceeds from the sale of forfeited property to the commissioner
25.19 in the previous 12 months. An appropriate agency within the seven-county metropolitan
25.20 area is eligible for grants from the account consisting of all money or proceeds from the
25.21 sale of forfeited property received from an appropriate agency within the seven-county
25.22 metropolitan area. An appropriate agency outside the seven-county metropolitan area is
25.23 eligible for grants from the account consisting of all money or proceeds from the sale of
25.24 forfeited property received from an appropriate agency outside the seven-county metropolitan
25.25 area.

25.26 (e) The amount of a grant to an eligible appropriate agency is not contingent on the
25.27 amount the agency forwarded to the commissioner.

25.28 (f) The commissioner may retain up to 5% of the money or proceeds from the sale of
25.29 forfeited property. All other money or proceeds from the sale of forfeited property must, at
25.30 a minimum, be distributed on an annual basis.

25.31 Sec. 22. Minnesota Statutes 2016, section 609.5318, subdivision 2, is amended to read:

25.32 Subd. 2. **Notice.** (a) The registered owner of the vehicle must be notified of the seizure
25.33 and intent to forfeit the vehicle within seven days after the seizure. Notice by certified mail

26.1 to the address shown in Department of Public Safety records is deemed to be sufficient
26.2 notice to the registered owner.

26.3 (b) The notice must be in writing and:

26.4 (1) contain a description of the property seized;

26.5 (2) contain the date of seizure; and

26.6 (3) be printed in English. This requirement does not preclude the appropriate agency
26.7 from printing the notice in other languages in addition to English.

26.8 (c) Substantially, the following language must appear conspicuously in the notice:

26.9 "WARNING: You ~~will~~ may automatically lose the above-described property and the
26.10 right to be heard in court if you do not file a lawsuit and serve the prosecuting authority
26.11 within 60 days. You may file your lawsuit in conciliation court if the property is worth
26.12 \$15,000 or less; otherwise, you must file in district court. You may not have to pay a filing
26.13 fee for your lawsuit if you are unable to afford the fee. You do not have to pay a conciliation
26.14 court fee if your property is worth less than \$500. If you are not the defendant, you may
26.15 also file an innocent owner petition. If you are the defendant, you may file a petition for
26.16 replevin."

26.17 Sec. 23. Minnesota Statutes 2016, section 609.5318, is amended by adding a subdivision
26.18 to read:

26.19 Subd. 3a. **Innocent owner claims; replevin hearing.** Notwithstanding subdivision 3,
26.20 a claimant, other than the defendant in the underlying criminal matter, may assert an innocent
26.21 owner claim pursuant to section 609.5313, subdivision 2. A claimant who is the defendant
26.22 in the underlying criminal matter may bring a motion for replevin pursuant to section
26.23 609.5313, subdivision 3.

26.24 Sec. 24. **REPEALER.**

26.25 Minnesota Statutes 2016, section 609.5315, subdivisions 5a and 5b, and Minnesota
26.26 Statutes 2017 Supplement, section 609.5315, subdivision 5c, are repealed."

26.27 Amend the title accordingly