



The Voice of Small Business

Charles S. Owens, State Director
National Federation of Independent Business
115 W. Allegan / 6th Floor - Lansing, MI 48933
(517) 485-3409

**Testimony on House Bill 4158 – Civil Forfeiture Reforms
House Judiciary Committee - February 13, 2018**

My name is Charlie Owens and I am the State Director for the National Federation of Independent Business, an advocate for small businesses owners since 1943 with more than 10,000 members in Michigan.

We are here before the House Judiciary Committee to support House Bill 4158 that would make further reforms to Michigan's current process of civil asset forfeiture. We would like to thank the legislature, the Governor, and Representative Lucido for the prior reforms that have already been passed into law. Specifically, the new reporting requirements to make it easier to track property seized by authorities, raising the burden of proof to a "clear and convincing standard", and repealing the requirement for a property owner to provide a cash bond before they could contest a civil forfeiture seizure of their property.

However, in a recent survey of our small business owner-members on this issue, 74 percent of NFIB members still want to see the law changed so private property is seized only after a criminal conviction is secured.

Despite the improvements made to the law, current civil forfeiture laws still lack due process: The government may seize private property from a small business owner without ever charging them with a crime or providing evidence prior to seizing assets. The government then pockets the proceeds while providing no prompt way to get a court to review the seizure. There is no incentive or requirement for the government to charge the business owner with a crime. Once the property is seized, the government is free to keep the property until the business owner pursues return of the property, which is often a costly and lengthy legal process. Often the property is sold or converted to use by the various law enforcement agencies involved.

Nationwide, and in Michigan, many law enforcement agencies have abused broad civil forfeiture rules to self-fund their departments and budgets. In many cases police departments have made it a priority to seize cash during routine traffic stops. Many small business owners carry large cash sums to the bank and to other business locations for use in making change etc. Other small business owners still use cash to make large supply purchases. These and other scenarios create a situation

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where small business is exposed to the potential of civil forfeiture seizures by overzealous law enforcement agencies seeking to increase budget funding to their departments. Even in cases where these motivations may not be the circumstances for asset seizure, a requirement that a conviction be obtained before property is seized is more consistent with the protections of personal property guaranteed in our constitution.

Let me conclude by again emphasizing our support for House Bill 4158 and we thank you for your support of Michigan's small business owners.