



Ohio Legislative Service Commission

Bill Analysis

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Reps. McColley and Brinkman, Antani, Becker, Brenner, Dever, Duffey, Hambley, Henne, Hood, LaTourette, Retherford, Roegner, Schuring, Terhar, Thompson, Vitale, Young, Zeltwanger

BILL SUMMARY

Modification of civil forfeiture

- Modifies the civil forfeiture process by permitting a civil forfeiture action to be filed only under specified circumstances not sooner than specified periods of time after the seizure of the property.
- Specifies that a civil forfeiture complaint may only be filed if the property was seized with probable cause of its involvement in the commission of a felony or gambling offense or was directly or indirectly obtained through the commission of a felony or gambling offense and either of the following applies:
 - (1) The property owner is unavailable due to being deceased, or having been indicted and being out of state and unable to be extradited for prosecution or unable to be located despite reasonable efforts to locate the owner.
 - (2) The property owner has not claimed, or asserted any interest in, the property at any time during or after seizure and all claims of aggrieved parties have been denied.
- Permits a prosecutor to file a civil forfeiture action with or after the filing of a complaint charging an offense or delinquent act, and provides that that action is stayed during the pendency of the criminal or delinquency proceedings and proceeds after the defendant is convicted or the juvenile is adjudicated delinquent.
- Changes the burden of proof required for the prosecutor in a civil forfeiture action to establish that property is subject to forfeiture from a preponderance of the evidence to clear and convincing evidence.

- Eliminates the current provision permitting a civil forfeiture action to be commenced regardless of whether the offender or delinquent child has pleaded guilty to, been convicted of, or been adjudicated delinquent for the act that is the basis of the forfeiture order.

Seized property

- Modifies the timeline for hearing a motion by a person aggrieved by an alleged unlawful seizure of property showing the person's interest in the property.
- At the above hearing, places on the state or political subdivision the burden of proof by a preponderance of the evidence that the seizure was lawful if the property is titled or registered, and places on the person the same burden of proof that the seizure was unlawful if the property was not titled or registered.
- Modifies the timeline for filing and for deciding a petition by a person with an interest in seized property for its conditional release.

Criminal forfeiture

- Repeals the provision that allows the court, for good cause shown, to consider issues of guilt of the alleged offender or the delinquency of the alleged delinquent child separate from whether property should be forfeited.
- Changes the burden of proof required for the state or political subdivision to establish that property is subject to forfeiture from a preponderance of the evidence to clear and convincing evidence.
- Expands the contents of a petition by a third party claimant asserting a legal interest in the property.
- Changes the burden of proof required for a prosecutor to prove that a lienholder asserting a legal interest in the property does not possess such interest from a preponderance of the evidence to clear and convincing evidence.
- Places on the state or political subdivision the burden of proof by clear and convincing evidence that the amount or value of the instrumentality ordered forfeited is proportionate to the severity of the offense.
- Expands the factors the court is required to consider in determining the severity of the offense.

- Requires the state or political subdivision to demonstrate by clear and convincing evidence specified conditions for the court to order forfeiture of any other property of the offender or delinquent child if the property ordered forfeited is unreachable.

Definition of "proceeds"

- Excludes from the definition of "proceeds" property, including money, if it is held under clear title by a law enforcement agency, it is or may be used to purchase contraband in investigating a drug abuse offense, and it continues to be the agency's property if the agency establishes a clear chain of custody to it.

Disposal of forfeited property

- Requires the written internal control policy of a law enforcement agency with custody of forfeited property to include an itemized list of the specific expenditures from the sale proceeds of the property.
- Expands the existing purposes for the use of an agency's appropriate forfeiture fund and specifies those purposes instead of "for other law enforcement purposes" under current law.
- Provides that, of the remaining amounts from the sale of forfeited property or from forfeited proceeds, 10% must be applied to community addiction services providers and 90% to the prosecutor's law enforcement trust fund and specified funds supporting the agency that substantially conducted the investigation.

Federal forfeiture

- Prohibits the transferring or referral of property seized by a law enforcement agency or prosecuting authority to any federal law enforcement authority or agency for federal forfeiture purposes unless the value of the property exceeds \$100,000, excluding the potential value of the sale of contraband, or the transfer or referral is for federal criminal forfeiture proceedings.

Offense of receiving proceeds of a drug abuse, theft, or trafficking in persons offense

- Establishes the offense of receiving proceeds of a drug abuse, theft, or trafficking in persons offense by prohibiting any person from receiving, retaining, possessing, or disposing of proceeds knowing or having reasonable cause to believe the proceeds were derived from the commission of any of those offenses.

- Provides that a person is considered to have received, retained, possessed, or disposed of proceeds if they were found in a vehicle that the person was the last person to operate immediately prior to the vehicle's search.

Civil action against person alleged to have committed offense of receiving proceeds of a drug abuse, theft, or trafficking in persons offense

- Permits the state to file a civil action against a person alleged to have received, retained, possessed, or disposed of proceeds, in an amount exceeding \$25,000, knowing or having reasonable cause to believe that the proceeds were allegedly derived from the commission of a drug abuse, theft, or trafficking in persons offense.
- Specifies the contents of a complaint in the above civil action, the elements that the state has the burden to prove by clear and convincing evidence, and the period of limitations for bringing the civil action.
- Provides that the civil action is stayed if a criminal complaint is filed against the person alleged to have received, retained, possessed, or disposed of proceeds exceeding \$25,000, knowing or having reasonable cause to believe that the proceeds were derived from the commission of a drug abuse, theft, or trafficking in persons offense.

Goods in execution claimed by a third party

- Modifies existing law by requiring the judge of the court of common pleas, municipal court, or county court, whichever has jurisdiction, to schedule a hearing to determine a claimant's right to the goods in execution as soon as practicable after receipt of the notice and schedule of the property.
- Repeals the existing provisions requiring the summoning of jurors to try and determine the rights of the claimant to the property in controversy in a jury trial and to make appropriate findings.
- Provides that the judge must render judgment based on the judge's findings at the hearing.

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CONTENT AND OPERATION

Overview of the bill

The bill modifies the Forfeiture Law by revising the civil forfeiture process, changing seizure procedures, shifting the burden of proof and revising evidence requirements for criminal forfeiture, making changes to the disposal of forfeited property and the disposition of funds, and restricting the transfer of forfeited property to a federal agency. It establishes the offense of receiving proceeds of a drug abuse, theft, or trafficking in persons offense, and authorizes the state to file a civil action against a person who is alleged to have committed that offense if the proceeds involved exceed \$25,000. The bill modifies the procedure in execution regarding goods claimed by a third party.

Modification of civil forfeiture procedure

Underlying offense; time for filing civil forfeiture action

Continuing law permits the offense that is the basis of forfeiture to be any act or omission that could be charged as a criminal offense or a delinquent act, including any felony or misdemeanor. A prosecutor may file a criminal forfeiture or civil forfeiture action, or both. The bill eliminates the condition under current law that a criminal



forfeiture has not begun to require a prosecutor to commence a civil forfeiture action.¹ It requires the prosecutor to commence a civil forfeiture action after the seizure if the provisions described below apply and not sooner than the time periods under those provisions. The bill eliminates the current provision permitting a civil forfeiture action to be commenced regardless of whether the offender or delinquent child has pleaded guilty to, been convicted of, or been adjudicated delinquent for the act that is the basis of the forfeiture order.²

Civil forfeiture complaint

Under continuing law, the prosecutor of the political subdivision in which forfeitable property is located may file a civil forfeiture action in the court of common pleas of that county by filing a complaint requesting forfeiture of the property to the state or political subdivision. Under the bill, a complaint for civil forfeiture may only be filed if the property was seized with probable cause that it was involved in the commission of a felony or "gambling offense" (defined as in the Gambling Offenses Law) or was directly or indirectly obtained through the commission of a felony or gambling offense and either: (1) the property owner is unavailable to the court because the property owner is (a) deceased, or (b) a felony indictment or a charge for a gambling offense has been filed against the property owner or an arrest warrant was issued, and the property owner is outside the state and unable to be extradited to the state for prosecution or reasonable efforts have been made by law enforcement authorities to locate the property owner, but the property owner has not been located, or (2) the property owner has not claimed, or asserted any interest in, the property during or after its seizure, verbally or in writing, and all claims of aggrieved parties have been denied.³

The complaint may be filed not sooner than three months after the property owner is deceased, not sooner than three months after the property owner has not claimed, or asserted any interest in, the property as described in (2) above, or not sooner than one year after (1)(b) above applies.⁴ Under current law, the time periods for filing a civil forfeiture action are within 30 days of the seizure of property alleged to be a mobile instrumentality or personal, business, or governmental records or within 60 days of the seizure of other property, subject to extension by agreement of the parties or by the court for good cause shown.⁵ The complaint must state the facts that support the state's

¹ R.C. 2981.01(B)(10) and 2981.03(F).

² R.C. 2981.03(F).

³ R.C. 2981.05(A) and (I).

⁴ R.C. 2981.05(A).

⁵ R.C. 2981.03(F).



or political subdivision's allegations and the alleged felony or gambling offense that subjects the property to forfeiture. If the property owner is unavailable to the court because that owner is deceased, the complaint must include a certified copy of the property owner's death certificate.⁶

The bill specifies, for purposes of the civil forfeiture provisions, a rebuttable presumption that the person in possession of the property at the time of its seizure is considered to be the owner of the property unless legal title to the property states otherwise.⁷

Civil forfeiture complaint filed with or after filing of charging instrument

The bill permits the prosecutor to commence a civil forfeiture action simultaneously with or after the filing of a complaint, indictment, or information charging an offense or a complaint charging a delinquent act, in the same court in which the applicable charging instrument is filed. The civil forfeiture complaint must request an order to forfeit to the state or political subdivision any property subject to forfeiture that is involved in the offense or act. The civil forfeiture action is stayed during the pendency of the criminal or delinquency proceedings, and proceeds after the defendant is convicted of the offense or the juvenile is adjudicated a delinquent child.⁸

Notice to interested parties

Current law provides that prior to or upon the commencement of a civil forfeiture action, the prosecutor must attempt to identify persons with an interest in the property, give notice of the action and a copy of the complaint to each person reasonably known to have such interest, and cause a similar notice to be published once a week for two consecutive weeks in a newspaper of general circulation in the county. The bill changes the timing for doing the above acts. It requires the prosecutor, prior to the commencement of the action, to attempt to identify those persons and, at the time of filing the complaint, to give notice of the action and a copy of the complaint to each such person. The prosecutor must cause a similar notice to be published once each week for the two consecutive weeks immediately after filing the complaint. The published notice must contain the date and location of the seizure of the property and an itemized list of the seized property.⁹

⁶ R.C. 2981.05(B).

⁷ R.C. 2981.05(D).

⁸ R.C. 2981.05(C).

⁹ R.C. 2981.05(E).

Burden of proof

The bill modifies current law by requiring the court to issue a civil forfeiture order if it determines that the prosecutor has proved by clear and convincing evidence, instead of a preponderance of the evidence, that the property is subject to forfeiture. A civil forfeiture order must state that all interest in the property of the property owner who committed the felony or gambling offense or of the adult or juvenile who committed the act described above in "**Civil forfeiture complaint filed with or after filing of charging instrument**") (added by the bill), that is the basis of the order is forfeited to the state or political subdivision, and must make due provision for the interest in that property of any other appropriate person.¹⁰

Seized property

Initial seizure

Under the bill, if the state or a political subdivision seeks to seize real property, the prosecutor must file a motion in the appropriate court to request a hearing before the seizure and must notify the property owner of the motion. The court must hold the hearing not sooner than 21 days after the motion is filed. The court must grant the motion if the state or political subdivision demonstrates by a preponderance of the evidence that the real property is subject to forfeiture. The bill repeals the current procedure, applicable only in a civil forfeiture case, which requires the property owner to request a hearing at which the state or political subdivision must show probable cause that the real property is subject to forfeiture.¹¹ The above procedure under the bill is an exception to current law, which authorizes a law enforcement officer to seize property that the officer has probable cause to believe is subject to seizure.¹²

If a person aggrieved by an alleged unlawful seizure of property files a motion showing the person's interest in the property and the motion is filed before the indictment or complaint seeking forfeiture is filed, the bill requires the court to schedule a hearing not later than 21 days after the motion is filed. Current law requires the hearing to be scheduled promptly. The bill permits the court to extend the 21-day period for a hearing upon the consent of the parties or if good cause is shown. If the property seized is titled or registered under law, the state or political subdivision must demonstrate by a preponderance of the evidence that the seizure was lawful and the person is not entitled to the property. If the property seized is not titled or registered

¹⁰ R.C. 2981.05(G).

¹¹ R.C. 2981.03(A)(3).

¹² R.C. 2981.03(A)(2).



under law, the person must demonstrate by a preponderance of the evidence that the seizure was unlawful and that the person is entitled to the property. The burden under current law is on the person to prove by a preponderance of the evidence that the seizure was unlawful and the person is entitled to the property.¹³

Proof of amount of costs

The bill retains current law providing that the alleged offender or delinquent child has the burden to prove the amount of any direct costs lawfully incurred, and specifies that this provision applies in any criminal forfeiture action or civil forfeiture action.¹⁴

Conditional release of property

If no criminal complaint or indictment is filed, the bill generally requires a petition by a person with an interest in seized property for its conditional release to be filed within 30 days of the seizure of the property. Current law requires the petition to be filed within 30 days of the issuance of the seizure warrant of the property.¹⁵

The bill modifies the time for a court to decide a petition by a person with an interest in seized property for its conditional release. The court must decide on the petition not more than 21 days after the petition is filed. If the property seized is alleged to be a mobile instrumentality, the court must decide on the petition not more than ten days after it is filed. Current law generally requires a petition to be decided within 30 days, and specifies that it must be decided as soon as practicable within the 30-day period if the seized property is a mobile instrumentality. If personal, business, or governmental records were seized and a person files a petition to copy the records, current law requires the court to decide on the petition as soon as practicable. The bill retains this language, but specifies that the decision must be made not later than 30 days after the petition is filed.¹⁶

Criminal forfeiture

Specific requirement of conviction or delinquency adjudication

The bill expands the current requirement that property subject to forfeiture may be forfeited in a criminal proceeding only if the complaint or indictment charging the

¹³ R.C. 2981.03(A)(4).

¹⁴ R.C. 2981.03(A)(5)(b).

¹⁵ R.C. 2981.03(D)(2).

¹⁶ R.C. 2981.03(D)(6).



offense or the delinquent act contains a specification setting forth certain information by also requiring that the defendant be convicted of an offense or the juvenile adjudicated a delinquent child.¹⁷

Separate consideration of guilt

The bill repeals the provision of existing law that allows the court, for good cause shown, to consider issues of guilt of the alleged offender or the delinquency of the alleged delinquent child separate from whether property should be forfeited.¹⁸

Burden of proof

The bill requires that if the person is convicted of, or adjudicated delinquent on the basis of, the underlying offense, the state or political subdivision must establish by clear and convincing evidence that the property is subject to forfeiture. Current law requires the state or political subdivision to prove that the property is subject to forfeiture by a preponderance of the evidence.¹⁹

Third party claimants

A person, other than the offender or delinquent child, may file a petition asserting a legal interest in the property. The bill requires the petition to include a statement that one of the following conditions applies:²⁰

(1) The petitioner has a legal interest in the property that renders the forfeiture order completely or partially invalid because the legal interest was vested in the petitioner, rather than the offender or delinquent child, or was superior to any interest of that offender or delinquent child, at the time of the commission of the offense or delinquent act;

(2) The petitioner is a bona fide purchaser for value of the interest in the property and was, at the time of the purchase, reasonably without cause to believe that it was subject to forfeiture.

¹⁷ R.C. 2981.04(A).

¹⁸ R.C. 2981.04(A)(3).

¹⁹ R.C. 2981.04(B).

²⁰ R.C. 2981.04(E)(1)(d).



The bill retains the current provision that places on the petitioner the burden of proof by a preponderance of the evidence that the applicable condition alleged by the petitioner as described above applies to the petitioner.²¹

If a person, other than the offender or delinquent child, is a secured party or other lienholder of record that asserts a legal interest in the property and files an affidavit establishing that interest, the affidavit generally constitutes conclusive evidence of the affiant's interest in the property. The government may refute that evidence if the prosecutor files a motion challenging the affidavit and establishes by clear and convincing evidence (instead of a preponderance of the evidence under current law) that the affiant does not possess the interest or had actual knowledge of facts pertaining to the offense or delinquent act.²²

Proportionality review

Under continuing law, property may not be forfeited as an "instrumentality" to the extent that the property's value or amount is disproportionate to the severity of the offense. The bill provides that the state or political subdivision has the burden of going forward with the evidence and the burden to prove by clear and convincing evidence that the amount or value of the property is proportionate to the severity of the offense. Under current law, the owner of the property has the burden of going forward with the evidence and the burden to prove by a preponderance of the evidence that the amount or value of the property is disproportionate to the severity of the offense.²³

Continuing law defines "instrumentality" as property otherwise lawful to possess that is used or intended to be used in an offense.²⁴

The bill expands the factors that the court is required to consider in determining the severity of the offense to include the extent to which the property was used in committing the offense and the sentence imposed for committing the offense. The relevant factors to be considered under current law are: (1) the seriousness of the offense and its impact on the community, (2) the extent to which the person participated in the offense, and (3) whether the offense was completed or attempted.²⁵

²¹ R.C. 2981.04(F)(1).

²² R.C. 2981.04(E)(2)(c).

²³ R.C. 2981.09(A).

²⁴ R.C. 2981.01(B)(6).

²⁵ R.C. 2981.09(C).



Unreachable property

The bill modifies current law by requiring the court to order forfeiture of any other property of the offender or delinquent child up to the value of the unreachable property if the state or political subdivision demonstrates by clear and convincing evidence that any of the following conditions describe the property to be forfeited:²⁶

- It cannot be located with due diligence.
- It has been transferred, sold, or deposited with an innocent or bona fide third party.
- It has been placed beyond the court's jurisdiction.
- It has been substantially diminished in value or commingled with other property and cannot be divided without difficulty or undue injury to innocent persons.

Current law does not require the state or political subdivision to demonstrate those conditions by clear and convincing evidence. Current law specifies the second condition above as the property having been transferred, sold, or deposited with a third party. The three other conditions above are in current law.²⁷

Under the bill, if property subject to a forfeiture order has been transferred, sold, or deposited with a third party, the court must order forfeiture of that property instead of ordering the forfeiture of other property if the state or political subdivision demonstrates by clear and convincing evidence that the property was transferred, sold, or deposited in violation of the offense of interference with or diminishing forfeitable property. That offense is committed under continuing law by any person who destroys, damages, removes, or transfers property subject to forfeiture or otherwise takes any action in regard to such property with purpose to: (1) prevent or impair the state's or political subdivision's lawful authority to take the property into its custody or control or to continue holding the property, (2) impair or defeat the court's continuing jurisdiction over the person and property, or (3) devalue property that the person knows, or has reasonable cause to believe, is subject to Ohio forfeiture proceedings.²⁸

²⁶ R.C. 2981.06(D)(1).

²⁷ R.C. 2981.06(D)(1).

²⁸ R.C. 2981.06(D)(2) and 2981.07, not in the bill.

The bill provides that current law's requirements dealing with third party claimants, as modified by the bill, apply to other property forfeited, other than unreachable property.²⁹

Definition of "proceeds"

The current Forfeiture Law defines "proceeds" in cases involving unlawful goods, services, or activities as property derived directly or indirectly from an offense, and may include, but is not limited to, money or other means of exchange. "Proceeds" is not limited to the net gain or profit realized from the offense. Under the bill, "proceeds" does not include property, including money or other means of exchange, if all of the following apply to that property:³⁰

- It is held under clear title by a law enforcement agency.
- It is used or may be used to purchase contraband for the purpose of investigating any "drug abuse offense," as defined in the Drug Offenses Law.
- If it is used to purchase contraband, it continues to be the law enforcement agency's property if the agency establishes a clear chain of custody to it.

Disposal of forfeited property

Internal control policy

A law enforcement agency that has custody of forfeited property must adopt and comply with a written internal control policy regarding the use of that property. The bill revises the information that must be included regarding the usage of forfeited property to include an itemized list of the specific expenditures made with amounts gained from the sale of the property and retained by the agency, including the specific amount expended on each expenditure. Current law requires the list to specify the general types of expenditures instead of specific expenditures.³¹

Continuing law requires various law enforcement and other agency investigative funds (hereafter forfeiture funds) to be expended only in accordance with the agency's internal control policy and for specified purposes. One of these purposes under current law is "for other law enforcement purposes." The bill eliminates this purpose and

²⁹ R.C. 2981.06(D)(3).

³⁰ R.C. 2981.01(B)(11)(a).

³¹ R.C. 2981.11(B)(1)(b)(ii).



expands the existing purposes for the expenditure of forfeiture funds to include the following:³²

(1) To pay the costs incurred in the seized property's storage, maintenance, and security;

(2) To pay any liens on forfeited property or outstanding court costs;

(3) To purchase equipment used for investigations of "drug abuse offenses"; to purchase and maintain "K-9 assets"; to provide training related to the enforcement of laws relating to drugs of abuse; to pay overtime costs and other expenses related to the investigation of drug abuse offenses, "trafficking in persons offenses," "gambling offenses," "corrupt activity," "offenses involving cigarettes, tobacco products, or alternative nicotine products," "offenses of illegal use of supplemental nutrition assistance program benefits or WIC program benefits," or criminal offenses involving the use of alcohol. The bill defines the offenses in quotation marks in this paragraph as the offenses defined or established under the Criminal Code. "K-9 assets" is defined as dogs specifically trained to assist peace officers and law enforcement personnel in their work and as part of a specialty unit of a law enforcement agency.

(4) To pay routine investigative expenses, including the purchase of contraband, confidential informant services, and travel expenses;

(5) To pay the costs, including overtime costs, associated with all law enforcement task forces and programs for investigating the offenses described in (3) above.

The bill also modifies one of the purposes for the expenditure of forfeiture funds by providing for the payment of the costs directly related to investigations or prosecutions, instead of payment of the costs of protracted or complex investigations or prosecutions under current law.³³

Disposition of funds

The bill expands the existing provision requiring that if the property was in possession of a law enforcement agency in relation of a delinquent child proceeding, 10% of the moneys acquired from the sale of the property must be applied to community addiction services providers, to apply also to property in possession of a

³² R.C. 2981.13(C)(2)(a)(v) to (ix) and (b).

³³ R.C. 2981.13(C)(2)(a)(i).

law enforcement agency in relation to a criminal proceeding or a civil proceeding.³⁴ The report of moneys received by community addiction services providers as a result of a forfeiture order includes moneys received upon a court-ordered disposal of property in the possession of a law enforcement agency in relation to a criminal or civil proceeding under the bill or a delinquent child proceeding under continuing law.³⁵ Any moneys acquired from a sale of forfeited contraband or instrumentality and any forfeited proceeds must be applied in the order prescribed under current law. The bill provides that any remaining amounts after payment of specified costs must be applied as follows:³⁶

- 10% to one or more community addiction services providers;
- 90% to the law enforcement trust fund of the prosecutor and to any of specified funds supporting the law enforcement agency that substantially conducted the investigation.

Under current law, if the forfeiture was ordered by a juvenile court, 10% of the remaining moneys are applied to community addiction services providers and 90% to the law enforcement trust fund of the prosecutor. If the forfeiture was ordered by a court other than a juvenile court, 100% is applied to the law enforcement trust fund of the prosecutor and to any of specified funds supporting the law enforcement agency that substantially conducted the investigation.³⁷

Federal forfeiture

The bill prohibits a law enforcement agency or prosecuting authority from directly or indirectly transferring or referring any property seized by the agency or authority to any federal law enforcement authority or other federal agency for purposes of forfeiture under federal law unless the value of the seized property exceeds \$100,000, excluding the potential value of the sale of contraband, or the property is being transferred or referred for federal criminal forfeiture proceedings. This prohibition is an exception to current law's provision that nothing in Ohio's forfeiture laws precludes the head of a law enforcement agency that seizes property from seeking forfeiture under federal law.³⁸

³⁴ R.C. 2981.12(D).

³⁵ R.C. 2981.12(E).

³⁶ R.C. 2981.13(B)(4).

³⁷ R.C. 2981.13(B)(4).

³⁸ R.C. 2981.14(A) and (B).



Technical correction

The bill corrects an incorrect cross-reference in the definition of "innocent person" in the Forfeiture Law.³⁹

Offense of receiving proceeds of a drug abuse, theft, or trafficking in persons offense

The bill prohibits any person from receiving, retaining, possessing, or disposing of "proceeds" knowing or having reasonable cause to believe that the proceeds were derived from the commission of a "drug abuse offense," a "theft offense," or the "offense of trafficking in persons." (See "**Definitions.**") A violation of the prohibition is the offense of "receiving proceeds of a drug abuse, theft, or trafficking in persons offense." It is not a defense that the proceeds were derived by means other than the commission of a drug abuse offense, a theft offense, or the offense of trafficking in persons if the property was explicitly represented to the accused person as having been derived from the commission of any such offense. A person is considered to have received, retained, possessed, or disposed of proceeds if they were found anywhere in a "vehicle" that the person was the last person to operate immediately prior to the vehicle's search by the law enforcement officer who found the proceeds.⁴⁰

The following are the penalties for the offense, which depend on the value of the proceeds involved:⁴¹

- First degree misdemeanor if the value is less than \$1,000;
- Fifth degree felony if the value is \$1,000 or more and less than \$25,000;
- Fourth degree felony if the value is \$25,000 or more and less than \$150,000;
- Third degree felony if the value is \$150,000 or more.

Civil action against person alleged to have committed offense

The bill permits the state to file a civil action against any person who is alleged to have received, retained, possessed, or disposed of proceeds, in an amount exceeding \$25,000, knowing or having reasonable cause to believe that the proceeds were

³⁹ R.C. 2981.01(B)(5).

⁴⁰ R.C. 2927.21(B), (C), and (D).

⁴¹ R.C. 2927.21(E).



allegedly derived from the commission of a drug abuse, theft, or trafficking in persons offense in violation of the above-described prohibition (hereafter offense in question). The complaint must be filed in the court of common pleas of the county in which the proceeds were alleged to have been received, retained, possessed, or disposed of by the person, and must specify all of the following:⁴²

(1) That the person against whom the complaint is filed is alleged to have received, retained, possessed, or disposed of proceeds, in an amount exceeding \$25,000, knowing or having reasonable cause to believe that the proceeds were allegedly derived from the commission of a drug abuse, theft, or trafficking in persons offense in violation of the prohibition under the offense in question;

(2) That the state has the right to recover the proceeds described above in (1);

(3) The actual amount of those proceeds.

If at the time of the filing of the above complaint, any law enforcement agency has possession of the proceeds involved, the agency must place the proceeds in escrow until the termination of the civil action.⁴³ The civil action must be stayed if a criminal complaint, indictment, or information is filed against the person who is alleged to have received, retained, possessed, or disposed of proceeds, in an amount exceeding \$25,000, knowing or having reasonable cause to believe that the proceeds were allegedly derived from the commission of a drug abuse, theft, or trafficking in persons offense in violation of the prohibition under the offense in question.⁴⁴

In a civil action under the bill, the state has the burden to prove by clear and convincing evidence all of the following:⁴⁵

(1) That the person received, retained, possessed, or disposed of the proceeds involved;

(2) That the person knew or had reasonable cause to believe that the proceeds were derived from the alleged commission of a drug abuse, theft, or trafficking in persons offense in violation of the prohibition under the offense in question;

(3) The actual amount of the proceeds involved that exceeds \$25,000.

⁴² R.C. 2307.59(B)(1).

⁴³ R.C. 2307.59(B)(2).

⁴⁴ R.C. 2307.59(C).

⁴⁵ R.C. 2307.59(D).

Any statements made in such a civil action are inadmissible as evidence in a criminal action brought against the person involved for the offense in question, except for purposes of impeachment.⁴⁶

A civil action under the bill must be commenced within two years after the latest date on which a person allegedly received, retained, possessed, or disposed of proceeds, in an amount exceeding \$25,000, knowing or having reasonable cause to believe that the proceeds were allegedly derived from the commission of a drug abuse, theft, or trafficking in persons offense in violation of the prohibition under the offense in question. The court must complete the trial of the civil action within one year after the it is commenced unless the parties mutually agree to extend the one-year period or the extension of that period is for good cause shown.⁴⁷

Definitions

For purposes of the offense of "receiving proceeds of a drug abuse, theft, or trafficking in persons offense" and the above-described civil action, the bill defines "proceeds" as in the Forfeiture Law, as modified by the bill, "drug abuse offense" as in the Drug Offenses Law, "theft offense" as in the Theft Offenses Law, and "vehicle" as in the Motor Vehicles Law. The "offense of trafficking in persons" is defined as a violation of R.C. 2905.32.⁴⁸

Goods in execution claimed by a third party

The bill modifies current law dealing with execution against property claimed by a person other than the defendant by requiring the judge of the court of common pleas, municipal court, or county court, whichever has jurisdiction, to schedule a hearing to determine the claimant's right to the property as soon as practicable after receipt of the written notice and schedule of the claimed goods given by the officer who levies the writ of execution on the goods, instead of a county court under current law making an entry of the notice and schedule on the docket and issuing a summons commanding the sheriff or any constable to summon five disinterested men with the qualifications of electors to appear before the county court judge not more than three days after the date of the writ to serve as jurors. The bill repeals the provision requiring the claimant to give two days' written notice to the plaintiff or party for whose benefit the writ was issued, and to the party's agent or attorney, if within the county, of the time and place of

⁴⁶ R.C. 2307.59(E).

⁴⁷ R.C. 2307.59(F) and (G).

⁴⁸ R.C. 2927.21(A) and 2307.59(A).

trial, and to prove to the judge that such notice was given or could not be given due to the absence of the potential recipients.⁴⁹

The bill provides that, if at the hearing the judge finds that the claimant has the right to the goods in whole or in part, the judge must find their value. The judge must render judgment that the claimant recover costs against the plaintiff in execution or other party for whose benefit the writ of execution is issued and also have restitution of the goods or part of them. If the judge finds the claimant has no right to the goods, the judge must render judgment in favor of the plaintiff in execution or other party and against the claimant for costs and award execution on the judgment. Under current law, the jurors summoned as described above must be sworn to try and determine the right of the claimant to the property, give a verdict according to the evidence, and make the appropriate finding regarding the rights of the claimant, the plaintiff in execution, or the other party.⁵⁰ The bill also provides that the judge, instead of the jury under current law, assesses the bond in double the amount of the property value to be tendered by the plaintiff in execution if the judge finds at the hearing that the claimant has the right to the property.⁵¹

HISTORY

ACTION	DATE
Introduced	09-29-15
Reported, H. Judiciary	05-18-16

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⁴⁹ R.C. 2329.84.

⁵⁰ R.C. 2329.85.

⁵¹ R.C. 2329.86.

