

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2872
(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 13-4315, Arizona Revised Statutes, is amended
3 to read:

4 13-4315. Allocation of forfeited property; definition

5 A. Any property, including all interests in property, forfeited to
6 ~~the~~ THIS state under this title shall be transferred as requested by the
7 attorney for ~~the~~ THIS state to the seizing agency or to the agency or
8 political subdivision employing the attorney for ~~the~~ THIS state, which may
9 do any of the following:

10 1. Sell, lease, lend or transfer the property to any local or state
11 government entity or agency or political subdivision, any law enforcement
12 agency or prosecutorial agency or any federal law enforcement agency that
13 operates within this state for official federal, state or political
14 subdivision use within this state, with expenses for keeping and
15 transferring such property to be paid by the recipient. Property may not
16 be allocated for official use if the fair market value of the property
17 substantially exceeds the agency's probable cost of purchasing other
18 property equally suited for the intended official use. Property that is
19 allocated for official use may not be assigned for use by any person who
20 supervised or exercised discretion in ~~its~~ THE PROPERTY'S forfeiture unless
21 the use is approved in writing by the head of the agency.

22 2. Sell forfeited property by public or otherwise commercially
23 reasonable sale with expenses of keeping and selling the property and the
24 amount of all valid interests established by claimants paid out of the
25 proceeds of the sale with the balance paid into the anti-racketeering
26 revolving fund of ~~the~~ THIS state or of the county in which the political
27 subdivision seizing the property or prosecuting the action is located. A
28 sale of forfeited property may not be made to any employee of the seizing
29 agency, any person who participated in the forfeiture, any employee of a
30 contractor selling the property on behalf of the seizing agency or any
31 member of the immediate family of any of these employees or persons.

32 3. SELL A FORFEITED DIGITAL ASSET BY A PUBLIC OR OTHERWISE
33 COMMERCIALY REASONABLE SALE WITH THE EXPENSES OF KEEPING AND SELLING THE
34 DIGITAL ASSET AND THE AMOUNT OF ALL VALID INTERESTS ESTABLISHED BY
35 CLAIMANTS, INCLUDING ANY RESTITUTION THAT WAS ORDERED BY A COURT, PAID OUT
36 OF THE PROCEEDS OF THE SALE. THE FIRST \$300,000 OF THE PROCEEDS OF THE
37 SALE OF ANY FORFEITED DIGITAL ASSET SHALL BE DEPOSITED, PURSUANT TO
38 SECTIONS 35-146 AND 35-147, IN THE ANTI-RACKETEERING REVOLVING FUND
39 ESTABLISHED BY SECTION 13-2314.01. IF THE PROCEEDS OF THE SALE OF THE

1 FORFEITED DIGITAL ASSET ARE MORE THAN \$300,000, THE REMAINING BALANCE
2 SHALL BE DIVIDED UP BY DEPOSITING, PURSUANT TO SECTIONS 35-146 AND 35-147,
3 FIFTY PERCENT IN THE ANTI-RACKETEERING REVOLVING FUND ESTABLISHED BY
4 SECTION 13-2314.01 AND DEPOSITING, PURSUANT TO SECTIONS 35-146 AND 35-147,
5 THE REMAINING FIFTY PERCENT IN THE CHILD CARE SUBSIDY FUND ESTABLISHED BY
6 SECTION 46-812. DIGITAL ASSETS MUST BE SOLD THROUGH STATE-APPROVED
7 CRYPTOCURRENCY EXCHANGES OR OTHER SECURE PLATFORMS TO ENSURE ACCURATE
8 VALUATION AND TRANSPARENCY. A DIGITAL ASSET THAT IS SEIZED PURSUANT TO
9 THIS CHAPTER MAY REMAIN IN ITS NATIVE FORM AND MUST BE STORED IN A
10 STATE-APPROVED, SECURE DIGITAL WALLET SYSTEM THAT IS MANAGED BY AUTHORIZED
11 PERSONNEL TO PREVENT LOSS, THEFT OR UNAUTHORIZED ACCESS. THIS PARAGRAPH
12 APPLIES TO ANY FORFEITURE THAT INVOLVES ONLY DIGITAL ASSETS THAT ARE
13 FORFEITED BY THE OFFICE OF THE ATTORNEY GENERAL.

14 ~~3.~~ 4. Destroy or use for investigative purposes any illegal or
15 controlled substances or other contraband at any time more than twenty
16 days after seizure, on written approval of the attorney for ~~the~~ THIS
17 state, preserving only such material as may be necessary for evidence.

18 ~~4.~~ 5. Sell, use or destroy all raw materials, products and
19 equipment of any kind used or intended for use in manufacturing,
20 compounding or processing a controlled substance.

21 ~~5.~~ 6. Compromise and pay claims against property forfeited
22 pursuant to any provision of this section.

23 ~~6.~~ 7. Make any other disposition of forfeited property authorized
24 by law for the disposition of property of ~~the~~ THIS state, A government
25 entity, agency or A political subdivision.

26 B. Notwithstanding subsection A of this section or any other law to
27 the contrary:

28 1. If the property forfeited is money, and a law enforcement agency
29 can specifically identify monies as being from ~~its~~ THE LAW ENFORCEMENT
30 AGENCY'S investigative funds or as being exchanged for property from ~~its~~
31 THE LAW ENFORCEMENT AGENCY'S investigative property, the monies shall be
32 remitted to the investigative fund. If there are additional forfeited
33 monies or monies tendered on satisfaction by an interest holder that
34 cannot be specifically identified, the court shall order the monies
35 returned to each law enforcement agency that makes a showing of costs or
36 expenses that it incurred in connection with the investigation and
37 prosecution of the matter and shall order all excess monies remaining
38 after such returns deposited in the anti-racketeering revolving fund of
39 this state or of the county in which the political subdivision seizing the
40 monies or prosecuting the action is located, established pursuant to
41 section 13-2314.01 or 13-2314.03.

42 2. If the property declared forfeited is an interest in a vehicle,
43 the court shall order ~~it~~ THE PROPERTY forfeited to the local, state or
44 other law enforcement agency seizing the vehicle for forfeiture or to the
45 seizing agency.

46 C. Monies in any anti-racketeering revolving fund established
47 pursuant to this title may be used, in addition to any other lawful use,
48 for:

1 1. The payment of any expenses necessary to seize, detain,
2 appraise, inventory, protect, maintain, preserve the availability of,
3 advertise or sell property that is subject to forfeiture and that is
4 seized, detained or forfeited pursuant to this title or of any other
5 necessary expenses incident to the seizure, detention, preservation or
6 forfeiture of the property. The payments may include payments for
7 contract services and payments to reimburse any federal, state or local
8 agency for any expenditures made to perform the investigative, storage and
9 maintenance functions associated with the property held by the seizing
10 agency.

11 2. The payment of awards for information or assistance leading to a
12 civil or criminal proceeding under this title.

13 3. The payment of compensation from forfeited property to injured
14 persons as provided in section 13-4310, subsection P, paragraph 3.

15 D. Each attorney for ~~the~~ THIS state shall submit a copy of each
16 forfeiture judgment, including each order of forfeiture, to the Arizona
17 criminal justice commission within sixty days after the forfeiture
18 judgment becomes final or after the conclusion of appellate review, if
19 any.

20 E. FOR THE PURPOSES OF THIS SECTION, "DIGITAL ASSET" MEANS EITHER
21 OF THE FOLLOWING THAT CONFERS ECONOMIC, PROPRIETARY OR ACCESS RIGHTS OR
22 POWERS:

23 1. VIRTUAL CURRENCY.

24 2. CRYPTOCURRENCY.

25 Sec. 2. Title 46, chapter 7, article 1, Arizona Revised Statutes,
26 is amended by adding section 46-812, to read:

27 46-812. Child care subsidy fund

28 THE CHILD CARE SUBSIDY FUND IS ESTABLISHED CONSISTING OF PROCEEDS
29 FROM THE SALE OF FORFEITED DIGITAL ASSETS DEPOSITED PURSUANT TO SECTION
30 13-4315. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT
31 FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF
32 APPROPRIATIONS. THE DEPARTMENT OF ECONOMIC SECURITY SHALL ADMINISTER THE
33 FUND TO PROVIDE CHILD CARE SUBSIDIES TO INDIVIDUALS."

34 Amend title to conform

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