

§ 274.13

the United States Attorney for the federal judicial district in which the conveyance was seized for commencement of judicial forfeiture proceedings pursuant to section 274(b) of the Act and this part.

[53 FR 43187, Oct. 26, 1988, as amended at 56 FR 8686, Mar. 1, 1991]

§ 274.13 Petitions for relief from forfeiture; filing.

(a) Any person having a property interest in any seized conveyance may file a petition for relief from forfeiture. A petition must comply with the provisions of this section and §§ 274.14, 274.15, 274.16, and 274.17 of this part and be filed with the regional commissioner if the seized conveyance has not been referred to a United States Attorney pursuant to § 274.12 of this part for the commencement of judicial forfeiture proceedings. If such a referral has occurred, a petition must comply with the provisions of 28 CFR 9.3 and be filed with the United States Attorney.

(b) A petition must be executed and sworn to by the petitioner or by duly authorized counsel for the petitioner upon information and belief.

(c) A petition must include the following:

(1) A complete description of the conveyance, including identification number, if any, and the date and place of seizure;

(2) A complete statement of the property interest in the seized conveyance asserted by the petitioner, which property interest must be established as provided in § 274.6 of this part; and

(3) The facts and circumstances, with satisfactory proof thereof, relied upon by the petitioner to justify relief from forfeiture.

(d) Filing of a petition does not extend the time for filing a claim and a bond.

(e) If a petition is received by or a petition without a determination issued thereon is in the possession of the regional commissioner which asserts a property interest in a seized conveyance which is the subject of a referral to a United States Attorney for commencement of judicial forfeiture proceedings, the regional commissioner shall transmit the petition and a recommendation thereon to the United

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States Attorney. The regional commissioner shall notify the petitioner of the transmittal. Upon receipt of such a petition, the United States Attorney shall forward a copy of the petition, the recommendation of the regional commissioner, and the recommendation of the United States Attorney to the Director, Asset Forfeiture Office, Criminal Division, Department of Justice.

§ 274.14 Time for filing petitions.

(a) Petitions for the reliefs of remission or mitigation of forfeiture should be filed within 30 days of the date of first publication of the advertisement as provided in § 274.9 of this part. After a seized conveyance has been declared forfeited and placed in official use, sold, or otherwise disposed of according to law, petitions for the reliefs of remission or mitigation of forfeiture shall not be accepted.

(b) Petitions for the relief of restoration of proceeds of sale or the appraised value of a seized and forfeited conveyance placed in official use or otherwise disposed of according to law must be filed within 90 days of the sale of the seized and forfeited conveyance or within 90 days that the seized and forfeited conveyance is placed in official use or otherwise disposed of according to law.

§ 274.15 Remission.

(a) The regional commissioner shall not grant remission of forfeiture unless the petitioner establishes:

(1) A property interest in the conveyance;

(2) That at no time did the petitioner have any knowledge or reason to believe that the conveyance was being or would be used in violation of the law, including satisfying any applicable provisions of § 274.18 of this part;

(3) That the petitioner had no knowledge of the particular violation which subjected the conveyance to seizure and forfeiture;

(4) That the petitioner had no knowledge that the owner nor anyone else using or able to use the conveyance had any record or reputation; had

(5) That the petitioner had taken all reasonable steps to prevent the illegal use of the conveyance.

(b) Remission of forfeiture can only be granted after a seized conveyance has been declared forfeited.

(c) Grant of remission of forfeiture must be conditioned upon:

(1) Payment to the custodian of all costs and expenses of the seizure and forfeiture; or, in the case of a lienholder-petitioner, payment of all costs and expenses of the seizure and forfeiture or the amount by which the appraised value exceeds the net equity of the lienholder-petitioner in the conveyance, whichever is greater;

(2) Execution of an instrument by the petitioner holding the United States, its agents and employees, harmless from all claims which may result from the grant of remission of forfeiture;

(3) Execution of an agreement by the petitioner that no property interest in the conveyance will be transferred to any violator; and

(4) Any other terms or conditions as the regional commissioner determines to be appropriate, including a provision for liquidated damages to guarantee compliance with any of the provisions of the agreement or terms and conditions of the remission of forfeiture.

(d) The following provisions apply only to an owner-petitioner that is granted remission of forfeiture:

(1) Within 20 days after receipt of the determination, that owner-petitioner shall comply with the conditions of remission and take possession of the forfeited conveyance; and

(2) If that owner-petitioner does not comply with the provisions of paragraph (d)(1) of this section, the forfeited conveyance shall be placed in official use, sold, or otherwise disposed of by the custodian as provided in §274.3 of this part. The proceeds of a sale of the forfeited conveyance shall be applied first to all costs and expenses of the seizure, forfeiture, and sale and any remaining balance shall be paid to that owner-petitioner. If the forfeited conveyance is placed in official use or otherwise disposed of, that owner-petitioner shall be paid an amount equal to the appraised value of the conveyance minus all costs and expenses of the seizure, forfeiture, and disposal.

(e) The following provisions apply only to a lienholder-petitioner that is granted a remission of forfeiture:

(1) That lienholder-petitioner shall receive payment of the net equity of that lienholder-petitioner, if the forfeited conveyance is placed in official use or otherwise disposed of according to law; or either possession of the forfeited conveyance, or a monetary amount not to exceed the net equity of that lienholder-petitioner from a sale of the forfeited conveyance;

(2) Within 20 days after receipt of the determination, that lienholder-petitioner shall comply with the conditions of remission and take possession of the forfeited conveyance; and

(3) If that lienholder-petitioner does not comply with the provisions of paragraph (e)(2) of this section, the forfeited conveyance shall be placed in official use, sold, or otherwise disposed of by the custodian as provided in §274.3 of this part. The proceeds of a sale shall be applied first to all costs and expenses of the seizure, forfeiture, and sale and any remaining balance not exceeding the net equity of that lienholder-petitioner shall be paid to that lienholder-petitioner. If the forfeited conveyance is placed in official use or otherwise disposed of, that lienholder-petitioner shall be paid the net equity of that lienholder-petitioner minus all costs and expenses of the seizure, forfeiture, and disposal.

§ 274.16 Mitigation.

(a) The regional commissioner may grant mitigation of forfeiture of a seized conveyance to a petitioner, including a violator. To be eligible for the relief of mitigation of forfeiture, a petitioner must establish that transfer of ownership of the forfeited conveyance to the petitioner promotes the interests of justice and does not diminish the deterrent effect of section 274(b) of the Act.

(b) A grant of mitigation of forfeiture shall be in the form of a monetary penalty imposed upon the petitioner in addition to any other amounts chargeable as a condition to the grant of the relief of remission of forfeiture. This penalty is considered as an item of cost payable by the petitioner.

(c) Mitigation of forfeiture can only be granted after a seized conveyance has been declared forfeited.