

Does Civil Forfeiture Fight Crime? Evidence from New Mexico

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Introduction

This study examines civil forfeiture's impact on crime rates. Proponents of the policy, which allows law enforcement to take and permanently keep property without a criminal conviction, claim it is an essential crime-fighting tool, particularly in the War on Drugs. Critics challenge the crime-fighting efficacy of civil forfeiture and warn the policy violates individual liberties. Previous research has associated increases in civil forfeiture with higher rates of drug arrests, but to date, few studies have examined the impact of a significant civil forfeiture reform.

Key Findings

If civil forfeiture achieves its goal of meaningfully fighting crime, then one would expect the elimination of this policy to result in worsening crime rates. I did not detect an efficacious effect of civil forfeiture on crime-fighting. Specifically:

1. Compared to neighboring states, New Mexico's overall rate of offenses committed did not increase significantly following the 2015 reform.
2. Compared to neighboring states, New Mexico's arrest rate did not decrease significantly following the 2015 reforms.

Data

For each analysis, I used five different measures of crime as DVs. Data from the FBI's Uniform Crime Report included total offenses and four measures of arrests—all arrests, arrests for driving under the influence of alcohol or drugs, drug possession arrests, and drug sales arrests. The arrests are disaggregated by drug and DUI offenses because the literature suggests that those crimes are most often directly impacted by forfeiture policies.

Explanatory variables include "NM," which is a dummy variable that =1 if a county was in New Mexico, 0 otherwise, and "Timecount," which is a simple linear count of months in the time period of the study.

The study's covariates include county populations, number of sworn law enforcement officers in each county, and county unemployment rate.

Texas and Colorado were selected as control states because they neighbor New Mexico and did not enact forfeiture reforms during the study period.

The unit of analysis was the county. All models used robust, clustered standard errors.

Analyses

The study used interrupted time series (ITS) to compare crime rates in New Mexico to those in neighboring Colorado and Texas to determine whether New Mexico's forfeiture reform influenced crime. The models were run on the following three sub-samples:

- a. Comparing New Mexico to Colorado and Texas as controls, using data through July 2017.
- b. Comparing New Mexico to Texas as a control, using all available data (through December 2017).
- c. Running a. and b., limiting the sample to border counties only, to directly compare similar, neighboring counties.

Thus, four sets of models and five DVs produced 20 analyses.

The ITS models took the form:

$$Y = \beta_0 + \beta_1 \text{Timecount} + \beta_2 \text{Timecount}^2 + \beta_3 \text{NM} * \text{Timecount} + \beta_4 \text{NM} * \text{Timecount}^2 + \Omega + \Phi + \theta + e$$

Where:

NM*Timecount = Interaction of NM and Timecount

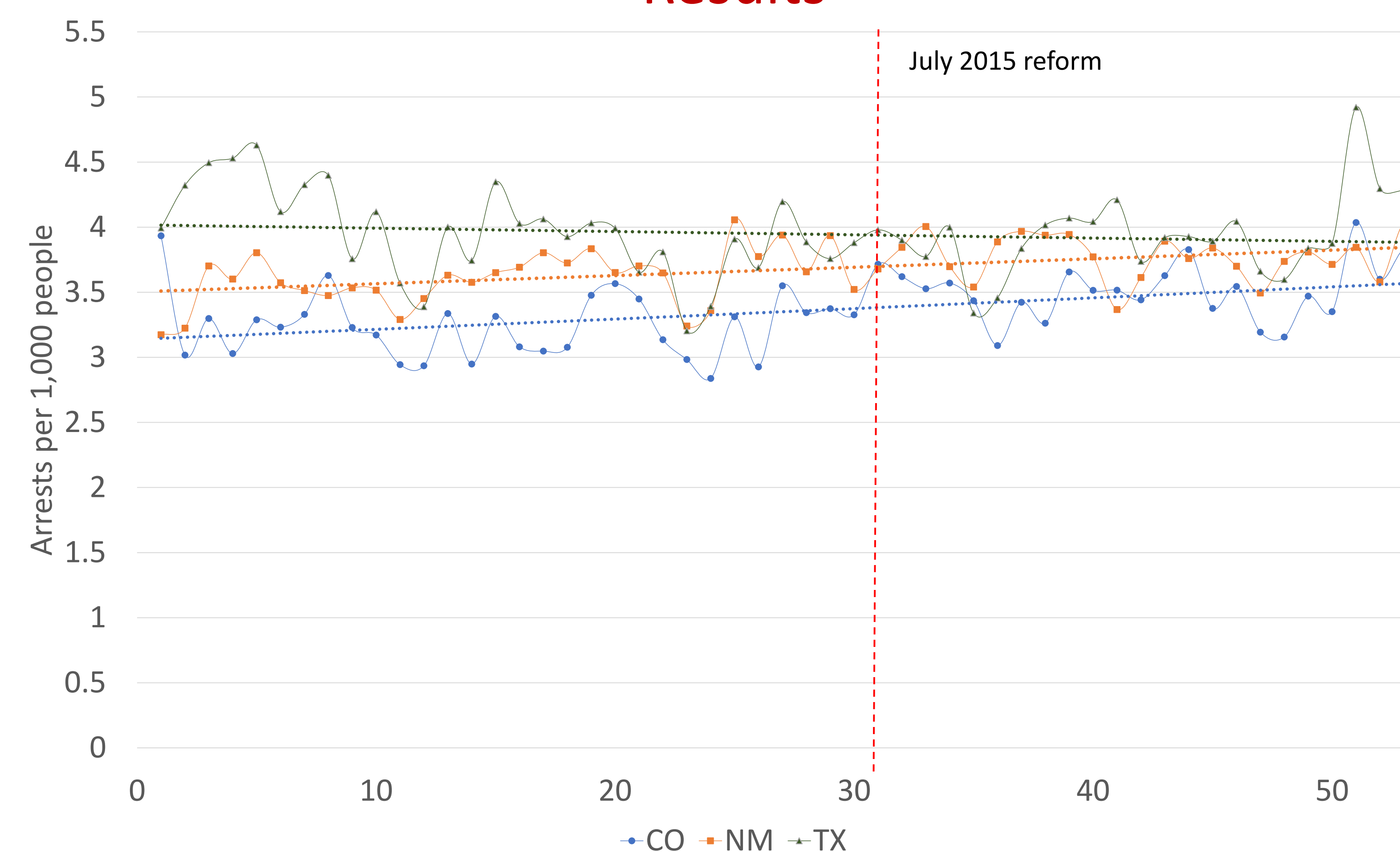
NM*Timecount² = Interaction of NM and Timecount²

Θ = A vector of time-varying covariates: monthly population, monthly unemployment, monthly number of sworn law enforcement officers

Ω = Month fixed effects

Φ = County fixed effects

Results



Compared to counties in neighboring Colorado and Texas, there was no meaningful change in crime rates as a result of the 2015 reform.

All but one specification failed to find statistically significant results. Given I ran 20 separate analyses, the one showing a significant impact (model c with drug sales arrests as the DV), is likely mere statistical noise. Thus, the findings fail to support this study's hypotheses of comparably worsening crime rates in NM after the elimination of civil forfeiture.

Note: Graphs for all 20 analyses looked similar, so only one is shown in order to save space.

Conclusions

That offense rates did not increase following the reform suggests civil forfeiture was not meaningfully deterring crime in such a way that changed criminal behavior in its absence. This supports findings from prior research that questioned the deterrent effect of forfeiture (Miceli and Johnson, 2016).

There are several potential explanations for why arrest rates did not decrease following the reform, including:

1. Potential substitution effect (Rothschild and Block, 2016), causing police to shift their focus from drug to other crimes following the reform. Revenue from forfeiture leads police to focus on drug crimes (Baicker and Jacobsen, 2007; Benson et al., 1995; Kelly and Kole, 2016; Makowsky et al., 2019), potentially to the detriment of pursuing other policy objectives (Kantor et al., 2021).
2. Counties may have backfilled police budgets to make up for lack of forfeiture proceeds. Evidence suggests counties decrease appropriations to law enforcement when they receive other funding through forfeiture (Baicker and Jacobson, 2007), so it is possible this trend occurs in the reverse as well.
3. Finally, these results may indicate police simply do not need forfeiture proceeds to fight crime effectively. Forfeiture revenue may not be reliable enough for most agencies to use it as a primary budget mechanism.

The results of this study suggest states and the federal government can at least restrict if not eliminate civil forfeiture and its associated financial incentives without compromising public safety.

References

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