## HOUSE BILL 1440

State of Washington 69th Legislature 2025 Regular Session

By Representatives Goodman and Hackney

AN ACT Relating to seizure and forfeiture procedures and reporting; amending RCW 9.68A.120, 9A.88.150, 9A.83.030, 10.105.010, 19.290.230, 46.61.5058, 70.74.400, 77.15.070, and 38.42.020; reenacting and amending RCW 69.50.505; adding a new chapter to Title 7 RCW; creating a new section; prescribing penalties; and providing an effective date.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 <u>NEW SECTION.</u> Sec. 1. This chapter provides standard procedures 9 governing civil asset forfeiture and is applicable to laws of this 10 state that authorize civil forfeiture of property and that indicate 11 the provisions of this chapter apply.

12 <u>NEW SECTION.</u> Sec. 2. (1) (a) Except with respect to contraband items, which shall be seized and summarily forfeited, proceedings for 13 forfeiture are deemed commenced by the seizure. The agency under 14 15 whose authority the seizure was made shall cause notice to be served 16 within 15 days following the seizure on the owner of the property 17 seized and the person in charge thereof and any person having any known right or interest therein, including any community property 18 interest, of the seizure and intended forfeiture of the seized 19 20 property. Service of notice of seizure must be made according to the

rules of civil procedure, except that service by mail shall be by 1 certified mail, return receipt requested. However, a default judgment 2 with respect to real property may not be obtained against a party who 3 is served by substituted service absent an affidavit stating that a 4 good faith effort has been made to ascertain if the defaulted party 5 6 is incarcerated within the state, and that there is no present basis 7 to believe that the party is incarcerated within the state. Notice of seizure in the case of property subject to a security interest that 8 has been perfected by filing a financing statement in accordance with 9 chapter 62A.9A RCW, or a certificate of title, must be made by 10 11 service upon the secured party or the secured party's assignee at the 12 address shown on the financing statement or the certificate of title.

(b) The notice must include information indicating that if the property owner or other person claiming a right or interest in the property contests the forfeiture, the person has the right to move the matter to a court of competent jurisdiction, and if the person substantially prevails in a forfeiture proceeding, the person is entitled to reimbursement for reasonable attorneys' fees.

19 (2) If no person notifies the seizing agency in writing of the person's claim of ownership or right to possession of an item seized 20 21 within 60 days of the service of notice from the seizing agency in 22 the case of personal property and 120 days in the case of real property, the item seized is deemed forfeited. The community property 23 24 interest in real property of a person whose spouse or domestic 25 partner committed a violation giving rise to seizure of the real 26 property may not be forfeited if the person did not participate in the violation. 27

28 (3) If any person notifies the seizing agency in writing of the 29 person's claim of ownership or right to possession of an item seized within 60 days of the service of notice from the seizing agency in 30 the case of personal property and 120 days in the case of real 31 32 property, the person or persons must be afforded a reasonable opportunity to be heard as to the claim or right. The notice of claim 33 may be served by any method authorized by law or court rule 34 including, but not limited to, service by first-class mail. Service 35 36 by mail is deemed complete upon mailing within the 60-day period following service of the notice of seizure in the case of personal 37 property and within the 120-day period following service of the 38 39 notice of seizure in the case of real property.

1 (4) The hearing must be before the chief law enforcement officer 2 of the seizing agency or the chief law enforcement officer's 3 designee, except that where the seizing agency is a state agency as 4 defined in RCW 34.12.020(4), the hearing must be before the chief law 5 enforcement officer of the seizing agency or an administrative law 6 judge appointed under chapter 34.12 RCW. Such a hearing and any 7 appeal therefrom must be under Title 34 RCW.

(5) Any person asserting a claim or right may remove the matter 8 to a court of competent jurisdiction. Removal of any matter involving 9 personal property may only be accomplished according to the rules of 10 11 civil procedure. The person seeking removal of the matter must serve 12 process against the state, county, political subdivision, or municipality that operates the seizing agency, and any other party of 13 interest, in accordance with RCW 4.28.080 or 4.92.020, within 45 days 14 after the person seeking removal has notified the seizing agency of 15 16 the person's claim of ownership or right to possession. The court to 17 which the matter is to be removed must be the district court when the 18 aggregate value of personal property is within the jurisdictional 19 limit set forth in RCW 3.66.020.

(6) (a) Whether the matter is heard under Title 34 RCW pursuant to subsection (4) of this section or removed to court pursuant to subsection (5) of this section, the burden of proof is upon the seizing agency to establish, by a preponderance of the evidence, that the property is subject to forfeiture.

(b) No personal property may be forfeited to the extent of the interest of an owner, by reason of any act or omission committed or omitted without the owner's knowledge or consent;

(c) No real property may be forfeited to the extent of the interest of an owner, by reason of any act or omission committed or omitted without the owner's knowledge or consent.

31 (d) A forfeiture of real property encumbered by a bona fide 32 security interest is subject to the interest of the secured party if 33 the secured party, at the time the security interest was created, 34 neither had knowledge of nor consented to the act or omission.

35 (7) The seizing agency shall promptly return seized items, in the 36 same or substantially similar condition as when they were seized, to 37 the claimant upon a determination by the administrative law judge or 38 court that the claimant is the present lawful owner or is lawfully 39 entitled to possession thereof.

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1 (8) In any proceeding to forfeit property under this chapter, 2 where the claimant substantially prevails, the claimant is entitled 3 to reasonable attorneys' fees reasonably incurred by the claimant.

4 (9) The protections afforded by the service members' civil relief
5 act, chapter 38.42 RCW, are applicable to proceedings under this
6 chapter.

7 <u>NEW SECTION.</u> Sec. 3. (1) Upon the entry of an order of 8 forfeiture of real property, the court shall forward a copy of the 9 order to the assessor of the county in which the property is located. 10 Orders for the forfeiture of real property shall be entered by the 11 superior court, subject to court rules. Such an order shall be filed 12 by the seizing agency in the county auditor's records in the county 13 in which the real property is located.

14 (2)(a) A landlord may assert a claim against proceeds from the15 sale of assets seized and forfeited only if:

16 (i) An employee, agent, or officer of the seizing agency, while 17 acting in his or her official capacity, directly caused damage to the 18 complaining landlord's property while executing a search of a 19 tenant's residence; and

(ii) The landlord has applied any funds remaining in the tenant's deposit, to which the landlord has a right under chapter 59.18 RCW, to cover the damage directly caused by the employee, agent, or officer of the seizing agency prior to asserting a claim under the provisions of this section;

(A) Only if the funds applied under (a)(ii) of this subsection are insufficient to satisfy the damage directly caused by the employee, agent, or officer of the seizing agency, may the landlord seek compensation for the damage by filing a claim against the governmental entity under whose authority the seizing agency operates within 30 days after the search;

31 (B) Only if the governmental entity denies or fails to respond to the landlord's claim within 60 days of the date of filing, may the 32 landlord collect damages under this subsection by filing within 30 33 days of denial or the expiration of the 60-day period, whichever 34 occurs first, a claim with the seizing agency. The seizing agency 35 must notify the landlord of the status of the claim by the end of the 36 37 30-day period. Nothing in this section requires the claim to be paid by the end of the 60-day or 30-day period. 38

1 (b) For any claim filed under (a)(ii) of this subsection, the 2 seizing agency shall pay the claim unless the agency provides 3 substantial proof that the landlord either:

4 (i) Knew or consented to actions of the tenant in violation of
5 this chapter or the chapter pursuant to which the seizure was made;
6 or

7 (ii) Failed to respond to a notification of the illegal activity,
8 provided by a law enforcement agency under RCW 59.18.075, within
9 seven days of receipt of notification of the illegal activity.

10 (3) The landlord's claim for damages under subsection (2) of this 11 section may not include a claim for loss of business and is limited 12 to:

13 (a) Damage to tangible property and clean-up costs;

14 (b) The lesser of the cost of repair or fair market value of the 15 damage directly caused by the employee, agent, or officer of the 16 seizing agency;

17 (c) The proceeds from the sale of the specific tenant's property 18 seized and forfeited; and

(d) The proceeds available after the seizing law enforcement agency satisfies any bona fide security interest in the tenant's property and costs related to sale of the tenant's property.

(4) Subsections (2) and (3) of this section do not limit any other rights a landlord may have against a tenant to collect for damages. However, if a seizing agency satisfies a landlord's claim under subsection (2) of this section, the rights the landlord has against the tenant for damages directly caused by an employee, agent, or officer of the seizing agency under the terms of the landlord and tenant's contract are subrogated to the seizing agency.

29 <u>NEW SECTION.</u> Sec. 4. When property is forfeited under this 30 chapter, the seizing agency may, after satisfying any court-ordered 31 restitution:

32 (1) Retain it for official use or upon application by any law 33 enforcement agency of this state release such property to such agency 34 to be used in enforcement;

35 (2) Sell that which is not required to be destroyed by law and 36 which is not harmful to the public;

37 (3) Request the appropriate sheriff or director of public safety 38 to take custody of the property and remove it for disposition in 39 accordance with law; 1 (4) Forward it to an appropriate entity, such as the drug 2 enforcement administration, for disposition; or

(5) Take any other action allowed by statute.

4 <u>NEW SECTION.</u> Sec. 5. (1) This section is applicable to all 5 seizures by seizing agencies, regardless of whether the seizure is:

(a) Pursuant to this chapter;

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7 (b) Pursuant to any other section in the Revised Code of 8 Washington that authorizes seizure; or

9 (c) Conducted in collaboration with a federal agency under 10 federal law.

11 (2) For purposes of this section, "seizing agency" means any 12 police force, multijurisdictional task force, fire department, or 13 other municipal, county, or state agency that has authority under 14 state law or collaborates with a federal agency under federal law to 15 seize property.

16 (3) For purposes of this section, "seizing agency" does not 17 include a state child support agency under Title IV-D of the Social 18 Security Act (49 Stat. 620; 42 U.S.C. Sec. 651 et seq.).

19 (4) (a) The seizing agency must keep a record, about property 20 seized and forfeited under state law and any agreement with any 21 federal agency, of each forfeiture indicating:

22 (i) The name of the seizing agency;

23 (ii) Date of seizure;

24 (iii) Type of property seized;

25 (iv) Description of the property including make, model, year, and 26 serial number;

27 (v) Street address or description of the location where the 28 seizure occurred;

(vi) Whether the seizure was adopted by the federal government, part of a joint task force with the federal government, or other arrangement with the federal government;

32 (vii) Whether the forfeiture was contested by a suspect, innocent 33 owner claimant, joint owner, or other property owner;

34 (viii) Disposition of the property through the forfeiture 35 process, such as returned to suspect, returned to a joint owner or 36 third-party owner, sold, destroyed, or retained by a law enforcement 37 agency;

38 (ix) Date of disposition of the property;

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(x) Whether the forfeiture was resolved by way of a default,
 contested hearing or agreed disposition or settlement;

3 (xi) Value of the property forfeited; and

4 (xii) The net proceeds retained by the law enforcement agency 5 that seized the property.

6 (b) Annually, on a date specified by the Washington state patrol, 7 the seizing agency shall file a report, that includes all of the records in (a) of this subsection, to the Washington state patrol. 8 The Washington state patrol must establish and maintain a searchable 9 public web site that includes all of the records in (a) of this 10 subsection. The annual report need not include a record of forfeited 11 12 property that is still being held for use as evidence during the investigation or prosecution of a case or during the appeal from a 13 conviction. The commander of a multijurisdictional task force may 14 appoint one agency to report its seizures. If an agency has made no 15 16 seizures during the previous year, a null report must be filed by the 17 agency specifying that it did not engage in seizures or forfeitures 18 during the reporting period.

19 (c) By March 1st each year, the seizing agency shall file with 20 the Washington state patrol a report that summarizes the agency's 21 expenditures from the sum of the net proceeds of all seized and 22 forfeited property during the previous calendar year. The report must 23 be posted and made available on the web site created in this 24 subsection (4). The report must use the following categories to 25 summarize expenditures and values:

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(i) Abuse, crime, and gang prevention programs;

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(ii) Witness protection, informant fees, and controlled buys;

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(iii) Salaries, overtime, and benefits;

(iv) Professional outside services, including auditing, court reporting, expert witnesses, outside attorneys' fees, and membership fees paid to trade associations;

32 (v) Travel, meals, conferences, training, and continuing 33 education seminars;

34 (vi) Capital expenditures including vehicles, firearms, 35 equipment, computers, and furniture;

36 (vii) Other expenditures of forfeiture proceeds; and

37 (viii) The total value of forfeited property held by the agency 38 at the end of the reporting period.

39 (5) One hundred twenty days after the close of each fiscal year,40 the Washington state patrol shall submit to the speaker of the house

1 of representatives, president of the senate, attorney general, and governor a written report summarizing forfeiture activity in the 2 state for the preceding fiscal year; the type, approximate value, and 3 disposition of the property seized; and the amount of any proceeds 4 received or expended at the state and local levels. The report must 5 6 provide a categorized accounting of all proceeds expended. Summary 7 data on seizures, forfeitures, and expenditures of forfeiture proceeds must be disaggregated by agency. The aggregate report must 8 be made available on the state treasurer's web site. 9

10 (6) The Washington state patrol may include in the aggregate 11 report required by subsection (5) of this section recommendations to 12 improve statutes, rules, and policies to facilitate seizure, 13 forfeiture, and expenditure processes and reporting that are fair to 14 crime victims, innocent property owners, secured interest holders, 15 citizens, law enforcement, and taxpayers.

16 (7) If a seizing agency fails to file a report within 30 days 17 after it is due, without good cause as determined by the Washington 18 state patrol, the Washington state patrol shall provide a written warning to the seizing agency. If a seizing agency fails to file the 19 report within 30 days after it is due for a second time, the agency 20 21 is subject to a civil penalty payable to the state general fund of 22 \$500 or the equivalent of one-quarter of the forfeiture proceeds received by the agency during the reporting period, whichever is 23 24 greater.

(8) The data and reports compiled and prepared under this chapterare public information under chapter 42.56 RCW.

27 <u>NEW SECTION.</u> Sec. 6. (1)(a)(i) Except as provided in (a)(ii) of 28 this subsection, by January 31st of each year, each seizing agency 29 shall remit to the Washington state patrol an amount equal to 10 30 percent of the net proceeds of any property forfeited during the 31 preceding calendar year. Money remitted shall be deposited in the 32 state general fund unless otherwise provided in statute.

(ii) By January 31st of each year, each seizing agency shall remit to the state an amount equal to 10 percent of the net proceeds of any property forfeited under RCW 10.105.010 and 46.61.5058 during the preceding calendar year for deposit into the behavioral health loan repayment program account created in RCW 28B.115.135 through June 30, 2027, and into the state general fund thereafter.

1 (b) The net proceeds of forfeited property is the value of the 2 forfeitable interest in the property after deducting the cost of 3 satisfying any bona fide security interest to which the property is 4 subject at the time of seizure; and in the case of sold property, 5 after deducting the cost of sale, including reasonable fees or 6 commissions paid to independent selling agents, and the cost of any 7 valid landlord's claim for damages under section 3 of this act.

(c) The value of sold forfeited property is the sale price. The 8 value of retained forfeited property is the fair market value of the 9 property at the time of seizure, determined when possible by 10 reference to an applicable commonly used index, such as the index 11 used by the department of licensing for valuation of motor vehicles. 12 A seizing agency may use, but need not use, an independent qualified 13 appraiser to determine the value of retained property. 14 Ιf an appraiser is used, the value of the property appraised is net of the 15 16 cost of the appraisal. The value of destroyed property and retained 17 firearms or illegal property is zero.

18 (2) Forfeited property and net proceeds not required to be paid 19 to the state shall be retained by the seizing agency exclusively for 20 the expansion and improvement of related enforcement activities. 21 Money retained under this section may not be used to supplant 22 preexisting funding sources.

23 <u>NEW SECTION.</u> Sec. 7. The Washington state patrol may adopt 24 rules necessary to implement this chapter.

25 Sec. 8. RCW 9.68A.120 and 2022 c 162 s 4 are each amended to 26 read as follows:

27 The following are subject to seizure and forfeiture:

(1) All visual or printed matter that depicts a minor engaged in sexually explicit conduct.

30 (2) All raw materials, equipment, and other tangible personal 31 property of any kind used or intended to be used to manufacture or 32 process any visual or printed matter that depicts a minor engaged in 33 sexually explicit conduct, and all conveyances, including aircraft, 34 vehicles, or vessels that are used or intended for use to transport, 35 or in any manner to facilitate the transportation of, visual or 36 printed matter in violation of RCW 9.68A.050 or 9.68A.060, but:

37 (a) No conveyance used by any person as a common carrier in the38 transaction of business as a common carrier is subject to forfeiture

1 under this section unless it appears that the owner or other person 2 in charge of the conveyance is a consenting party or privy to a 3 violation of this chapter;

(b) No property is subject to forfeiture under this section by
reason of any act or omission ((established by the owner of the
property to have been)) committed or omitted without the owner's
knowledge or consent;

8 (c) A forfeiture of property encumbered by a bona fide security 9 interest is subject to the interest of the secured party if the 10 secured party neither had knowledge of nor consented to the act or 11 omission; and

12 (d) When the owner of a conveyance has been arrested under this 13 chapter the conveyance may not be subject to forfeiture unless it is 14 seized or process is issued for its seizure within ten days of the 15 owner's arrest.

16 (3) All personal property, moneys, negotiable instruments, 17 securities, or other tangible or intangible property furnished or 18 intended to be furnished by any person in exchange for visual or 19 printed matter depicting a minor engaged in sexually explicit 20 conduct, or constituting proceeds traceable to any violation of this 21 chapter.

(4) Property subject to forfeiture under this chapter may be
seized by any law enforcement officer of this state upon process
issued by any superior court having jurisdiction over the property.
Seizure without process may be made if:

(a) The seizure is incident to an arrest or a search under a
 search warrant or an inspection under an administrative inspection
 warrant;

(b) The property subject to seizure has been the subject of a prior judgment in favor of the state in a criminal injunction or forfeiture proceeding based upon this chapter;

32 (c) A law enforcement officer has probable cause to believe that 33 the property is directly or indirectly dangerous to health or safety; 34 or

35 (d) The law enforcement officer has probable cause to believe 36 that the property was used or is intended to be used in violation of 37 this chapter.

(5) In the event of seizure under subsection (4) of this section, proceedings for forfeiture ((shall be deemed commenced by the seizure. The law enforcement agency under whose authority the seizure

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1 was made shall cause notice to be served within fifteen days following the seizure on the owner of the property seized and the 2 person in charge thereof and any person having any known right or 3 interest therein, of the seizure and intended forfeiture of the 4 seized property. The notice may be served by any method authorized by 5 6 law or court rule including but not limited to service by certified 7 mail with return receipt requested. Service by mail shall be deemed complete upon mailing within the fifteen day period following the 8 9 seizure.

10 (6) If no person notifies the seizing law enforcement agency in 11 writing of the person's claim of ownership or right to possession of 12 seized items within forty-five days of the seizure, the item seized 13 shall be deemed forfeited.

(7) If any person notifies the seizing law enforcement agency in 14 15 writing of the person's claim of ownership or right to possession of 16 seized items within forty-five days of the seizure, the person or 17 persons shall be afforded a reasonable opportunity to be heard as to the claim or right. The hearing shall be before an administrative law 18 judge appointed under chapter 34.12 RCW, except that any person 19 asserting a claim or right may remove the matter to a court of 20 21 competent jurisdiction if the aggregate value of the article or articles involved is more than five hundred dollars. The hearing 22 before an administrative law judge and any appeal therefrom shall be 23 24 under Title 34 RCW. In a court hearing between two or more claimants to the article or articles involved, the prevailing party shall be 25 entitled to a judgment for costs and reasonable attorney's fees. The 26 27 burden of producing evidence shall be upon the person claiming to be 28 the lawful owner or the person claiming to have the lawful right to possession of the seized items. The seizing law enforcement agency 29 30 shall promptly return the article or articles to the claimant upon a 31 determination by the administrative law judge or court that the 32 claimant is lawfully entitled to possession thereof of the seized 33 items.

34 (8) If property is sought to be forfeited on the ground that it 35 constitutes proceeds traceable to a violation of this chapter, the 36 seizing law enforcement agency must prove by a preponderance of the 37 evidence that the property constitutes proceeds traceable to a 38 violation of this chapter.

39 (9) When property is forfeited under this chapter the seizing law 40 enforcement agency may: (a) Retain it for official use or upon application by any law
 enforcement agency of this state release the property to that agency
 for the exclusive use of enforcing this chapter or chapter 9A.88 RCW;

4 (b) Sell that which is not required to be destroyed by law and 5 which is not harmful to the public; or

6 (c) Request the appropriate sheriff or director of public safety
7 to take custody of the property and remove it for disposition in
8 accordance with law.

9 (10) (a) By January 31st of each year, each seizing agency shall 10 remit to the state an amount equal to ten percent of the net proceeds 11 of any property forfeited during the preceding calendar year. Money 12 remitted shall be deposited in the prostitution prevention and 13 intervention account under RCW 43.63A.740.

14 (b) The net proceeds of forfeited property is the value of the 15 forfeitable interest in the property after deducting the cost of 16 satisfying any bona fide security interest to which the property is 17 subject at the time of seizure; and in the case of sold property, 18 after deducting the cost of sale, including reasonable fees or 19 commissions paid to an independent selling agency.

20 (c) The value of sold forfeited property is the sale price. The value of retained forfeited property is the fair market value of the 21 22 property at the time of seizure determined when possible by reference 23 to an applicable commonly used index. A seizing agency may use, but 24 need not use, an independent qualified appraiser to determine the 25 value of retained property. If an appraiser is used, the value of the property appraised is net of the cost of the appraisal. The value of 26 destroyed property and retained firearms or illegal property is zero. 27

28 (11) Forfeited property and net proceeds not required to be 29 remitted to the state under this chapter shall be used for payment of 30 all proper expenses of the investigation leading to the seizure, 31 including any money delivered to the subject of the investigation by 32 the law enforcement agency, and of the proceedings for forfeiture and sale, including expenses of seizure, maintenance of custody, 33 advertising, actual costs of the prosecuting or city attorney, and 34 35 court costs. Money remaining after payment of these expenses shall be retained by the seizing law enforcement agency for the exclusive use 36 of enforcing the provisions of this chapter or chapter 9A.88 RCW)) 37 38 are governed by chapter 7. --- RCW (the new chapter created in section 39 18 of this act).

1 Sec. 9. RCW 9A.88.150 and 2022 c 162 s 5 are each amended to 2 read as follows:

3 (1) The following are subject to seizure and forfeiture and no4 property right exists in them:

5 (a) Any property or other interest acquired or maintained in 6 violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070 to the extent of 7 the investment of funds, and any appreciation or income attributable 8 to the investment, from a violation of RCW 9.68A.100, 9.68A.101, or 9 9A.88.070;

10 (b) All conveyances, including aircraft, vehicles, or vessels, 11 which are used, or intended for use, in any manner to facilitate a 12 violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070, except that:

(i) No conveyance used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section unless it appears that the owner or other person in charge of the conveyance is a consenting party or privy to a violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070;

18 (ii) No conveyance is subject to forfeiture under this section by 19 reason of any act or omission ((established by the owner thereof to 20 have been)) committed or omitted without the owner's knowledge or 21 consent;

(iii) A forfeiture of a conveyance encumbered by a bona fide security interest is subject to the interest of the secured party if the secured party neither had knowledge of nor consented to the act or omission; and

(iv) When the owner of a conveyance has been arrested for a violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070, the conveyance in which the person is arrested may not be subject to forfeiture unless it is seized or process is issued for its seizure within ten days of the owner's arrest;

31 (c) Any property, contractual right, or claim against property 32 used to influence any enterprise that a person has established, 33 operated, controlled, conducted, or participated in the conduct of, 34 in violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070;

35 (d) All proceeds traceable to or derived from an offense defined 36 in RCW 9.68A.100, 9.68A.101, or 9A.88.070 and all moneys, negotiable 37 instruments, securities, and other things of value significantly used 38 or intended to be used significantly to facilitate commission of the 39 offense; 1 (e) All books, records, and research products and materials, 2 including formulas, microfilm, tapes, and data which are used, or 3 intended for use, in violation of RCW 9.68A.100, 9.68A.101, or 4 9A.88.070;

(f) All moneys, negotiable instruments, securities, or other 5 6 tangible or intangible property of value furnished or intended to be furnished by any person in exchange for a violation of RCW 9.68A.100, 7 9.68A.101, or 9A.88.070, all tangible or intangible personal 8 property, proceeds, or assets acquired in whole or in part with 9 proceeds traceable to an exchange or series of exchanges in violation 10 of RCW 9.68A.100, 9.68A.101, or 9A.88.070, and all moneys, negotiable 11 12 instruments, and securities used or intended to be used to facilitate any violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070. A forfeiture 13 14 of money, negotiable instruments, securities, or other tangible or intangible property encumbered by a bona fide security interest is 15 16 subject to the interest of the secured party if, at the time the 17 security interest was created, the secured party neither had 18 knowledge of nor consented to the act or omission. No personal property may be forfeited under this subsection (1)(f), to the extent 19 of the interest of an owner, by reason of any act or omission ( $(\tau)$ 20 which that owner establishes was)) committed or omitted without the 21 22 owner's knowledge or consent; and

(g) All real property, including any right, title, and interest 23 24 in the whole of any lot or tract of land, and any appurtenances or 25 improvements which are being used with the knowledge of the owner for a violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070, or which have 26 been acquired in whole or in part with proceeds traceable to an 27 exchange or series of exchanges in violation of RCW 9.68A.100, 28 29 9.68A.101, or 9A.88.070, if a substantial nexus exists between the violation and the real property. However: 30

(i) No property may be forfeited pursuant to this subsection (1)(g), to the extent of the interest of an owner, by reason of any act or omission committed or omitted without the owner's knowledge or consent;

(ii) A forfeiture of real property encumbered by a bona fide security interest is subject to the interest of the secured party if the secured party, at the time the security interest was created, neither had knowledge of nor consented to the act or omission.

39 (2) Real or personal property subject to forfeiture under this40 section may be seized by any law enforcement officer of this state

1 upon process issued by any superior court having jurisdiction over the property. Seizure of real property shall include the filing of a 2 lis pendens by the seizing agency. Real property seized under this 3 section shall not be transferred or otherwise conveyed until ninety 4 days after seizure or until a judgment of forfeiture is entered, 5 6 whichever is later: PROVIDED, That real property seized under this section may be transferred or conveyed to any person or entity who 7 acquires title by foreclosure or deed in lieu of foreclosure of a 8 security interest. Seizure of personal property without process may 9 10 be made if:

11 (a) The seizure is incident to an arrest or a search under a 12 search warrant;

(b) The property subject to seizure has been the subject of a prior judgment in favor of the state in a criminal injunction or forfeiture proceeding; or

16 (c) The law enforcement officer has probable cause to believe 17 that the property was used or is intended to be used in violation of 18 RCW 9.68A.100, 9.68A.101, or 9A.88.070.

(3) In the event of seizure pursuant to subsection (2) of this 19 section, proceedings for forfeiture ((shall be deemed commenced by 20 21 the seizure. The law enforcement agency under whose authority the seizure was made shall cause notice to be served within fifteen days 22 23 following the seizure on the owner of the property seized and the person in charge thereof and any person having any known right or 24 25 interest therein, including any community property interest, of the seizure and intended forfeiture of the seized property. Service of 26 27 notice of seizure of real property shall be made according to the 28 rules of civil procedure. However, the state may not obtain a default 29 judgment with respect to real property against a party who is served by substituted service absent an affidavit stating that a good faith 30 31 effort has been made to ascertain if the defaulted party is 32 incarcerated within the state, and that there is no present basis to 33 believe that the party is incarcerated within the state. Notice of seizure in the case of property subject to a security interest that 34 has been perfected by filing a financing statement, or a certificate 35 of title, shall be made by service upon the secured party or the 36 37 secured party's assignee at the address shown on the financing statement or the certificate of title. The notice of seizure in other 38 39 cases may be served by any method authorized by law or court rule 40 including, but not limited to, service by certified mail with return 1 receipt requested. Service by mail shall be deemed complete upon 2 mailing within the fifteen day period following the seizure.

(4) If no person notifies the seizing law enforcement agency in 3 4 writing of the person's claim of ownership or right to possession of 5 items specified in subsection (1) of this section within forty-five 6 days of the service of notice from the seizing agency in the case of personal property and ninety days in the case of real property, the 7 item seized shall be deemed forfeited. The community property 8 9 interest in real property of a person whose spouse or domestic 10 partner committed a violation giving rise to seizure of the real 11 property may not be forfeited if the person did not participate in 12 the violation.

13 (5) If any person notifies the seizing law enforcement agency in 14 writing of the person's claim of ownership or right to possession of items specified in subsection (1) of this section within forty-five 15 days of the service of notice from the seizing agency in the case of 16 personal property and ninety days in the case of real property, the 17 18 person or persons shall be afforded a reasonable opportunity to be heard as to the claim or right. The notice of claim may be served by 19 20 any method authorized by law or court rule including, but not limited to, service by first-class mail. Service by mail shall be deemed 21 complete upon mailing within the forty-five day period following 22 service of the notice of seizure in the case of personal property and 23 within the ninety day period following service of the notice of 24 25 seizure in the case of real property. The hearing shall be before the 26 chief law enforcement officer of the seizing agency or the chief law enforcement officer's designee, except where the seizing agency is a 27 state agency as defined in RCW 34.12.020(4), the hearing shall be 28 29 before the chief law enforcement officer of the seizing agency or an 30 administrative law judge appointed under chapter 34.12 RCW, except 31 that any person asserting a claim or right may remove the matter to a court of competent jurisdiction. Removal of any matter involving 32 33 personal property may only be accomplished according to the rules of civil procedure. The person seeking removal of the matter must serve 34 35 process against the state, county, political subdivision, or 36 municipality that operates the seizing agency, and any other party of interest, in accordance with RCW 4.28.080 or 4.92.020, within 37 38 forty-five days after the person seeking removal has notified the seizing law enforcement agency of the person's claim of ownership or 39 40 right to possession. The court to which the matter is to be removed 1 shall be the district court when the aggregate value of personal 2 property is within the jurisdictional limit set forth in RCW 3 3.66.020. A hearing before the seizing agency and any appeal 4 therefrom shall be under Title 34 RCW. In all cases, the burden of 5 proof is upon the law enforcement agency to establish, by a 6 preponderance of the evidence, that the property is subject to 7 forfeiture.

8 The seizing law enforcement agency shall promptly return the 9 article or articles to the claimant upon a determination by the 10 administrative law judge or court that the claimant is the present 11 lawful owner or is lawfully entitled to possession thereof of items 12 specified in subsection (1) of this section.

13 (6) In any proceeding to forfeit property under this title, where 14 the claimant substantially prevails, the claimant is entitled to 15 reasonable attorneys' fees reasonably incurred by the claimant. In 16 addition, in a court hearing between two or more claimants to the 17 article or articles involved, the prevailing party is entitled to a 18 judgment for costs and reasonable attorneys' fees.

19 (7) When property is forfeited under this chapter, the seizing 20 law enforcement agency may:

21 (a) Retain it for official use or upon application by any law
22 enforcement agency of this state release the property to that agency
23 for the exclusive use of enforcing this chapter or chapter 9.68A RCW;

24 (b) Sell that which is not required to be destroyed by law and 25 which is not harmful to the public; or

26 (c) Request the appropriate sheriff or director of public safety
27 to take custody of the property and remove it for disposition in
28 accordance with law.

29 (8) (a) When property is forfeited, the seizing agency shall keep 30 a record indicating the identity of the prior owner, if known, a 31 description of the property, the disposition of the property, the 32 value of the property at the time of seizure, and the amount of 33 proceeds realized from disposition of the property.

34 (b) Each seizing agency shall retain records of forfeited 35 property for at least seven years.

36 (c) Each seizing agency shall file a report including a copy of 37 the records of forfeited property with the state treasurer each 38 calendar quarter.

39 (d) The quarterly report need not include a record of forfeited 40 property that is still being held for use as evidence during the 1 investigation or prosecution of a case or during the appeal from a

2 conviction.

3 (9)(a) By January 31st of each year, each seizing agency shall 4 remit to the state an amount equal to ten percent of the net proceeds 5 of any property forfeited during the preceding calendar year. Money 6 remitted shall be deposited in the prostitution prevention and 7 intervention account under RCW 43.63A.740.

(b) The net proceeds of forfeited property is the value of the 8 forfeitable interest in the property after deducting the cost of 9 10 satisfying any bona fide security interest to which the property is subject at the time of seizure; and in the case of sold property, 11 after deducting the cost of sale, including reasonable fees or 12 commissions paid to independent selling agents, and the cost of any 13 valid landlord's claim for damages under subsection (12) of this 14 15 section.

16 (c) The value of sold forfeited property is the sale price. The 17 value of destroyed property and retained firearms or illegal property 18 is zero.

19 (10) Net proceeds not required to be remitted to the state shall be used for payment of all proper expenses of the investigation 20 21 leading to the seizure, including any money delivered to the subject of the investigation by the law enforcement agency, and of the 22 proceedings for forfeiture and sale, including expenses of seizure, 23 maintenance of custody, advertising, actual costs of the prosecuting 24 or city attorney, and court costs. Money remaining after payment of 25 these expenses shall be retained by the seizing law enforcement 26 agency for the exclusive use of enforcing the provisions of this 27 28 chapter or chapter 9.68A RCW.

(11) Upon the entry of an order of forfeiture of real property, the court shall forward a copy of the order to the assessor of the county in which the property is located. Orders for the forfeiture of real property shall be entered by the superior court, subject to court rules. Such an order shall be filed by the seizing agency in the county auditor's records in the county in which the real property is located.

36 (12) A landlord may assert a claim against proceeds from the sale 37 of assets seized and forfeited under subsection (9) of this section, 38 only if: 1 (a) A law enforcement officer, while acting in his or her 2 official capacity, directly caused damage to the complaining 3 landlord's property while executing a search of a tenant's residence; 4 (b) The landlord has applied any funds remaining in the tenant's 5 deposit, to which the landlord has a right under chapter 59.18 RCW, 6 to cover the damage directly caused by a law enforcement officer 7 prior to asserting a claim under the provisions of this section:

8 (i) Only if the funds applied under (b) of this subsection are 9 insufficient to satisfy the damage directly caused by a law 10 enforcement officer, may the landlord seek compensation for the 11 damage by filing a claim against the governmental entity under whose 12 authority the law enforcement agency operates within thirty days 13 after the search;

(ii) Only if the governmental entity denies or fails to respond 14 15 to the landlord's claim within sixty days of the date of filing, may 16 the landlord collect damages under this subsection by filing within thirty days of denial or the expiration of the sixty day period, 17 whichever occurs first, a claim with the seizing law enforcement 18 agency. The seizing law enforcement agency must notify the landlord 19 of the status of the claim by the end of the thirty day period. 20 21 Nothing in this section requires the claim to be paid by the end of 22 the sixty day or thirty day period; and

23 (c) For any claim filed under (b) of this subsection, the law 24 enforcement agency shall pay the claim unless the agency provides 25 substantial proof that the landlord either:

26 (i) Knew or consented to actions of the tenant in violation of 27 RCW 9.68A.100, 9.68A.101, or 9A.88.070; or

(ii) Failed to respond to a notification of the illegal activity, provided by a law enforcement agency under RCW 59.18.075, within seven days of receipt of notification of the illegal activity.

31 (13) The landlord's claim for damages under subsection (12) of 32 this section may not include a claim for loss of business and is 33 limited to:

34

(a) Damage to tangible property and clean-up costs;

35 (b) The lesser of the cost of repair or fair market value of the 36 damage directly caused by a law enforcement officer;

37 (c) The proceeds from the sale of the specific tenant's property 38 seized and forfeited under subsection (9) of this section; and

39 (d) The proceeds available after the seizing law enforcement 40 agency satisfies any bona fide security interest in the tenant's property and costs related to sale of the tenant's property as
provided by subsection (12) of this section.

3 (14) Subsections (12) and (13) of this section do not limit any other rights a landlord may have against a tenant to collect for 4 damages. However, if a law enforcement agency satisfies a landlord's 5 6 claim under subsection (12) of this section, the rights the landlord has against the tenant for damages directly caused by a law 7 enforcement officer under the terms of the landlord and tenant's 8 contract are subrogated to the law enforcement agency)) are governed 9 10 by chapter 7. --- RCW (the new chapter created in section 18 of this 11 act).

12 Sec. 10. RCW 9A.83.030 and 2020 c 62 s 1 are each amended to 13 read as follows:

(1) Proceeds traceable to or derived from specified unlawful 14 15 activity or a violation of RCW 9A.83.020 are subject to seizure and 16 forfeiture. The attorney general or county prosecuting attorney may file a civil action for the forfeiture of proceeds. Unless otherwise 17 provided for under this section, no property rights exist in these 18 proceeds. All right, title, and interest in the proceeds shall vest 19 in the governmental entity of which the seizing law enforcement 20 21 agency is a part upon commission of the act or omission giving rise 22 to forfeiture under this section.

(2) Real or personal property subject to forfeiture under this 23 24 chapter may be seized by any law enforcement officer of this state 25 upon process issued by a superior court that has jurisdiction over the property. Any agency seizing real property shall file a lis 26 27 pendens concerning the property. Real property seized under this section shall not be transferred or otherwise conveyed until ninety 28 days after seizure or until a judgment of forfeiture is entered, 29 30 whichever is later. Real property seized under this section may be 31 transferred or conveyed to any person or entity who acquires title by 32 foreclosure or deed in lieu of foreclosure of a security interest. Seizure of personal property without process may be made if: 33

(a) The seizure is incident to an arrest or a search under a
 search warrant or an inspection under an administrative inspection
 warrant issued pursuant to RCW 69.50.502; or

(b) The property subject to seizure has been the subject of a prior judgment in favor of the state in a criminal injunction or forfeiture proceeding based upon this chapter.

(3) A seizure under subsection (2) of this section commences 1 proceedings for forfeiture pursuant to chapter 7.--- RCW (the new 2 chapter created in section 18 of this act). ((The law enforcement 3 agency under whose authority the seizure was made shall cause notice 4 of the seizure and intended forfeiture of the seized proceeds to be 5 served within fifteen days after the seizure on the owner of the 6 7 property seized and the person in charge thereof and any person who has a known right or interest therein, including a community property 8 interest. Service of notice of seizure of real property shall be made 9 10 according to the rules of civil procedure. However, the state may not 11 obtain a default judgment with respect to real property against a party who is served by substituted service absent an affidavit 12 13 stating that a good faith effort has been made to ascertain if the 14 defaulted party is incarcerated within the state, and that there is 15 no present basis to believe that the party is incarcerated within the state. The notice of seizure in other cases may be served by any 16 method authorized by law or court rule including but not limited to 17 18 service by certified mail with return receipt requested. Service by 19 mail is complete upon mailing within the fifteen-day period after the 20 seizure.

21 (4) If no person notifies the seizing law enforcement agency in 22 writing of the person's claim of ownership or right to possession of the property within forty-five days of the seizure in the case of 23 24 personal property and ninety days in the case of real property, the 25 property seized shall be deemed forfeited. The community property 26 interest in real property of a person whose spouse or domestic 27 partner committed a violation giving rise to seizure of the real 28 property may not be forfeited if the person did not participate in 29 the violation.

30 (5) If a person notifies the seizing law enforcement agency in 31 writing of the person's claim of ownership or right to possession of property within forty-five days of the seizure in the case of 32 33 personal property and ninety days in the case of real property, the person or persons shall be afforded a reasonable opportunity to be 34 35 heard as to the claim or right. The provisions of RCW 69.50.505(5) shall apply to any such hearing. The seizing law enforcement agency 36 37 shall promptly return property to the claimant upon the direction of 38 the administrative law judge or court.

1 (6) Disposition of forfeited property shall be made in the manner 2 provided for in RCW 69.50.505 (8) through (10) and (14) or 9.46.231 3 (6) through (8) and (10).))

4 Sec. 11. RCW 10.105.010 and 2022 c 162 s 3 are each amended to 5 read as follows:

6 (1) The following are subject to seizure and forfeiture and no property right exists in them: All personal property, including, but 7 not limited to, any item, object, tool, substance, device, weapon, 8 machine, vehicle of any kind, money, security, or negotiable 9 10 instrument, which has been or was actually employed as an instrumentality in the commission of, or in aiding or abetting in the 11 commission of any felony, or which was furnished or was intended to 12 be furnished by any person in the commission of, as a result of, or 13 as compensation for the commission of, any felony, or which was 14 15 acquired in whole or in part with proceeds traceable to the 16 commission of a felony. No property may be forfeited under this section until after there has been a superior court conviction of the 17 18 owner of the property for the felony in connection with which the property was employed, furnished, or acquired. 19

A forfeiture of property encumbered by a bona fide security interest is subject to the interest of the secured party if at the time the security interest was created, the secured party neither had knowledge of nor consented to the commission of the felony.

(2) Personal property subject to forfeiture under this chapter may be seized by any law enforcement officer of this state upon process issued by any superior court having jurisdiction over the property. Seizure of personal property without process may be made if:

(a) The seizure is incident to an arrest or a search under asearch warrant;

31 (b) The property subject to seizure has been the subject of a 32 prior judgment in favor of the state in a criminal injunction or 33 forfeiture proceeding;

34 (c) A law enforcement officer has probable cause to believe that35 the property is directly dangerous to health or safety; or

36 (d) The law enforcement officer has probable cause to believe 37 that the property was used or is intended to be used in the 38 commission of a felony.

(3) In the event of seizure pursuant to this section, proceedings 1 2 for forfeiture ((shall be deemed commenced by the seizure. The law enforcement agency under whose authority the seizure was made shall 3 cause notice to be served within fifteen days following the seizure 4 on the owner of the property seized and the person in charge thereof 5 6 and any person having any known right or interest therein, including 7 any community property interest, of the seizure and intended forfeiture of the seized property. The notice of seizure may be 8 served by any method authorized by law or court rule including but 9 not limited to service by certified mail with return receipt 10 requested. Service by mail shall be deemed complete upon mailing 11 within the fifteen day period following the seizure. Notice of 12 seizure in the case of property subject to a security interest that 13 14 has been perfected by filing a financing statement in accordance with chapter 62A.9A RCW, or a certificate of title shall be made by 15 service upon the secured party or the secured party's assignee at the 16 address shown on the financing statement or the certificate of title. 17

18 (4) If no person notifies the seizing law enforcement agency in 19 writing of the person's claim of ownership or right to possession of 20 items specified in subsection (1) of this section within forty-five 21 days of the seizure, the item seized shall be deemed forfeited.

(5) If a person notifies the seizing law enforcement agency in 22 23 writing of the person's claim of ownership or right to possession of the seized property within forty-five days of the seizure, the law 24 25 enforcement agency shall give the person or persons a reasonable 26 opportunity to be heard as to the claim or right. The hearing shall 27 be before the chief law enforcement officer of the seizing agency or the chief law enforcement officer's designee, except where the 28 29 seizing agency is a state agency as defined in RCW 34.12.020(4), the 30 hearing shall be before the chief law enforcement officer of the 31 seizing agency or an administrative law judge appointed under chapter 32 34.12 RCW, except that any person asserting a claim or right may 33 remove the matter to a court of competent jurisdiction. Removal may only be accomplished according to the rules of civil procedure. The 34 35 person seeking removal of the matter must serve process against the state, county, political subdivision, or municipality that operates 36 the seizing agency, and any other party of interest, in accordance 37 with RCW 4.28.080 or 4.92.020, within forty-five days after the 38 person seeking removal has notified the seizing law enforcement 39 40 agency of the person's claim of ownership or right to possession. The

court to which the matter is to be removed shall be the district 1 court when the aggregate value of the property is within the 2 jurisdictional limit set forth in RCW 3.66.020. A hearing before the 3 seizing agency and any appeal therefrom shall be under Title 34 RCW. 4 In a court hearing between two or more claimants to the property 5 6 involved, the prevailing party shall be entitled to a judgment for costs and reasonable attorney's fees. The burden of producing 7 evidence shall be upon the person claiming to be the lawful owner or 8 the person claiming to have the lawful right to possession of the 9 10 property. The seizing law enforcement agency shall promptly return the property to the claimant upon a determination by the 11 administrative law judge or court that the claimant is the present 12 13 lawful owner or is lawfully entitled to possession of the property.

14 (6) When property is forfeited under this chapter, after 15 satisfying any court-ordered victim restitution, the seizing law 16 enforcement agency may:

17 (a) Retain it for official use or upon application by any law 18 enforcement agency of this state release such property to such agency 19 for the exclusive use of enforcing the criminal law;

20 (b) Sell that which is not required to be destroyed by law and 21 which is not harmful to the public.

(7) By January 31st of each year, each seizing agency shall remit to the state an amount equal to ten percent of the net proceeds of any property forfeited during the preceding calendar year for deposit into the behavioral health loan repayment program account created in RCW 28B.115.135 through June 30, 2027, and into the state general fund thereafter.

(a) The net proceeds of forfeited property is the value of the forfeitable interest in the property after deducting the cost of satisfying any bona fide security interest to which the property is subject at the time of seizure; and in the case of sold property, after deducting the cost of sale, including reasonable fees or commissions paid to independent selling agents.

34 (b) The value of sold forfeited property is the sale price. The 35 value of retained forfeited property is the fair market value of the 36 property at the time of seizure, determined when possible by 37 reference to an applicable commonly used index, such as the index 38 used by the department of licensing for valuation of motor vehicles. 39 A seizing agency may use, but need not use, an independent qualified 40 appraiser to determine the value of retained property. If an 1 appraiser is used, the value of the property appraised is net of the 2 cost of the appraisal. The value of destroyed property and retained 3 firearms or illegal property is zero.

4 (c) Retained property and net proceeds not required to be 5 remitted to the state, or otherwise required to be spent under this 6 section, shall be retained by the seizing law enforcement agency 7 exclusively for the expansion and improvement of law enforcement 8 activity. Money retained under this section may not be used to 9 supplant preexisting funding sources)) are governed by chapter 7.---10 <u>RCW (the new chapter created in section 18 of this act).</u>

11 (4) When property is seized under this chapter and forfeited 12 pursuant to chapter 7.--- RCW (the new chapter created in section 18 13 of this act), the seizing agency must first satisfy any court-ordered 14 victim restitution before retaining, using, selling, or taking other 15 action with respect to the property as permitted under section 4 of 16 this act.

17 Sec. 12. RCW 19.290.230 and 2013 c 322 s 27 are each amended to 18 read as follows:

(1) The following personal property is subject to seizure and 19 20 forfeiture and no property right exists in them: All personal property including, but not limited to, any item, object, tool, 21 22 substance, device, weapon, machine, vehicle of any kind, money, security, or negotiable instrument, which the seizing agency proves 23 24 by a preponderance of the evidence was used or intended to be used by 25 its owner or the person in charge to knowingly or intentionally facilitate the commission of, or to knowingly or intentionally abet 26 27 the commission of, a crime involving theft, trafficking, or unlawful 28 possession of commercial metal property, or which the seizing agency 29 by a preponderance of the evidence was proves knowingly or 30 intentionally furnished or was intended to be furnished by any person 31 in the commission of, as a result of, or as compensation for the commission of, a crime involving theft, trafficking, or the unlawful 32 possession of commercial metal property, or which the property owner 33 acquired in whole or in part with proceeds traceable to a knowing or 34 intentional commission of a crime involving the theft, trafficking, 35 or unlawful possession of commercial metal property provided that 36 such activity is not less than a class C felony; except that: 37

38 (a) No vehicle used by any person as a common carrier in the39 transaction of business as a common carrier is subject to forfeiture

1 under this section unless the seizing agency proves by a 2 preponderance of the evidence that the owner or other person in 3 charge of the vehicle is a consenting party or is privy to any crime 4 involving theft, trafficking, or the unlawful possession of 5 commercial metal property;

6 (b) A forfeiture of property encumbered by a bona fide security 7 interest is subject to the interest of the secured party if the 8 secured party neither had actual or constructive knowledge of nor 9 consented to the commission of any crime involving the theft, 10 trafficking, or unlawful possession of commercial metal property; and

11 (c) A property owner's property is not subject to seizure if an 12 employee or agent of that property owner uses the property owner's property to knowingly or intentionally facilitate the commission of, 13 or to knowingly or intentionally aid and abet the commission of, a 14 crime involving theft, trafficking, or unlawful possession of 15 commercial metal property, in violation of that property owner's 16 17 instructions or policies against such activity, and without the property owner's knowledge or consent. 18

19 The following real property is subject to seizure and (2)forfeiture and no property right exists in them: All real property, 20 21 including any right, title, and interest in the whole of any lot or 22 tract of land, and any appurtenances or improvements, that the seizing agency proves by a preponderance of the evidence are being 23 used with the knowledge of the owner for the intentional commission 24 25 of any crime involving the theft, trafficking, or unlawful possession 26 of commercial metal property, or which have been acquired in whole or in part with proceeds traceable to the commission of any crime 27 28 involving the trafficking, theft, or unlawful possession of commercial metal, if such activity is not less than a class C felony 29 and a substantial nexus exists between the commission of the 30 31 violation or crime and the real property. However:

32 (a) No property may be forfeited pursuant to this subsection (2), 33 to the extent of the interest of an owner, by reason of any act or omission committed or omitted without the owner's actual 34 or constructive knowledge; and further, a property owner's real property 35 is not subject to seizure if an employee or agent of that property 36 owner uses the property owner's real property to knowingly or 37 intentionally facilitate the commission of, or to knowingly 38 or 39 intentionally aid and abet the commission of, a crime involving theft, trafficking, or unlawful possession of commercial metal 40

1 property, in violation of that property owner's instructions or 2 policies against such activity, and without the property owner's 3 knowledge or consent; and

4 (b) A forfeiture of real property encumbered by a bona fide 5 security interest is subject to the interest of the secured party if 6 the secured party, neither had actual or constructive knowledge, nor 7 consented to the act or omission.

(3) Property subject to forfeiture under this chapter may be 8 seized by any law enforcement officer of this state upon process 9 issued by any superior court having jurisdiction over the property. 10 Seizure of real property shall include the filing of a lis pendens by 11 the seizing agency. Real property seized under this section shall not 12 be transferred or otherwise conveyed until ninety days after seizure 13 or until a judgment of forfeiture is entered, whichever is later: 14 15 PROVIDED, That real property seized under this section may be transferred or conveyed to any person or entity who acquires title by 16 17 foreclosure or deed in lieu of foreclosure of a security interest. Seizure of personal property without process may be made if: 18

19 (a) The seizure is incident to an arrest or a search under a 20 search warrant; or

(b) The property subject to seizure has been the subject of a prior judgment in favor of the state in a criminal injunction or forfeiture proceeding.

(4) In the event of seizure pursuant to this section, proceedings 24 25 for forfeiture ((shall be)) are deemed commenced by the seizure and governed by chapter 7.--- RCW (the new chapter created in section 18 26 27 of this act). ((The law enforcement agency under whose authority the 28 seizure was made shall cause notice to be served within fifteen days following the seizure on the owner of the property seized and the 29 person in charge thereof and any person having any known right or 30 31 interest therein, including any community property interest, of the 32 seizure and intended forfeiture of the seized property. Service of notice of seizure of real property shall be made according to the 33 rules of civil procedure. However, the state may not obtain a default 34 judgment with respect to real property against a party who is served 35 by substituted service absent an affidavit stating that a good faith 36 effort has been made to ascertain if the defaulted party is 37 incarcerated within the state, and that there is no present basis to 38 39 believe that the party is incarcerated within the state. The notice 40 of seizure of personal property may be served by any method

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authorized by law or court rule including but not limited to service 1 by certified mail with return receipt requested. Service by mail 2 shall be deemed complete upon mailing within the fifteen-day period 3 following the seizure. Notice of seizure in the case of property 4 subject to a security interest that has been perfected by filing a 5 financing statement in accordance with chapter 62A.9A RCW, or a 6 certificate of title shall be made by service upon the secured party 7 or the secured party's assignee at the address shown on the financing 8 statement or the certificate of title. 9

10 (5) If no person notifies the seizing law enforcement agency in 11 writing of the person's claim of ownership or right to possession of items specified in subsection (1) of this section within forty-five 12 13 days of the seizure in the case of personal property and ninety days 14 in the case of real property, the item seized shall be deemed forfeited. The community property interest in real property of a 15 person whose spouse or domestic partner committed a violation giving 16 rise to seizure of the real property may not be forfeited if the 17 18 person did not participate in the violation.

19 (6) If a person notifies the seizing law enforcement agency in 20 writing of the person's claim of ownership or right to possession of 21 the seized property within forty-five days of the seizure in the case 22 of personal property and ninety days in the case of real property, the law enforcement agency shall give the person or persons a 23 reasonable opportunity to be heard as to the claim or right. The 24 25 hearing shall be before the chief law enforcement officer of the 26 seizing agency or the chief law enforcement officer's designee, 27 except where the seizing agency is a state agency as defined in RCW 34.12.020(4), the hearing shall be before the chief law enforcement 28 officer of the seizing agency or an administrative law judge 29 30 appointed under chapter 34.12 RCW, except that any person asserting a 31 claim or right may remove the matter to a court of competent 32 jurisdiction. Removal may only be accomplished according to the rules of civil procedure. The person seeking removal of the matter must 33 serve process against the state, county, political subdivision, or 34 35 municipality that operates the seizing agency, and any other party of interest, in accordance with RCW 4.28.080 or 4.92.020, within forty-36 five days after the person seeking removal has notified the seizing 37 38 law enforcement agency of the person's claim of ownership or right to 39 possession. The court to which the matter is to be removed shall be 40 the district court when the aggregate value of the property is within

the jurisdictional limit set forth in RCW 3.66.020. A hearing before 1 the seizing agency and any appeal therefrom shall be under Title 34 2 RCW. In a court hearing between two or more claimants to the property 3 involved, the prevailing party shall be entitled to a judgment for 4 costs and reasonable attorneys' fees. The burden of producing 5 6 evidence shall be upon the person claiming to be the lawful owner or 7 the person claiming to have the lawful right to possession of the 8 property.

9 (7) At the hearing, the seizing agency has the burden of proof to 10 establish by a preponderance of the evidence that seized property is subject to forfeiture, and that the use or intended use of the seized 11 property in connection with a crime pursuant to this section occurred 12 13 with the owner's actual or constructive knowledge or consent. The person claiming to be the lawful owner or the person claiming to have 14 15 the lawful right to possession of the property has the burden of 16 proof to establish by a preponderance of the evidence that the person 17 owns or has a right to possess the seized property. The possession of bare legal title is not sufficient to establish ownership of seized 18 property if the seizing agency proves by a preponderance of the 19 20 evidence that the person claiming ownership or right to possession is 21 a nominal owner and did not actually own or exert a controlling 22 interest in the property.

The seizing law enforcement agency shall promptly return the property to the claimant upon a determination by the administrative law judge or court that the claimant is the present lawful owner or is lawfully entitled to possession of the property.

27 (8) When property is forfeited under this chapter, after 28 satisfying any court-ordered victim restitution, the seizing law 29 enforcement agency may:

30 (a) Retain it for official use or, upon application by any law 31 enforcement agency of this state, release such property to such 32 agency; or

33 (b) Sell that which is not required to be destroyed by law and 34 which is not harmful to the public.

35 (9) (a) Within one hundred twenty days after the entry of an order 36 of forfeiture, each seizing agency shall remit to, if known, the 37 victim of the crime involving the seized property, an amount equal to 38 fifty percent of the net proceeds of any property forfeited.

39 (b) Retained property and net proceeds not required to be paid to 40 victims shall be retained by the seizing law enforcement agency 1 exclusively for the expansion and improvement of law enforcement 2 activity. Money retained under this section may not be used to 3 supplant preexisting funding sources.

4 (c) The net proceeds of forfeited property is the value of the 5 forfeitable interest in the property after deducting the cost of 6 satisfying any bona fide security interest to which the property is 7 subject at the time of seizure; and in the case of sold property, 8 after deducting the cost of sale, including reasonable fees or 9 commissions paid to independent selling agents, and the cost of any 10 valid landlord's claim for damages.

(d) The value of sold forfeited property is the sale price. The 11 value of retained forfeited property is the fair market value of the 12 property at the time of seizure, determined when possible by 13 reference to an applicable commonly used index, such as the index 14 15 used by the department of licensing for valuation of motor vehicles. 16 A seizing agency may use, but need not use, an independent qualified 17 appraiser to determine the value of retained property. If an appraiser is used, the value of the property appraised is net of the 18 cost of the appraisal. The value of destroyed property and retained 19 firearms or illegal property is zero. 20

(10) Upon the entry of an order of forfeiture of real property, the court shall forward a copy of the order to the assessor of the county in which the property is located. Orders for the forfeiture of real property shall be entered by the superior court, subject to court rules. Such an order shall be filed by the seizing agency in the county auditor's records in the county in which the real property is located.)

(5) (a) When property is seized under this chapter and forfeited pursuant to chapter 7.--- RCW (the new chapter created in section 18 of this act), the seizing agency must first satisfy any court-ordered victim restitution before retaining, using, selling, or taking other action with respect to the property as permitted under section 4 of this act.

34 (b) Within 120 days after the entry of an order of forfeiture, 35 each seizing agency shall remit to, if known, the victim of the crime 36 involving the seized property, an amount equal to 50 percent of the 37 net proceeds of any property forfeited.

38 Sec. 13. RCW 46.61.5058 and 2022 c 162 s 2 are each amended to 39 read as follows:

1 (1) Upon the arrest of a person or upon the filing of a complaint, citation, or information in a court of 2 competent jurisdiction, based upon probable cause to believe that a person has 3 violated RCW 46.20.740, 46.61.502, or 46.61.504 or any similar 4 municipal ordinance, if such person has a prior offense within seven 5 6 years as defined in RCW 46.61.5055, and where the person has been 7 provided written notice that any transfer, sale, or encumbrance of such person's interest in the vehicle over which that person was 8 actually driving or had physical control when the violation occurred, 9 is unlawful pending either acquittal, dismissal, sixty days after 10 11 conviction, or other termination of the charge, such person shall be 12 prohibited from encumbering, selling, or transferring his or her interest in such vehicle, except as otherwise provided in (a), (b), 13 and (c) of this subsection, until either acquittal, dismissal, sixty 14 days after conviction, or other termination of the charge. The 15 16 prohibition against transfer of title shall not be stayed pending the 17 determination of an appeal from the conviction.

(a) A vehicle encumbered by a bona fide security interest may be
 transferred to the secured party or to a person designated by the
 secured party;

(b) A leased or rented vehicle may be transferred to the lessor, rental agency, or to a person designated by the lessor or rental agency; and

24 (c) A vehicle may be transferred to a third party or a vehicle 25 dealer who is a bona fide purchaser or may be subject to a bona fide 26 security interest in the vehicle unless it is established that (i) in the case of a purchase by a third party or vehicle dealer, such party 27 or dealer had actual notice that the vehicle was subject to the 28 29 prohibition prior to the purchase, or (ii) in the case of a security interest, the holder of the security interest had actual notice that 30 31 the vehicle was subject to the prohibition prior to the encumbrance of title. 32

33 (2) On conviction for a violation of either RCW 46.20.740, 34 46.61.502, or 46.61.504 or any similar municipal ordinance where the 35 person convicted has a prior offense within seven years as defined in 36 RCW 46.61.5055, the motor vehicle the person was driving or over 37 which the person had actual physical control at the time of the 38 offense, if the person has a financial interest in the vehicle, the 39 court shall consider at sentencing whether the vehicle shall be

seized and forfeited pursuant to this section if a seizure or
 forfeiture has not yet occurred.

3 (3) A vehicle subject to forfeiture under this chapter may be 4 seized by a law enforcement officer of this state upon process issued 5 by a court of competent jurisdiction. Seizure of a vehicle may be 6 made without process if the vehicle subject to seizure has been the 7 subject of a prior judgment in favor of the state in a forfeiture 8 proceeding based upon this section.

(4) Seizure under subsection (3) of this section automatically 9 commences proceedings for forfeiture, which proceedings are governed 10 by chapter 7.--- RCW (the new chapter created in section 18 of this 11 12 <u>act</u>). ((The law enforcement agency under whose authority the seizure 13 was made shall cause notice of the seizure and intended forfeiture of the seized vehicle to be served within fifteen days after the seizure 14 15 on the owner of the vehicle seized, on the person in charge of the vehicle, and on any person having a known right or interest in the 16 vehicle, including a community property interest. The notice of 17 seizure may be served by any method authorized by law or court rule, 18 including but not limited to service by certified mail with return 19 receipt requested. Service by mail is complete upon mailing within 20 21 the fifteen-day period after the seizure. Notice of seizure in the case of property subject to a security interest that has been 22 perfected on a certificate of title shall be made by service upon the 23 24 secured party or the secured party's assignee at the address shown on 25 the financing statement or the certificate of title.

26 (5) If no person notifies the seizing law enforcement agency in 27 writing of the person's claim of ownership or right to possession of 28 the seized vehicle within forty-five days of the seizure, the vehicle 29 is deemed forfeited.

30 (6) If a person notifies the seizing law enforcement agency in 31 writing of the person's claim of ownership or right to possession of 32 the seized vehicle within forty-five days of the seizure, the law enforcement agency shall give the person or persons a reasonable 33 opportunity to be heard as to the claim or right. The hearing shall 34 35 be before the chief law enforcement officer of the seizing agency or the chief law enforcement officer's designee, except where the 36 seizing agency is a state agency as defined in RCW 34.12.020, the 37 hearing shall be before the chief law enforcement officer of the 38 39 seizing agency or an administrative law judge appointed under chapter 40 34.12 RCW, except that any person asserting a claim or right may

1 remove the matter to a court of competent jurisdiction. Removal may only be accomplished according to the rules of civil procedure. The 2 3 person seeking removal of the matter must serve process against the state, county, political subdivision, or municipality that operates 4 the seizing agency, and any other party of interest, in accordance 5 6 with RCW 4.28.080 or 4.92.020, within forty-five days after the person seeking removal has notified the seizing law enforcement 7 agency of the person's claim of ownership or right to possession. The 8 court to which the matter is to be removed shall be the district 9 10 court when the aggregate value of the vehicle is within the jurisdictional limit set forth in RCW 3.66.020. A hearing before the 11 12 seizing agency and any appeal therefrom shall be under Title 34 RCW. In a court hearing between two or more claimants to the vehicle 13 involved, the prevailing party shall be entitled to a judgment for 14 costs and reasonable attorneys' fees. The burden of producing 15 16 evidence shall be upon the person claiming to be the legal owner or 17 the person claiming to have the lawful right to possession of the 18 vehicle. The seizing law enforcement agency shall promptly return the 19 vehicle to the claimant upon a determination by the administrative law judge or court that the claimant is the present legal owner under 20 21 this title or is lawfully entitled to possession of the vehicle.

(7)) (5) When a vehicle is forfeited under this chapter the seizing law enforcement agency may sell the vehicle, retain it for official use, or upon application by a law enforcement agency of this state release the vehicle to that agency for the exclusive use of enforcing this title; provided, however, that the agency shall first satisfy any bona fide security interest to which the vehicle is subject under subsection (1)(a) or (c) of this section.

((<del>(8)</del>)) <u>(6)</u> When a vehicle is forfeited, the seizing agency shall keep a record indicating the identity of the prior owner, if known, a description of the vehicle, the disposition of the vehicle, the value of the vehicle at the time of seizure, and the amount of proceeds realized from disposition of the vehicle.

34 ((<del>(9)</del>)) <u>(7)</u> Each seizing agency shall retain records of forfeited 35 vehicles for at least seven years.

36 (((10) Each seizing agency shall file a report including a copy 37 of the records of forfeited vehicles with the state treasurer each 38 calendar quarter.

39 (11) The quarterly report need not include a record of a 40 forfeited vehicle that is still being held for use as evidence during 1 the investigation or prosecution of a case or during the appeal from

2 a conviction.

3 (12) By January 31st of each year, each seizing agency shall 4 remit to the state an amount equal to ten percent of the net proceeds 5 of vehicles forfeited during the preceding calendar year for deposit 6 into the behavioral health loan repayment program account created in 7 RCW 28B.115.135 through June 30, 2027, and into the state general 8 fund thereafter.

9 (13) The net proceeds of a forfeited vehicle is the value of the 10 forfeitable interest in the vehicle after deducting the cost of 11 satisfying a bona fide security interest to which the vehicle is 12 subject at the time of seizure; and in the case of a sold vehicle, 13 after deducting the cost of sale, including reasonable fees or 14 commissions paid to independent selling agents.

15 (14) The value of a sold forfeited vehicle is the sale price. The 16 value of a retained forfeited vehicle is the fair market value of the 17 vehicle at the time of seizure, determined when possible by reference to an applicable commonly used index, such as the index used by the 18 19 department of licensing. A seizing agency may, but need not, use an independent qualified appraiser to determine the value of retained 20 21 vehicles. If an appraiser is used, the value of the vehicle appraised 22 is net of the cost of the appraisal.))

23 Sec. 14. RCW 70.74.400 and 2002 c 370 s 3 are each amended to 24 read as follows:

(1) Explosives, improvised devices, and components of explosives and improvised devices that are possessed, manufactured, delivered, imported, exported, stored, sold, purchased, transported, abandoned, detonated, or used, or intended to be used, in violation of a provision of this chapter are subject to seizure and forfeiture by a law enforcement agency and no property right exists in them.

31 (2) The law enforcement agency making the seizure shall notify 32 the Washington state department of labor and industries of the 33 seizure.

34 (3) Seizure of explosives, improvised devices, and components of
 35 explosives and improvised devices under subsection (1) of this
 36 section may be made if:

37 (a) The seizure is incident to arrest or a search under a search38 warrant;

1 (b) The explosives, improvised devices, or components have been 2 the subject of a prior judgment in favor of the state in an 3 injunction or forfeiture proceeding based upon this chapter;

4 (c) A law enforcement officer has probable cause to believe that 5 the explosives, improvised devices, or components are directly or 6 indirectly dangerous to health or safety; or

7 (d) The law enforcement officer has probable cause to believe 8 that the explosives, improvised devices, or components were used or 9 were intended to be used in violation of this chapter.

10 (4) A law enforcement agency shall destroy explosives seized 11 under this chapter when it is necessary to protect the public safety 12 and welfare. When destruction is not necessary to protect the public 13 safety and welfare, and the explosives are not being held for 14 evidence, a seizure pursuant to this section commences proceedings 15 for forfeiture, which proceedings are governed by chapter 7.--- RCW 16 (the new chapter created in section 18 of this act).

17 (5) ((The law enforcement agency under whose authority the seizure was made shall issue a written notice of the seizure and 18 19 commencement of the forfeiture proceedings to the person from whom the explosives were seized, to any known owner of the explosives, and 20 21 to any person who has a known interest in the explosives. The notice shall be issued within fifteen days of the seizure. The notice of 22 seizure and commencement of the forfeiture proceedings shall be 23 24 served in the same manner as provided in RCW 4.28.080 for service of 25 a summons. The law enforcement agency shall provide a form by which the person or persons may request a hearing before the law 26 27 enforcement agency to contest the seizure.

(6) If no person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of the explosives, improvised devices, or components within thirty days of the date the notice was issued, the seized explosives, devices, or components shall be deemed forfeited.

33 (7) If, within thirty days of the issuance of the notice, any 34 person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of items seized, 35 the person or persons shall be afforded a reasonable opportunity to 36 37 be heard as to the claim or right. The hearing shall be before the chief law enforcement or the officer's designee of the seizing 38 39 agency, except that the person asserting the claim or right may 40 remove the matter to a court of competent jurisdiction if the

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1 aggregate value of the items seized is more than five hundred dollars. The hearing and any appeal shall be conducted according to 2 chapter 34.05 RCW. The seizing law enforcement agency shall bear the 3 burden of proving that the person (a) has no lawful right of 4 ownership or possession and (b) that the items seized were possessed, 5 6 manufactured, stored, sold, purchased, transported, abandoned, detonated, or used in violation of a provision of this chapter with 7 the person's knowledge or consent. 8

9 (8) The seizing law enforcement agency shall promptly return the 10 items seized to the claimant upon a determination that the claimant 11 is entitled to possession of the items seized.

12 (9)) If the items seized are forfeited under this statute, the seizing agency shall dispose of the explosives by summary 13 destruction. However, when explosives are destroyed either to protect 14 public safety or because the explosives were forfeited, the person 15 16 from whom the explosives were seized loses all rights of action 17 against the law enforcement agency or its employees acting within the 18 scope of their employment, or other governmental entity or employee 19 involved with the seizure and destruction of explosives.

20 ((<del>(10)</del>)) <u>(6)</u> This section is not intended to change the seizure 21 and forfeiture powers, enforcement, and penalties available to the 22 department of labor and industries pursuant to chapter 49.17 RCW as 23 provided in RCW 70.74.390.

24 Sec. 15. RCW 77.15.070 and 2005 c 406 s 2 are each amended to 25 read as follows:

(1) Fish and wildlife officers and ex officio fish and wildlife 26 27 officers may seize without warrant boats, airplanes, vehicles, 28 implements, conveyances, gear, appliances, or other motorized 29 articles they have probable cause to believe have been held with 30 intent to violate or used in violation of this title or rule of the 31 commission or director. However, fish and wildlife officers or ex 32 officio fish and wildlife officers may not seize any item or article, other than for evidence, if under the circumstances, it is reasonable 33 to conclude that the violation was inadvertent. The property seized 34 35 is subject to forfeiture to the state under this section regardless of ownership. Property seized may be recovered by its owner by 36 depositing with the department or into court a cash bond 37 or 38 equivalent security equal to the value of the seized property but not 39 more than one hundred thousand dollars. Such cash bond or security is

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1 subject to forfeiture in lieu of the property. Forfeiture of property 2 seized under this section is a civil forfeiture against property and 3 is intended to be a remedial civil sanction.

(2) In the event of a seizure of property under this section, 4 jurisdiction to begin the forfeiture proceedings shall commence upon 5 6 seizure, and shall be governed by chapter 7. --- RCW (the new chapter created in section 18 of this act). ((Within fifteen days following 7 the seizure, the seizing authority shall serve a written notice of 8 intent to forfeit property on the owner of the property seized and on 9 10 any person having any known right or interest in the property seized. Notice may be served by any method authorized by law or court rule, 11 including service by certified mail with return receipt requested. 12 13 Service by mail is deemed complete upon mailing within the fifteenday period following the seizure. 14

15 (3) Persons claiming a right of ownership or right to possession 16 of property are entitled to a hearing to contest forfeiture. Such a 17 claim shall specify the claim of ownership or possession and shall be 18 made in writing and served on the director within forty-five days of 19 the seizure. If the seizing authority has complied with notice 20 requirements and there is no claim made within forty-five days, then 21 the property shall be forfeited to the state.

22 (4) If any person timely serves the director with a claim to property, the person shall be afforded an opportunity to be heard as 23 to the person's claim or right. The hearing shall be before the 24 director or director's designee, or before an administrative law 25 judge appointed under chapter 34.12 RCW, except that a person 26 27 asserting a claim or right may remove the matter to a court of 28 competent jurisdiction if the aggregate value of the property seized is more than five thousand dollars. The department may settle a 29 30 person's claim of ownership prior to the administrative hearing.

(5) The hearing to contest forfeiture and any subsequent appeal 31 32 shall be as provided for in chapter 34.05 RCW, the administrative procedure act. The seizing authority has the burden to demonstrate 33 that it had reason to believe the property was held with intent to 34 35 violate or was used in violation of this title or rule of the commission or director. The person contesting forfeiture has the 36 burden of production and proof by a preponderance of evidence that 37 38 the person owns or has a right to possess the property and: 39 (a) That the property was not held with intent to violate or used

40 in violation of this title; or

1 (b) If the property is a boat, airplane, or vehicle, that the 2 illegal use or planned illegal use of the boat, airplane, or vehicle 3 occurred without the owner's knowledge or consent, and that the owner 4 acted reasonably to prevent illegal uses of such boat, airplane, or 5 vehicle.

6 (6) A forfeiture of a conveyance encumbered by a perfected 7 security interest is subject to the interest of the secured party if 8 the secured party neither had knowledge of nor consented to the act 9 or omission. No security interest in seized property may be perfected 10 after seizure.

(7)) (3) If seized property is forfeited under this section the department may retain it for official use unless the property is required to be destroyed, or upon application by any law enforcement agency of the state, release such property to the agency for the use of enforcing this title, or sell such property, and deposit the proceeds to the fish and wildlife enforcement reward account created in RCW 77.15.425.

18 Sec. 16. RCW 69.50.505 and 2022 c 162 s 1 and 2022 c 16 s 98 are 19 each reenacted and amended to read as follows:

20 (1) The following are subject to seizure and forfeiture and no 21 property right exists in them:

(a) All controlled substances which have been manufactured,
distributed, dispensed, acquired, or possessed in violation of this
chapter or chapter 69.41 or 69.52 RCW, and all hazardous chemicals,
as defined in RCW 64.44.010, used or intended to be used in the
manufacture of controlled substances;

(b) All raw materials, products, and equipment of any kind which are used, or intended for use, in manufacturing, compounding, processing, delivering, importing, or exporting any controlled substance in violation of this chapter or chapter 69.41 or 69.52 RCW;

31 (c) All property which is used, or intended for use, as a 32 container for property described in (a) or (b) of this subsection;

33 (d) All conveyances, including aircraft, vehicles, or vessels, 34 which are used, or intended for use, in any manner to facilitate the 35 sale, delivery, or receipt of property described in (a) or (b) of 36 this subsection, except that:

(i) No conveyance used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section unless it appears that the owner or other person

in charge of the conveyance is a consenting party or privy to a
 violation of this chapter or chapter 69.41 or 69.52 RCW;

3 (ii) No conveyance is subject to forfeiture under this section by 4 reason of any act or omission ((established by the owner thereof to 5 have been)) committed or omitted without the owner's knowledge or 6 consent;

7 (iii) No conveyance is subject to forfeiture under this section 8 if used in the receipt of only an amount of cannabis for which 9 possession constitutes a misdemeanor under RCW 69.50.4014;

10 (iv) A forfeiture of a conveyance encumbered by a bona fide 11 security interest is subject to the interest of the secured party if 12 the secured party neither had knowledge of nor consented to the act 13 or omission; and

(v) When the owner of a conveyance has been arrested under this chapter or chapter 69.41 or 69.52 RCW the conveyance in which the person is arrested may not be subject to forfeiture unless it is seized or process is issued for its seizure within ten days of the owner's arrest;

(e) All books, records, and research products and materials, including formulas, microfilm, tapes, and data which are used, or intended for use, in violation of this chapter or chapter 69.41 or 69.52 RCW;

(f) All drug paraphernalia other than paraphernalia possessed, sold, or used solely to facilitate cannabis-related activities that are not violations of this chapter;

(g) All moneys, negotiable instruments, securities, or other 26 tangible or intangible property of value furnished or intended to be 27 furnished by any person in exchange for a controlled substance in 28 violation of this chapter or chapter 69.41 or 69.52 RCW, all tangible 29 or intangible personal property, proceeds, or assets acquired in 30 31 whole or in part with proceeds traceable to an exchange or series of 32 exchanges in violation of this chapter or chapter 69.41 or 69.52 RCW, and all moneys, negotiable instruments, and securities used or 33 intended to be used to facilitate any violation of this chapter or 34 chapter 69.41 or 69.52 RCW. A forfeiture of money, negotiable 35 36 instruments, securities, or other tangible or intangible property encumbered by a bona fide security interest is subject to the 37 interest of the secured party if, at the time the security interest 38 39 was created, the secured party neither had knowledge of nor consented 40 to the act or omission. No personal property may be forfeited under

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1 this subsection (1)(g), to the extent of the interest of an owner, by 2 reason of any act or omission ((which that owner establishes was)) 3 committed or omitted without the owner's knowledge or consent; and

(h) All real property, including any right, title, and interest 4 in the whole of any lot or tract of land, and any appurtenances or 5 6 improvements which are being used with the knowledge of the owner for 7 the manufacturing, compounding, processing, delivery, importing, or exporting of any controlled substance, or which have been acquired in 8 whole or in part with proceeds traceable to an exchange or series of 9 exchanges in violation of this chapter or chapter 69.41 or 69.52 RCW, 10 11 if such activity is not less than a class C felony and a substantial 12 nexus exists between the commercial production or sale of the controlled substance and the real property. However: 13

(i) No property may be forfeited pursuant to this subsection (1)(h), to the extent of the interest of an owner, by reason of any act or omission committed or omitted without the owner's knowledge or consent;

18 (ii) The bona fide gift of a controlled substance, legend drug, 19 or imitation controlled substance shall not result in the forfeiture 20 of real property;

21 (iii) The possession of cannabis shall not result in the 22 forfeiture of real property unless the cannabis is possessed for commercial purposes that are unlawful under Washington state law, the 23 amount possessed is five or more plants or one pound or more of 24 25 cannabis, and a substantial nexus exists between the possession of 26 cannabis and the real property. In such a case, the intent of the offender shall be determined by the preponderance of the evidence, 27 28 including the offender's prior criminal history, the amount of 29 cannabis possessed by the offender, the sophistication of the activity or equipment used by the offender, whether the offender was 30 31 licensed to produce, process, or sell cannabis, or was an employee of 32 a licensed producer, processor, or retailer, and other evidence which 33 demonstrates the offender's intent to engage in unlawful commercial 34 activity;

(iv) The unlawful sale of cannabis or a legend drug shall not result in the forfeiture of real property unless the sale was forty grams or more in the case of cannabis or one hundred dollars or more in the case of a legend drug, and a substantial nexus exists between the unlawful sale and the real property; and

1 (v) A forfeiture of real property encumbered by a bona fide 2 security interest is subject to the interest of the secured party if 3 the secured party, at the time the security interest was created, 4 neither had knowledge of nor consented to the act or omission.

(2) Real or personal property subject to forfeiture under this 5 6 chapter may be seized by any commission inspector or law enforcement 7 officer of this state upon process issued by any superior court having jurisdiction over the property. Seizure of real property shall 8 include the filing of a lis pendens by the seizing agency. Real 9 property seized under this section shall not be transferred or 10 11 otherwise conveyed until ninety days after seizure or until a 12 judgment of forfeiture is entered, whichever is later: PROVIDED, That real property seized under this section may be transferred or 13 conveyed to any person or entity who acquires title by foreclosure or 14 deed in lieu of foreclosure of a security interest. Seizure of 15 16 personal property without process may be made if:

17 (a) The seizure is incident to an arrest or a search under a 18 search warrant or an inspection under an administrative inspection 19 warrant;

20 (b) The property subject to seizure has been the subject of a 21 prior judgment in favor of the state in a criminal injunction or 22 forfeiture proceeding based upon this chapter;

(c) A commission inspector or law enforcement officer has probable cause to believe that the property is directly or indirectly dangerous to health or safety; or

(d) The commission inspector or law enforcement officer has
probable cause to believe that the property was used or is intended
to be used in violation of this chapter.

29 (3) In the event of seizure pursuant to subsection (2) of this section, proceedings for forfeiture shall be deemed commenced by the 30 31 seizure. The law enforcement agency under whose authority the seizure 32 was made shall cause notice to be served within fifteen days following the seizure on the owner of the property seized and the 33 person in charge thereof and any person having any known right or 34 interest therein, including any community property interest, of the 35 seizure and intended forfeiture of the seized property. Service of 36 notice of seizure of real property shall be made according to the 37 rules of civil procedure. However, the state may not obtain a default 38 39 judgment with respect to real property against a party who is served 40 by substituted service absent an affidavit stating that a good faith

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1 effort has been made to ascertain if the defaulted party is incarcerated within the state, and that there is no present basis to 2 believe that the party is incarcerated within the state. Notice of 3 seizure in the case of property subject to a security interest that 4 has been perfected by filing a financing statement in accordance with 5 6 chapter 62A.9A RCW, or a certificate of title, shall be made by service upon the secured party or the secured party's assignee at the 7 address shown on the financing statement or the certificate of title. 8 The notice of seizure in other cases may be served by any method 9 authorized by law or court rule including but not limited to service 10 11 by certified mail with return receipt requested. Service by mail 12 shall be deemed complete upon mailing within the fifteen day period 13 following the seizure.

14 (4) If no person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of 15 16 items specified in subsection (1)(d), (g), or (h) of this section 17 within ((forty-five)) 60 days of the service of notice from the 18 seizing agency in the case of personal property and ((ninety)) 120 19 days in the case of real property, the item seized shall be deemed forfeited. The community property interest in real property of a 20 person whose spouse or domestic partner committed a violation giving 21 22 rise to seizure of the real property may not be forfeited if the 23 person did not participate in the violation.

(5) If any person notifies the seizing law enforcement agency in 24 25 writing of the person's claim of ownership or right to possession of 26 items specified in subsection (1)(b), (c), (d), (e), (f), (g), or (h) of this section within ((forty-five)) 60 days of the service of 27 28 notice from the seizing agency in the case of personal property and ((ninety)) 120 days in the case of real property, the person or 29 persons shall be afforded a reasonable opportunity to be heard as to 30 31 the claim or right. The notice of claim may be served by any method 32 authorized by law or court rule including, but not limited to, service by first-class mail. Service by mail shall be deemed complete 33 upon mailing within the ((forty-five)) 60-day period following 34 service of the notice of seizure in the case of personal property and 35 36 within the ((ninety-day)) 120-day period following service of the notice of seizure in the case of real property. The hearing shall be 37 before the chief law enforcement officer of the seizing agency or the 38 39 chief law enforcement officer's designee, except where the seizing 40 agency is a state agency as defined in RCW 34.12.020(4), the hearing

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shall be before the chief law enforcement officer of the seizing 1 agency or an administrative law judge appointed under chapter 34.12 2 RCW, except that any person asserting a claim or right may remove the 3 matter to a court of competent jurisdiction. Removal of any matter 4 involving personal property may only be accomplished according to the 5 rules of civil procedure. The person seeking removal of the matter 6 7 must serve process against the state, county, political subdivision, or municipality that operates the seizing agency, and any other party 8 of interest, in accordance with RCW 4.28.080 or 4.92.020, within 9 forty-five days after the person seeking removal has notified the 10 11 seizing law enforcement agency of the person's claim of ownership or 12 right to possession. The court to which the matter is to be removed shall be the district court when the aggregate value of personal 13 14 property is within the jurisdictional limit set forth in RCW 3.66.020. A hearing before the seizing agency and any appeal 15 16 therefrom shall be under Title 34 RCW. In all cases, the burden of 17 proof is upon the law enforcement agency to establish, by a 18 preponderance of the evidence, that the property is subject to 19 forfeiture.

The seizing law enforcement agency shall promptly return the article or articles to the claimant, in the same or substantially similar condition as when seized, upon a determination by the administrative law judge or court that the claimant is the present lawful owner or is lawfully entitled to possession thereof of items specified in subsection (1)(b), (c), (d), (e), (f), (g), or (h) of this section.

(6) In any proceeding to forfeit property under this title, where the claimant substantially prevails, the claimant is entitled to reasonable attorneys' fees reasonably incurred by the claimant. In addition, in a court hearing between two or more claimants to the article or articles involved, the prevailing party is entitled to a judgment for costs and reasonable attorneys' fees.

33 (7) When property is forfeited under this chapter the commission 34 or seizing law enforcement agency may:

(a) Retain it for official use or upon application by any law
 enforcement agency of this state release such property to such agency
 for the exclusive use of enforcing the provisions of this chapter;

38 (b) Sell that which is not required to be destroyed by law and 39 which is not harmful to the public;

(c) Request the appropriate sheriff or director of public safety
 to take custody of the property and remove it for disposition in
 accordance with law; or

4 (d) Forward it to the drug enforcement administration for 5 disposition.

6 (8)(((a) When property is forfeited, the seizing agency shall 7 keep a record indicating the identity of the prior owner, if known, a 8 description of the property, the disposition of the property, the 9 value of the property at the time of seizure, and the amount of 10 proceeds realized from disposition of the property.

11 (b) Each seizing agency shall retain records of forfeited 12 property for at least seven years.

13 (c) Each seizing agency shall file a report including a copy of 14 the records of forfeited property with the state treasurer each 15 calendar quarter.

16 (d) The quarterly report need not include a record of forfeited 17 property that is still being held for use as evidence during the 18 investigation or prosecution of a case or during the appeal from a 19 conviction.)) Seizing agencies are subject to the requirements of 20 section 4 of this act.

(9) (a) By January 31st of each year, each seizing agency shall remit to the state an amount equal to ten percent of the net proceeds of any property forfeited during the preceding calendar year for deposit into the behavioral health loan repayment <u>and scholarship</u> program account created in RCW 28B.115.135 through June 30, 2027, and into the state general fund thereafter.

27 (b) The net proceeds of forfeited property is the value of the 28 forfeitable interest in the property after deducting the cost of satisfying any bona fide security interest to which the property is 29 subject at the time of seizure; and in the case of sold property, 30 31 after deducting the cost of sale, including reasonable fees or 32 commissions paid to independent selling agents, and the cost of any 33 valid landlord's claim for damages under subsection (15) of this 34 section.

35 (c) The value of sold forfeited property is the sale price. The 36 value of retained forfeited property is the fair market value of the 37 property at the time of seizure, determined when possible by 38 reference to an applicable commonly used index, such as the index 39 used by the department of licensing for valuation of motor vehicles. 40 A seizing agency may use, but need not use, an independent qualified 1 appraiser to determine the value of retained property. If an 2 appraiser is used, the value of the property appraised is net of the 3 cost of the appraisal. The value of destroyed property and retained 4 firearms or illegal property is zero.

(10) Forfeited property and net proceeds not required to be 5 remitted to the state shall be retained by the seizing law 6 enforcement agency exclusively for the expansion and improvement of 7 controlled substances related law enforcement activity. If the 8 seizing agency is a port district operating an airport in a county 9 with a population of more than one million, it may use the net 10 proceeds not required to be remitted to the state for purposes 11 related to controlled substances law enforcement, substance abuse 12 education, human trafficking interdiction, and responsible gun 13 14 ownership. Money retained under this section may not be used to supplant preexisting funding sources. 15

(11) Controlled substances listed in Schedule I, II, III, IV, and V that are possessed, transferred, sold, or offered for sale in violation of this chapter are contraband and shall be seized and summarily forfeited to the state. Controlled substances listed in Schedule I, II, III, IV, and V, which are seized or come into the possession of the commission, the owners of which are unknown, are contraband and shall be summarily forfeited to the commission.

(12) Species of plants from which controlled substances in Schedules I and II may be derived which have been planted or cultivated in violation of this chapter, or of which the owners or cultivators are unknown, or which are wild growths, may be seized and summarily forfeited to the commission.

(13) The failure, upon demand by a commission inspector or law enforcement officer, of the person in occupancy or in control of land or premises upon which the species of plants are growing or being stored to produce an appropriate registration or proof that he or she is the holder thereof constitutes authority for the seizure and forfeiture of the plants.

(14) Upon the entry of an order of forfeiture of real property, the court shall forward a copy of the order to the assessor of the county in which the property is located. Orders for the forfeiture of real property shall be entered by the superior court, subject to court rules. Such an order shall be filed by the seizing agency in the county auditor's records in the county in which the real property is located. 1 (15)(a) A landlord may assert a claim against proceeds from the 2 sale of assets seized and forfeited under subsection (7)(b) of this 3 section, only if:

4 (i) A law enforcement officer, while acting in his or her
5 official capacity, directly caused damage to the complaining
6 landlord's property while executing a search of a tenant's residence;
7 and

8 (ii) The landlord has applied any funds remaining in the tenant's 9 deposit, to which the landlord has a right under chapter 59.18 RCW, 10 to cover the damage directly caused by a law enforcement officer 11 prior to asserting a claim under the provisions of this section;

12 (A) Only if the funds applied under (a)(ii) of this subsection 13 are insufficient to satisfy the damage directly caused by a law 14 enforcement officer, may the landlord seek compensation for the 15 damage by filing a claim against the governmental entity under whose 16 authority the law enforcement agency operates within thirty days 17 after the search;

(B) Only if the governmental entity denies or fails to respond to 18 the landlord's claim within sixty days of the date of filing, may the 19 landlord collect damages under this subsection by filing within 20 21 thirty days of denial or the expiration of the sixty-day period, whichever occurs first, a claim with the seizing law enforcement 22 agency. The seizing law enforcement agency must notify the landlord 23 of the status of the claim by the end of the thirty-day period. 24 Nothing in this section requires the claim to be paid by the end of 25 26 the sixty-day or thirty-day period.

(b) For any claim filed under (a) (ii) of this subsection, the law enforcement agency shall pay the claim unless the agency provides substantial proof that the landlord either:

30 (i) Knew or consented to actions of the tenant in violation of 31 this chapter or chapter 69.41 or 69.52 RCW; or

(ii) Failed to respond to a notification of the illegal activity,
 provided by a law enforcement agency under RCW 59.18.075, within
 seven days of receipt of notification of the illegal activity.

35 (16) The landlord's claim for damages under subsection (15) of 36 this section may not include a claim for loss of business and is 37 limited to:

38 (a) Damage to tangible property and clean-up costs;

39 (b) The lesser of the cost of repair or fair market value of the40 damage directly caused by a law enforcement officer;

1 (c) The proceeds from the sale of the specific tenant's property 2 seized and forfeited under subsection (7)(b) of this section; and

3 (d) The proceeds available after the seizing law enforcement 4 agency satisfies any bona fide security interest in the tenant's 5 property and costs related to sale of the tenant's property as 6 provided by subsection (9)(b) of this section.

7 (17) Subsections (15) and (16) of this section do not limit any 8 other rights a landlord may have against a tenant to collect for 9 damages. However, if a law enforcement agency satisfies a landlord's 10 claim under subsection (15) of this section, the rights the landlord 11 has against the tenant for damages directly caused by a law 12 enforcement officer under the terms of the landlord and tenant's 13 contract are subrogated to the law enforcement agency.

14 <u>(18) The protections afforded by the service members' civil</u> 15 <u>relief act, chapter 38.42 RCW, are applicable to proceedings under</u> 16 <u>this section.</u>

17 Sec. 17. RCW 38.42.020 and 2014 c 65 s 2 are each amended to 18 read as follows:

(1) Any service member who is ordered to report for military service and his or her dependents are entitled to the rights and protections of this chapter during the period beginning on the date on which the service member receives the order and ending one hundred eighty days after termination of or release from military service.

(2) This chapter applies to any judicial or administrative
proceeding commenced in any court or agency in Washington state in
which a service member or his or her dependent is a party. <u>This</u>
<u>chapter applies to civil asset forfeiture proceedings.</u> This chapter
does not apply to criminal proceedings.

(3) This chapter shall be construed liberally so as to provide fairness and do substantial justice to service members and their dependents.

32 <u>NEW SECTION.</u> Sec. 18. Sections 1 through 7 of this act 33 constitute a new chapter in Title 7 RCW.

34 <u>NEW SECTION.</u> Sec. 19. This act applies to seizures occurring on 35 or after the effective date of this section.

<u>NEW SECTION.</u> Sec. 20. Except for section 7 of this act, this
 act takes effect January 1, 2026.

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