## ESSB 5815 - H AMD ADOPTED AS AMENDED 4-15-93

3 By Representative Appelwick

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- 5 Strike everything after the enacting clause and insert the 6 following:
- 7 "Sec. 1. RCW 69.50.505 and 1992 c 211 s 1 are each amended to read 8 as follows:
- 9 (a) The following are subject to seizure and forfeiture and no 10 property right exists in them:
- (1) 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;
- (2) 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;
- 20 (3) All property which is used, or intended for use, as a container 21 for property described in paragraphs (1) or (2);
- (4) All conveyances, including aircraft, vehicles, or vessels, which are used, or intended for use, in any manner to facilitate the sale, delivery, or receipt of property described in paragraphs (1) or (2), 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;
- (ii) No conveyance is subject to forfeiture under this section by reason of any act or omission established by the owner thereof to have been committed or omitted without the owner's knowledge or consent;
- (iii) No conveyance is subject to forfeiture under this section if used in the receipt of only an amount of marijuana for which possession constitutes a misdemeanor under RCW 69.50.401(e);

- (iv) A forfeiture of a conveyance encumbered by a bona fide 1 2 security interest is subject to the interest of the secured party if 3 the secured party neither had knowledge of nor consented to the act or 4 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;
- 10 (5) All books, records, and research products and materials, including formulas, microfilm, tapes, and data which are used, or 11 intended for use, in violation of this chapter or chapter 69.41 or 12 69.52 RCW; 13
  - (6) All drug paraphernalia;

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14 15 (7) All moneys, negotiable instruments, securities, or other tangible or intangible property of value furnished or intended to be 16 17 furnished by any person in exchange for a controlled substance in violation of this chapter or chapter 69.41 or 69.52 RCW, all tangible 18 19 or intangible personal property, proceeds, or assets acquired in whole or in part with proceeds traceable to an exchange or series of 20 exchanges in violation of this chapter or chapter 69.41 or 69.52 RCW, 21 and all moneys, negotiable instruments, and securities used or intended 22 to be used to facilitate any violation of this chapter or chapter 69.41 23 24 or 69.52 RCW((: PROVIDED, That)). A forfeiture of money, negotiable 25 instruments, securities, or other tangible or intangible property 26 encumbered by a bona fide security interest is subject to the interest 27 of the secured party if, at the time the security interest was created, the secured party neither had knowledge of nor consented to the act or 28 29 omission((: PROVIDED FURTHER, That)). No personal property may be 30 forfeited under this paragraph, to the extent of the interest of an 31 owner, by reason of any act or omission which that owner establishes was committed or omitted without the owner's knowledge or consent; and 32 33 (8) All real property, including any right, title, and interest in 34 the whole of any lot or tract of land, and any appurtenances or 35 improvements which are being used with the knowledge of the owner for the manufacturing, compounding, processing, delivery, importing, or 36 37 exporting of any controlled substance, or which have been acquired in whole or in part with proceeds traceable to an exchange or series of 38 39 exchanges in violation of this chapter or chapter 69.41 or 69.52 RCW,

if such activity is not less than a class C felony and a substantial nexus exists between the commercial production or sale of the controlled substance and the real property((+ PROVIDED, That)).

However:

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- (i) No property may be forfeited pursuant to this subsection, 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;
- 8 (ii) The bona fide gift of a controlled substance, legend drug, or 9 imitation controlled substance shall not result in the forfeiture of 10 real property;
- The possession of marijuana shall not result in the 11 (iii) forfeiture of real property unless the marijuana is possessed for 12 13 commercial purposes, the amount possessed is five or more plants or one pound or more of marijuana, and a substantial nexus exists between the 14 15 possession of marijuana and the real property. In such a case, the 16 intent of the offender shall be determined by the preponderance of the 17 evidence, including the offender's prior criminal history, the amount of marijuana possessed by the offender, the sophistication of the 18 19 activity or equipment used by the offender, and other evidence which 20 demonstrates the offender's intent to engage in commercial activity;
  - (iv) The unlawful sale of marijuana 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 marijuana 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
- (v) 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.
- 30 (b) Real or personal property subject to forfeiture under this chapter may be seized by any board inspector or law enforcement officer 31 of this state upon process issued by any superior court having 32 jurisdiction over the property. Seizure of real property shall include 33 the filing of a lis pendens by the seizing agency. Real property 34 seized under this section shall not be transferred or otherwise 35 conveyed until ninety days after seizure or until a judgment of 36 37 forfeiture is entered, whichever is later: PROVIDED, That real property seized under this section may be transferred or conveyed to 38 39 any person or entity who acquires title by foreclosure or deed in lieu

of foreclosure of a security interest. Seizure of personal property 1 2 without process may be made if:

- (1) The seizure is incident to an arrest or a search under a search 3 4 warrant or an inspection under an administrative inspection warrant;
- 5 (2) The property subject to seizure has been the subject of a prior judgment in favor of the state in a criminal injunction or forfeiture 6 7 proceeding based upon this chapter;
- (3) A board inspector or law enforcement officer has probable cause 8 9 to believe that the property is directly or indirectly dangerous to 10 health or safety; or
- 11 (4) The board inspector or law enforcement officer has probable 12 cause to believe that the property was used or is intended to be used 13 in violation of this chapter.
- (c) In the event of seizure pursuant to subsection (b), proceedings 14 15 for forfeiture shall be deemed commenced by the seizure. 16 enforcement agency under whose authority the seizure was made shall 17 cause notice to be served within fifteen days following the seizure on the owner of the property seized and the person in charge thereof and 18 19 any person having any known right or interest therein, including any 20 community property interest, of the seizure and intended forfeiture of the seized property. Service of notice of seizure of real property 21 shall be made according to the rules of civil procedure. However, the 22 23 state may not obtain a default judgment with respect to real property 24 against a party who is served by substituted service absent an 25 affidavit stating that a good faith effort has been made to ascertain 26 if the defaulted party is incarcerated within the state, and that there 27 is no present basis to believe that the party is incarcerated within Notice of seizure in the case of property subject to a 28 29 security interest that has been perfected by filing a financing 30 statement in accordance with chapter 62A.9 RCW, or a certificate of 31 title, shall be made by service upon the secured party to the secured party's assignee at the address shown on the financing statement or the 32 certificate of title. The notice of seizure in other cases may be 33 served by any method authorized by law or court rule including but not 34 35 limited to service by certified mail with return receipt requested. Service by mail shall be deemed complete upon mailing within the 36 37 fifteen day period following the seizure.
- (d) If no person notifies the seizing law enforcement agency in 39 writing of the person's claim of ownership or right to possession ((of

items specified in subsection (a)(4), (a)(7), or (a)(8) of this section 1 within forty-five days of the seizure in the case of personal property 2 and ninety days in the case of real property)) within ninety days, the 3 4 item seized shall be deemed forfeited. The community property interest 5 in real property of a person whose spouse committed a violation giving rise to seizure of the real property may not be forfeited if the person 6 7 did not participate in the violation. A perfected security interest of 8 a secured party may be extinguished only after a contested hearing or 9 agreement by the secured party.

10 (e) If any person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession ((of 11 12 items specified in subsection (a)(2), (a)(3), (a)(4), (a)(5), (a)(6), 13 (a)(7), or (a)(8) of this section within forty-five days of the seizure in the case of personal property and ninety days in the case of real 14 15 property)) within ninety days, the person or persons shall be afforded 16 a reasonable opportunity to be heard as to the claim or right. ((The 17 hearing shall be before the chief law enforcement officer of the seizing agency or the chief law enforcement officer's designee, except 18 19 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 20 officer of the seizing agency or an administrative law judge appointed 21 22 under chapter 34.12 RCW, except that any person asserting a claim or right may remove the matter to a court of competent jurisdiction if the 23 24 aggregate value of the article or articles involved is more than five 25 hundred dollars.)) The prosecuting attorney shall file the case into a court of competent jurisdiction. The court to which the matter is 26 ((to be removed)) filed shall be the district court when the aggregate 27 value of personal property is within the jurisdictional limit set forth 28 29 in RCW 3.66.020. ((A hearing before the seizing agency and any appeal 30 therefrom shall be under Title 34 RCW.)) In a court hearing between two or more claimants to the article or articles involved, the 31 prevailing party shall be entitled to a judgment for costs and 32 reasonable attorney's fees. In cases involving personal property, the 33 34 burden of producing evidence shall be upon the person claiming to be 35 the lawful owner or the person claiming to have the lawful right to possession of the property. In cases involving real property, the 36 37 burden of producing evidence shall be upon the law enforcement agency. The burden of proof that the seized real property is subject to 38 39 forfeiture shall be upon the law enforcement agency. The seizing law

- 1 enforcement agency shall promptly return the article or articles to the
- 2 claimant upon a determination by the ((administrative law judge or))
- 3 court that the claimant is the present lawful owner or is lawfully
- 4 entitled to possession thereof of items specified in subsection (a)(2),
- 5 (a)(3), (a)(4), (a)(5), (a)(6), (a)(7), or (a)(8) of this section.
- 6 (f) When property is forfeited under this chapter the board or 7 seizing law enforcement agency may:
- 8 (1) Retain it for official use or upon application by any law 9 enforcement agency of this state release such property to such agency 10 for the exclusive use of enforcing the provisions of this chapter;
- 11 (2) Sell that which is not required to be destroyed by law and 12 which is not harmful to the public;
- 13 (3) Request the appropriate sheriff or director of public safety to 14 take custody of the property and remove it for disposition in 15 accordance with law; or
- 16 (4) Forward it to the drug enforcement administration for 17 disposition.
- (g)(1) When property is forfeited, the seizing agency shall keep a record indicating the identity of the prior owner, if known, a description of the property, the disposition of the property, the value of the property at the time of seizure, and the amount of proceeds realized from disposition of the property.
- 23 (2) Each seizing agency shall retain records of forfeited property 24 for at least seven years.
- 25 (3) Each seizing agency shall file a report including a copy of the 26 records of forfeited property with the state treasurer each calendar 27 quarter.
- (4) The quarterly report need not include a record of forfeited property that is still being held for use as evidence during the investigation or prosecution of a case or during the appeal from a conviction.
- 32 (h)(1) By January 31st of each year, each seizing agency shall 33 remit to the state treasurer an amount equal to ten percent of the net 34 proceeds of any property forfeited during the preceding calendar year.
- 35 Money remitted shall be deposited in the drug enforcement and education account under RCW 69.50.520.
- 37 (2) The net proceeds of forfeited property is the value of the 38 forfeitable interest in the property after deducting the cost of
- 39 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, and the cost of any valid landlord's claim for damages under subsection (n) of this section.
- 5 (3) The value of sold forfeited property is the sale price. value of retained forfeited property is the fair market value of the 6 7 property at the time of seizure, determined when possible by reference 8 to an applicable commonly used index, such as the index used by the 9 department of licensing for valuation of motor vehicles. A seizing 10 agency may use, but need not use, an independent qualified appraiser to determine the value of retained property. If an appraiser is used, the 11 12 value of the property appraised is net of the cost of the appraisal. 13 The value of destroyed property and retained firearms or illegal 14 property is zero.
- (i) Forfeited property and net proceeds not required to be paid to the state treasurer shall be retained by the seizing law enforcement agency exclusively for the expansion and improvement of controlled substances related law enforcement activity. Money retained under this section may not be used to supplant preexisting funding sources.
- (j) 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 board, the owners of which are unknown, are contraband and shall be summarily forfeited to the board.
  - (k) 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 board.

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- 32 (1) The failure, upon demand by a board inspector or law 33 enforcement officer, of the person in occupancy or in control of land 34 or premises upon which the species of plants are growing or being 35 stored to produce an appropriate registration or proof that he is the 36 holder thereof constitutes authority for the seizure and forfeiture of 37 the plants.
- 38 (m) Upon the entry of an order of forfeiture of real property, the 39 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.
- 6 (n) A landlord may assert a claim against proceeds from the sale of assets seized and forfeited under subsection (f)(2) of this section, 8 only if:
- 9 (1) A law enforcement officer, while acting in his or her official 10 capacity, directly caused damage to the complaining landlord's property 11 while executing a search of a tenant's residence; and
- 12 (2) The landlord has applied any funds remaining in the tenant's 13 deposit, to which the landlord has a right under chapter 59.18 RCW, to 14 cover the damage directly caused by a law enforcement officer prior to 15 asserting a claim under the provisions of this section;
- (i) Only if the funds applied under (2) of this subsection are insufficient to satisfy the damage directly caused by a law enforcement officer, may the landlord seek compensation for the damage by filing a claim against the governmental entity under whose authority the law enforcement agency operates within thirty days after the search;

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- (ii) Only if the governmental entity denies or fails to respond to the landlord's claim within sixty days of the date of filing, may the landlord collect damages under this subsection by filing within thirty days of denial or the expiration of the sixty-day period, whichever occurs first, a claim with the seizing law enforcement agency. The seizing law enforcement agency must notify the landlord of the status of the claim by the end of the thirty-day period. Nothing in this section requires the claim to be paid by the end of the sixty-day or thirty-day period.
- 30 (3) For any claim filed under (2) of this subsection, the law 31 enforcement agency shall pay the claim unless the agency provides 32 substantial proof that the landlord either:
- (i) Knew or consented to actions of the tenant in violation of 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.
- 38 (o) The landlord's claim for damages under subsection (n) of this 39 section may not include a claim for loss of business and is limited to:

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

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- 2 (2) The lesser of the cost of repair or fair market value of the 3 damage directly caused by a law enforcement officer;
- 4 (3) The proceeds from the sale of the specific tenant's property seized and forfeited under subsection (f)(2) of this section; and
  - (4) 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 as provided by subsection (h)(2) of this section.
- (p) Subsections (n) and (o) of this section do not limit any other rights a landlord may have against a tenant to collect for damages. However, if a law enforcement agency satisfies a landlord's claim under subsection (n) of this section, the rights the landlord has against the tenant for damages directly caused by a law enforcement officer under the terms of the landlord and tenant's contract are subrogated to the law enforcement agency.
- NEW SECTION. Sec. 2. A new section is added to chapter 46.61 RCW to read as follows:
- 19 (1) A vehicle driven by or under the actual physical control of the 20 owner of the vehicle in violation of RCW 46.61.502 or 46.61.504 is, 21 upon the conviction of the owner when that conviction is the second or 22 subsequent conviction for a violation of RCW 46.61.502 or 46.61.504 23 within a five-year period, subject to seizure and forfeiture and no 24 property right exists in that vehicle.
  - A forfeiture of a vehicle 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 violation of RCW 46.61.502 or 46.61.504.
- 29 (2) A vehicle subject to forfeiture under this chapter may be 30 seized by a law enforcement officer of this state upon process issued 31 by a court of competent jurisdiction. Seizure of a vehicle may be made 32 without process if the vehicle subject to seizure has been the subject 33 of a prior judgment in favor of the state in a forfeiture proceeding 34 based upon this section.
- 35 (3) A seizure under subsection (2) of this section automatically 36 commences proceedings for forfeiture. The law enforcement agency under 37 whose authority the seizure was made shall cause notice of the seizure 38 and intended forfeiture of the seized vehicle to be served within

fifteen days after the seizure on the owner of the vehicle seized, on 1 the person in charge of the vehicle, and on any person having a known 2 right or interest in the vehicle, including a community property 3 4 interest. The notice of seizure may be served by any method authorized 5 by law or court rule, including but not limited to service by certified mail with return receipt requested. Service by mail is complete upon 6 7 mailing within the fifteen-day period after the seizure. 8 seizure in the case of property subject to a security interest that has 9 been perfected by filing a financing statement in accordance with 10 chapter 62A.9 RCW, or a certificate of title, shall be made by service upon the secured party to the secured party's assignee at the address 11 shown on the financing statement or the certificate of title. 12

(4) If no person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of the seized vehicle within ninety days of the seizure, the vehicle is deemed forfeited. A perfected security interest of a secured party may be extinguished only after a contested hearing or agreement by the secured party.

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- 19 (5) If a person notifies the seizing law enforcement agency in 20 writing of the person's claim of ownership or right to possession of the seized vehicle within ninety days of the seizure, the law 21 22 enforcement agency shall give the person or persons a reasonable opportunity to be heard as to the claim or right. The prosecuting 23 24 attorney shall file the case into a court of competent jurisdiction. 25 The court to which the matter is filed shall be the district court when 26 the value of the vehicle is within the jurisdictional limit of the 27 district court. In a court hearing between two or more claimants to the vehicle involved, the prevailing party is entitled to a judgment 28 29 for costs and reasonable attorneys' fees. The burden of producing 30 evidence is upon the person claiming to be the lawful owner or the person claiming to have the lawful right to possession of the vehicle. 31 The seizing law enforcement agency shall promptly return the vehicle to 32 33 the claimant upon a determination by the chief law enforcement officer of the seizing agency, the chief law enforcement officer's designee, or 34 the court that the claimant neither knew of nor consented to the 35 violation leading to seizure and is the present lawful owner or is 36 37 lawfully entitled to possession of the vehicle.
  - (6) 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.

- 3 (7) When a vehicle is forfeited, the seizing agency shall keep a 4 record indicating the identity of the prior owner, if known, a 5 description of the vehicle, the disposition of the vehicle, the value 6 of the vehicle at the time of seizure, and the amount of proceeds 7 realized from disposition of the vehicle.
- 8 (8) Each seizing agency shall retain records of forfeited vehicles 9 for at least seven years.
- 10 (9) Each seizing agency shall file a report including a copy of the 11 records of forfeited vehicles with the state treasurer each calendar 12 quarter.
- (10) The quarterly report need not include a record of a forfeited vehicle that is still being held for use as evidence during the investigation or prosecution of a case or during the appeal from a conviction.
- (11) By January 31st of each year, each seizing agency shall remit to the state treasurer an amount equal to ten percent of the net proceeds of vehicles forfeited during the preceding calendar year. Money remitted shall be deposited in the public safety and education account.
- (12) The net proceeds of a forfeited vehicle is the value of the forfeitable interest in the vehicle after deducting the cost of satisfying a bona fide security interest to which the vehicle is subject at the time of seizure; and in the case of a sold vehicle, after deducting the cost of sale, including reasonable fees or commissions paid to independent selling agents.
- (13) The value of a sold forfeited vehicle is the sale price. The 28 value of a retained forfeited vehicle is the fair market value of the 29 30 vehicle at the time of seizure, determined when possible by reference to an applicable commonly used index, such as the index used by the 31 department of licensing. A seizing agency may use, but need not use, 32 33 an independent qualified appraiser to determine the value of retained vehicles. If an appraiser is used, the value of the vehicle appraised 34 35 is net of the cost of the appraisal.
- NEW SECTION. Sec. 3. A new section is added to chapter 46.61 RCW to read as follows:

- 1 (1) Whenever a person is charged with a violation of RCW 46.61.502 2 or 46.61.504 and that person has been previously convicted for a 3 violation of RCW 46.61.502 or 46.61.504 within a five-year period, the 4 court shall instruct the person charged of the provisions of section 5 5 of this act and shall immediately forward notice of the charge to the 6 director.
- 7 (2) Upon the conviction or acquittal of the person charged or if a 8 pending charge is otherwise terminated, the court shall immediately 9 forward notice of the conviction, acquittal, or other termination of 10 charge to the director.
- NEW SECTION. Sec. 4. A new section is added to chapter 46.12 RCW to read as follows:
- Upon receiving notice of a charge under section 3 of this act, the director shall withhold the issuance of a certificate of ownership on a vehicle subject to section 5 of this act unless the applicant is included in the exceptions listed in that section or until receiving notice of acquittal or other termination of the charge under section 3 of this act.
- NEW SECTION. Sec. 5. A new section is added to chapter 46.12 RCW to read as follows:
- It is unlawful to convey, sell, or transfer the ownership of a motor vehicle that was driven by or was under the actual physical control of the owner of the vehicle who has previously been convicted for a violation of RCW 46.61.502 or 46.61.504 within a five-year period and is currently charged with a violation of RCW 46.61.502 or 46.61.504, except that:
- (1) 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; and
- 30 (2) A leased vehicle may be transferred to the lessor or to a 31 person designated by the lessor.
- 32 **Sec. 6.** RCW 46.12.270 and 1969 ex.s. c 125 s 3 are each amended to 33 read as follows:
- Any person violating ((the provisions of)) RCW 46.12.250 (( $\frac{6r}{2}$ )), 35 46.12.260 (( $\frac{8hall be}{2}$ ), or section 5 of this act is quilty of a
- 36 misdemeanor and shall be punished by a fine of not more than two

- 1 hundred fifty dollars or by imprisonment in a county jail for not more
- 2 than ninety days."

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