

HOUSE BILL REPORT

SSB 5728

As Passed House - Amended:

March 4, 2022

Title: An act relating to the state's portion of civil asset forfeiture collections.

Brief Description: Concerning the state's portion of civil asset forfeiture collections.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Holy, Dhingra and Nobles; by request of State Treasurer).

Brief History:

Committee Activity:

Appropriations: 2/22/22, 2/24/22 [DPA].

Floor Activity:

Passed House: 3/4/22, 94-2.

Brief Summary of Substitute Bill (As Amended by House)

- Deposits the state portion of moneys collected through civil forfeiture actions related to certain offenses in the Behavioral Health Loan Repayment Program Account instead of the State General Fund through June 30, 2027.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended. Signed by 31 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Boehnke, Caldier, Chandler, Chopp, Cody, Dolan, Dye, Frame, Hansen, Harris, Jacobsen, Johnson, J., Lekanoff, Pollet, Rude, Ryu, Schmick, Senn, Springer, Steele, Stonier, Sullivan and Tharinger.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Minority Report: Do not pass. Signed by 1 member: Representative Fitzgibbon.

Staff: Jackie Wheeler (786-7125).

Background:

The Controlled Substances Act allows civil forfeiture of real and personal property used in drug-related offenses. Once property is deemed forfeited, the enforcement agency may retain the property for official use, sell the property, dispose of the property, or forward it to the Drug Enforcement Administration.

In addition to drug-related offenses, seizure and forfeiture of property is authorized for other types of offenses, including a person's vehicle upon the person's second or subsequent conviction for driving while intoxicated and property used in the commission of a felony. Ten percent of the net proceeds of any property forfeited during the preceding calendar year for these offenses are remitted to the State Treasurer for deposit into the State General Fund.

Seizure and forfeiture is also authorized for property used in the commission of various sex crimes. Ten percent of the net proceeds from these forfeitures is deposited in the Prostitution Prevention and Intervention Account.

The Behavioral Health Loan Repayment Program was established in 2019. The program provides financial support to eligible licensed health professionals through loan repayment and conditional scholarships.

Summary of Amended Bill:

The state's portion of specified civil asset forfeiture collections must be deposited in the Behavioral Health Loan Repayment Program Account instead of the State General Fund through June 30, 2027. After that date, it is deposited in the State General Fund. These civil forfeitures relate to drug-related offenses, some driving while intoxicated offenses, and commission of felonies.

Technical changes are made regarding remitting forfeiture proceeds relating to various sex crimes.

The Behavioral Health Loan Repayment Program Account will retain its own interest earnings.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on July 1, 2022.

Staff Summary of Public Testimony:

(In support) This is a request from the Office of the State Treasurer and is a good common-sense bill. The amount in this bill being directed to the loan repayment program was previously directed to other social purposes but went back to the State General Fund by default when the legislation expired. Under current statute, 10 percent of assets acquired through Washington's civil asset forfeiture laws are allocated to the state. Although it varies year to year, it averages to \$1 million annually. This legislation would simply direct these dollars to the Behavioral Health Loan Repayment Program Account which offers loan repayment assistance to primary healthcare professionals who agree to practice in areas of our state where shortages impact reliable access to healthcare. Directing the funds to a single account will maximize the impact and support an effective tool to deliver needed behavioral healthcare resources, especially in our rural Washington communities. The maximum award amount is \$75,000 and cannot exceed the participant's loan debts. There are checks and balances in place to make sure participants follow through with their commitments.

(Opposed) None.

Persons Testifying: Senator Jeff Holy, prime sponsor; and Brenda Snyder, Washington State Treasurer's Office.

Persons Signed In To Testify But Not Testifying: None.