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AB-603 Asset forfeiture: human trafficking. (2025-2026)

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Date Published: 02/13/2025 09:00 PM

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 603

Introduced by Assembly Member Alanis

February 13, 2025

An act to amend Sections 186, 186.1, 186.3, 186.4, 186.5, 186.6, 186.7, and 186.8 of, and to add Section 186.8a to, the Penal Code, relating to crimes.

LEGISLATIVE COUNSEL'S DIGEST

AB 603, as introduced, Alanis. Asset forfeiture: human trafficking.

The California Control of Profits of Organized Crime Act provides the procedure for the forfeiture of property and proceeds acquired through a pattern of criminal profiteering activity. Under the act, "criminal profiteering activity" includes human trafficking, and a "pattern of criminal profiteering activity" means engaging in at least 2 incidents of criminal profiteering that meet specific requirements. Under existing law other the act, an interest in a vehicle, real property, or other thing of value that was put to substantial use for the purpose of facilitating the crime of human trafficking that involves a commercial sex act where the victim was less than 18 years of age at the time of the commission of the crime, may be seized and ordered forfeited by the court upon the conviction of a person guilty of human trafficking that involves a commercial sex act where the victim is an individual under 18 years of age.

This bill would rename the act as the "California Control of Profits of Organized Crime and Human Trafficking Act" and recast its provisions to authorize the forfeiture of property and proceeds acquired through human trafficking without the requirement to establish a pattern of criminal profiteering activity. The bill would reallocate the proceeds of forfeiture related to human trafficking to the Victim-Witness Assistance Fund and the Board of State and Community Corrections, as specified. The bill would specify that the provisions of the act are prohibited from being deemed to modify the provisions for forfeiture applicable to an interest in property that was put to substantial use for the purpose of facilitating the crime of human trafficking that involves a commercial sex act where the victim was less than 18 years of age at the time of the commission.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 186 of the Penal Code is amended to read:

186. This act may be cited as the "California Control of Profits of Organized Crime *and Human Trafficking* Act."

SEC. 2. Section 186.1 of the Penal Code is amended to read:

186.1. The Legislature hereby finds and declares that an effective means of punishing and deterring criminal activities of organized crime *and human trafficking* is through the forfeiture of profits acquired and accumulated as a result of ~~such those~~ criminal activities. It is the intent of the Legislature that the "California Control of Profits of Organized Crime *and Human Trafficking* Act" be used by prosecutors to punish and deter only ~~such those~~ activities.

SEC. 3. Section 186.3 of the Penal Code is amended to read:

186.3. (a) In any case in which a person is alleged to have been engaged in *human trafficking or* a pattern of criminal profiteering activity, upon a conviction of the underlying offense, the assets listed in subdivisions (b) and (c) shall be subject to forfeiture upon proof of the provisions of subdivision (d) of Section 186.5.

(b) Any property interest whether tangible or intangible, acquired through *human trafficking or* a pattern of criminal profiteering activity.

(c) All proceeds of *human trafficking or* a pattern of criminal profiteering activity, which property shall include all things of value that may have been received in exchange for the proceeds immediately derived from *human trafficking or* the pattern of criminal profiteering activity.

SEC. 4. Section 186.4 of the Penal Code is amended to read:

186.4. (a) The prosecuting agency shall, in conjunction with the criminal proceeding, file a petition of forfeiture with the superior court of the county in which the defendant has been charged with the underlying criminal offense, which shall allege that the defendant has engaged in *human trafficking or* a pattern of criminal profiteering activity, including the acts or threats chargeable as crimes and the property forfeitable pursuant to Section 186.3. The prosecuting agency shall make service of process of a notice regarding that petition upon every individual who may have a property interest in the alleged proceeds, which notice shall state that any interested party may file a verified claim with the superior court stating the amount of their claimed interest and an affirmation or denial of the prosecuting agency's allegation. If the notices cannot be given by registered mail or personal delivery, the notices shall be published for at least three successive weeks in a newspaper of general circulation in the county where the property is located. If the property alleged to be subject to forfeiture is real property, the prosecuting agency shall, at the time of filing the petition of forfeiture, record a lis pendens in each county in which the real property is situated which specifically identifies the real property alleged to be subject to forfeiture. The judgment of forfeiture shall not affect the interest in real property of any third party which was acquired prior to the recording of the lis pendens.

(b) All notices shall set forth the time within which a claim of interest in the property seized is required to be filed pursuant to Section 186.5.

SEC. 5. Section 186.5 of the Penal Code is amended to read:

186.5. (a) Any person claiming an interest in the property or proceeds may, at any time within 30 days from the date of the first publication of the notice of seizure, or within 30 days after receipt of actual notice, file with the superior court of the county in which the action is pending a verified claim stating ~~his or her~~ *their* interest in the property or proceeds. A verified copy of the claim shall be given by the claimant to the Attorney General or district attorney, as appropriate.

(b) (1) If, at the end of the time set forth in subdivision (a), an interested person, other than the defendant, has not filed a claim, the court, upon motion, shall declare that the person has defaulted upon ~~his or her~~ *their* alleged interest, and it shall be subject to forfeiture upon proof of the provisions of subdivision (d).

(2) The defendant may admit or deny that the property is subject to forfeiture pursuant to the provisions of this chapter. If the defendant fails to admit or deny or to file a claim of interest in the property or proceeds, the court shall enter a response of denial on behalf of the defendant.

(c) (1) The forfeiture proceeding shall be set for hearing in the superior court in which the underlying criminal offense will be tried.

(2) If the defendant is found guilty of the underlying offense, the issue of forfeiture shall be promptly tried, either before the same jury or before a new jury in the discretion of the court, unless waived by the consent of all parties.

(d) At the forfeiture hearing, the prosecuting agency shall have the burden of establishing beyond a reasonable doubt that the defendant was engaged in *human trafficking or* a pattern of criminal profiteering activity and that the property alleged in the petition comes within the provisions of subdivision (b) or (c) of Section 186.3.

SEC. 6. Section 186.6 of the Penal Code is amended to read:

186.6. (a) Concurrent with, or subsequent to, the filing of the petition, the prosecuting agency may move the superior court for the following pendente lite orders to preserve the status quo of the property alleged in the petition of forfeiture:

(1) An injunction to restrain all interested parties and enjoin them from transferring, encumbering, ~~hypothecating~~ *hypothecating*, or otherwise disposing of that property.

(2) Appointment of a receiver to take possession of, care for, manage, and operate the assets and properties so that ~~such~~ *the* property may be maintained and preserved.

(b) No preliminary injunction may be granted or receiver appointed without notice to the interested parties and a hearing to determine that ~~such~~ an order is necessary to preserve the property, pending the outcome of the criminal proceedings, and that there is probable cause to believe that the property alleged in the forfeiture proceedings are proceeds or property interests forfeitable under Section 186.3. However, a temporary restraining order may issue pending that hearing pursuant to the provisions of Section 527 of the Code of Civil Procedure.

(c) Notwithstanding any other ~~provision of~~ law, the court in granting these motions may order a surety bond or undertaking to preserve the property interests of the interested parties.

(d) The court shall, in making its orders, seek to protect the interests of those who may be involved in the same enterprise as the defendant, but who were not involved in the commission of *human trafficking or* the criminal profiteering activity.

SEC. 7. Section 186.7 of the Penal Code is amended to read:

186.7. (a) If the trier of fact at the forfeiture hearing finds that the alleged property or proceeds is forfeitable pursuant to Section 186.3 and the defendant was engaged in *human trafficking or* a pattern of criminal profiteering activity, the court shall declare that property or proceeds forfeited to the state or local governmental entity, subject to distribution as provided in Section 186.8. No property solely owned by a bona fide purchaser for value shall be subject to forfeiture.

(b) If the trier of fact at the forfeiture hearing finds that the alleged property is forfeitable pursuant to Section 186.3 but does not find that a person holding a valid lien, mortgage, security interest, or interest under a conditional sales contract acquired that interest with actual knowledge that the property was to be used for a purpose for which forfeiture is permitted, and the amount due to that person is less than the appraised value of the property, that person may pay to the state or the local governmental entity which initiated the forfeiture proceeding, the amount of the registered owner's equity, which shall be deemed to be the difference between the appraised value and the amount of the lien, mortgage, security interest, or interest under a conditional sales contract. Upon that payment, the state or local governmental entity shall relinquish all claims to the property. If the holder of the interest elects not to make that payment to the state or local governmental entity, the property shall be deemed forfeited to the state or local governmental entity and the ownership certificate shall be forwarded. The appraised value shall be determined as of the date judgment is entered either by agreement between the legal owner and the governmental entity involved, or if they cannot agree, then by a court-appointed appraiser for the county in which the action is brought. A person holding a valid lien, mortgage, security interest, or interest under a conditional sales contract shall be paid the appraised value of ~~his or her~~ *their* interest.

(c) If the amount due to a person holding a valid lien, mortgage, security interest, or interest under a conditional sales contract is less than the value of the property and the person elects not to make payment to the governmental entity, the property shall be sold at public auction by the Department of General Services or by the local governmental entity which shall provide notice of that sale by one publication in a newspaper published and circulated in the city, community, or locality where the sale is to take place.

(d) Notwithstanding subdivision (c), a county may dispose of any real property forfeited to the county pursuant to this chapter pursuant to Section 25538.5 of the Government Code.

SEC. 8. Section 186.8 of the Penal Code is amended to read:

186.8. Notwithstanding that no response or claim has been filed pursuant to Section 186.5, in all cases where property is forfeited pursuant to this chapter and, if necessary, sold by the Department of General Services or local governmental entity, the money forfeited or the proceeds of sale shall be distributed by the state or local governmental entity as follows:

(a) To the bona fide or innocent purchaser, conditional sales vendor, or holder of a valid lien, mortgage, or security interest, if any, up to the amount of their interest in the property or proceeds, when the court declaring the forfeiture orders a distribution to that person. The court shall endeavor to discover all those lienholders and protect their interests and may, at its discretion, order the proceeds placed in escrow for up to an additional 60 days to ensure that all valid claims are received and processed.

(b) To the Department of General Services or local governmental entity for all expenditures made or incurred by it in connection with the sale of the property, including expenditures for any necessary repairs, storage, or transportation of any property seized under this chapter.

(c) To the General Fund of the state or a general fund of a local governmental entity, whichever prosecutes.

(d) In any case involving a violation of subdivision (b) of Section 311.2, or Section 311.3 or 311.4, in lieu of the distribution of the proceeds provided for by subdivisions (b) and (c), the proceeds shall be deposited in the county children's trust fund, established pursuant to Section 18966 of the Welfare and Institutions Code, of the county that filed the petition of forfeiture. If the county does not have a children's trust fund, the funds shall be deposited in the State Children's Trust Fund, established pursuant to Section 18969 of the Welfare and Institutions Code.

(e) In any case involving crimes against the state beverage container recycling program, in lieu of the distribution of proceeds provided in subdivision (c), the proceeds shall be deposited in the penalty account established pursuant to subdivision (d) of Section 14580 of the Public Resources Code, except that a portion of the proceeds equivalent to the cost of prosecution in the case shall be distributed to the local prosecuting entity that filed the petition of forfeiture.

(f) (1) In any case described in paragraph (29) or (30) of subdivision (a) of Section 186.2, or paragraph (33) of subdivision (a) of Section 186.2 where the victim is a minor, in lieu of the distribution provided for in subdivision (c), the proceeds shall be deposited in the Victim-Witness Assistance Fund to be available for appropriation to fund child sexual exploitation and child sexual abuse victim counseling centers and prevention programs under Section 13837. Fifty percent of the funds deposited in the Victim-Witness Assistance Fund pursuant to this subdivision shall be granted to community-based organizations that serve minor victims of human trafficking.

(2) Notwithstanding paragraph (1), any proceeds specified in paragraph (1) that would otherwise be distributed to the General Fund of the state under subdivision (c) pursuant to a paragraph in subdivision (a) of Section 186.2 other than paragraph (29) or (30) of subdivision (a) of Section 186.2, or paragraph (33) of subdivision (a) of Section 186.2 where the victim is a minor, shall, except as otherwise required by law, continue to be distributed to the General Fund of the state as specified in subdivision (c).

(g) In any case described in subparagraph (B) of paragraph (34) of subdivision (a) of Section 186.2, in lieu of the distribution provided for in subdivision (c), the proceeds shall be returned to the Employment Development Department.

(h) In any case involving human trafficking, except as set forth in Section 186.8a, in lieu of the distribution provided for in subdivision (c), the proceeds shall be distributed as follows:

(1) Fifty percent of the proceeds shall be deposited in the Victim-Witness Assistance Fund to be available for appropriation to community-based organizations that serve victims of human trafficking.

(2) Fifty percent of the proceeds shall be allocated to the Board of State and Community Corrections. These funds shall be available, upon appropriation, and allocated by the board for grants to sexual assault response teams, as defined in Section 13898. These funds may be used for:

(A) Expenses related to law enforcement training regarding interaction between law enforcement and victims of human trafficking and best practices regarding the investigation and prevention of human trafficking.

(B) Overtime expenses relating to the investigation, arrest, and prosecution of human trafficking offenders.

(C) The purchase of equipment appropriate for the investigation of human trafficking.

SEC. 9. Section 186.8a is added to the Penal Code, to read:

186.8a. This chapter shall not be deemed to modify the forfeiture of assets applicable to a defendant who is convicted of human trafficking pursuant to Section 236.1 and an allegation is found to be true that the victim was a person under 18 years of age and the crime involved a commercial sex act, as set forth in Chapter 8 (commencing with Section 236) of Title 8.