

# SENATE BILL REPORT

## SB 5724

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As Reported By Senate Committee On:  
Law & Justice, February 25, 1997

**Title:** An act relating to limitation of actions.

**Brief Description:** Extending the statute of limitations for first degree theft when the victim is a 501(c)(3) corporation.

**Sponsors:** Senators Wood, Roach and Haugen.

**Brief History:**

**Committee Activity:** Law & Justice: 2/25/97 [DPS].

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### SENATE COMMITTEE ON LAW & JUSTICE

**Majority Report:** That Substitute Senate Bill No. 5724 be substituted therefor, and the substitute bill do pass.

Signed by Senators Roach, Chair; Johnson, Vice Chair; Fairley, Goings, Hargrove, Haugen, Kline, Long, McCaslin, Stevens and Zarelli.

**Staff:** Mychal Schwartz (786-7444)

**Background:** Theft in the first degree is a Level II, class B felony. Assuming that the perpetrator of the theft usually and publicly resides within this state, the crime of theft in the first degree must be prosecuted within three years from the commission of the theft.

The three-year statute of limitations for theft in the first degree does not consider who or what was the victim of the theft.

It has been suggested that thefts from tax exempt corporations hurt not just the corporate entity, but also the public. Given the makeup, nature, and bookkeeping practices of tax exempt organizations, the three-year statute of limitations may expire before the discovery of the theft.

**Summary of Substitute Bill:** Theft in the first degree must not be prosecuted more than three years after the discovery of the theft when the victim is a tax exempt corporation under 501(c)(3).

**Substitute Bill Compared to Original Bill:** The original bill was not considered.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Tax exempt corporations formed under 501(c)(3) are by their very nature susceptible to embezzlement by bookkeepers. The current three-year statute of limitation allows criminals to escape judgment for their acts because the crime may take years to be discovered. The proposed bill would make embezzlers accountable for the crimes they commit.

**Testimony Against:** None.

**Testified:** Senator Wood; Susan Moses, Washington Adoption Rights Movement.