

# SENATE BILL REPORT

## SHB 1268

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As Reported By Senate Committee On:  
Judiciary, March 21, 2007

**Title:** An act relating to donation of unclaimed personal property to nonprofit charitable organizations.

**Brief Description:** Authorizing donation of unclaimed personal property to nonprofit charitable organizations.

**Sponsors:** House Committee on Local Government (originally sponsored by Representatives Goodman, Eddy, Ross, Curtis, Clibborn, Darneille, Hurst, Lovick, Simpson, Moeller, Kenney, Ericks, Rolfes and Springer).

**Brief History:** Passed House: 2/05/07, 95-0.

**Committee Activity:** Judiciary: 3/16/07, 3/21/07 [DP].

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### SENATE COMMITTEE ON JUDICIARY

**Majority Report:** Do pass.

Signed by Senators Kline, Chair; Tom, Vice Chair; McCaslin, Ranking Minority Member; Carrell, Hargrove, Murray, Roach and Weinstein.

**Staff:** Dawn Noel (786-7472)

**Background:** Current law outlines authorized methods of disposing of unclaimed personal property that comes into possession of city police, county sheriffs, and state patrol officers in the official course of duty. For instance, law enforcement may sell the property at public auction, dispose of certain types of property (e.g., dangerous, illegal, or worthless items), and retain the property under certain circumstances. City police and county sheriffs may donate unclaimed bicycles, tricycles, and toys to non-profit charitable organizations for use by needy persons. No such provision exists for state patrol officers. "Personal property" is any tangible or intangible item that is subject to ownership and not classified as real estate.

Nonprofit organizations that engage in charitable activities may apply for tax exemption under section 501(c)(3) of the Internal Revenue Code. To be tax-exempt under section 501(c)(3), an organization's earnings may not inure to any private shareholder or individual. In addition, the organization must be organized and operated exclusively for purposes set forth in section 501(c)(3), may not attempt to influence legislation as a substantial part of its activities, or participate in any campaign activity for or against political candidates.

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

**Summary of Substitute Bill:** The state patrol, county sheriffs, and local police agencies may donate any unclaimed personal property to nonprofit charitable organizations provided such property is used for the benefit of needy persons. Nonprofit organizations authorized to receive unclaimed personal property from law enforcement agencies must qualify for 501(c)(3) tax-exempt status.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: Thank you for hearing the bill. It's identical to the bill that passed out of here. Your support is appreciated.

**Persons Testifying:** PRO: Tammy Fellin, Association of Washington Cities.