

FINAL BILL REPORT

SSB 5193

C 219 L 07

Synopsis as Enacted

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

Sponsors: Senate Committee on Judiciary (originally sponsored by Senators Brandland, Hewitt, Parlette, Morton, Schoesler, Swecker, Clements, Stevens, McCaslin, Carrell, Keiser, Berkey and Kohl-Welles).

Senate Committee on Judiciary

House Committee on Local Government

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.

Summary: The state patrol, county sheriffs, and local police agencies may donate 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.

Votes on Final Passage:

Senate	42	0
House	92	1

Effective: July 22, 2007