

DONATION OF STOLEN OR ABANDONED PROPERTY

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5718 (H-1) as reported from committee

Sponsor: Rep. Jim Lilly

Committee: Law and Justice

Complete to 12-5-18

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 5718 would amend Public Act 214 of 1979 to allow city, village, and township law enforcement agencies to donate reusable, unclaimed stolen or abandoned personal property to an eligible recipient such as a school, institution of higher education, local governmental entity, or private nonprofit organization.

Under Public Act 214 of 1979, a law enforcement agency of a city, village, or township that recovers stolen property or discovers abandoned personal property, which then goes unclaimed for six months, must report the recovery or discovery to the city or village council or township board of trustees and request authority to dispose of the property as provided in the act (generally speaking, sale by auction) or give it to the county sheriff to dispose of as provided under Public Act 54 of 1959. If the property is an abandoned or stolen bicycle, Public Act 214 of 1979 allows the law enforcement agency to request authority from its governing body to donate the bicycle to a state licensed charitable organization.

The bill would allow the law enforcement agency to request authority from its governing body to donate unclaimed stolen or abandoned property that is reusable and that is not a weapon to an *eligible recipient* that, at the time of the donation, expects to use the property.

Eligible recipient would mean a city, village, county, township, school district, intermediate school district, university, community college, private nonprofit organization, public school academy, or governmental authority or an agency or department of a city, village, county, township, school district, intermediate school district, or private nonprofit organization.

If the governing body authorized the law enforcement agency to dispose of the property through donation, the law enforcement agency would have to publish a notice in a newspaper of general circulation in the county at least five days before the proposed donation of the property. The notice would have to describe the property and provide the address of the law enforcement agency's office and the date the property will be donated. The property could be claimed at that office before the donation date provided in the notice. If ownership were proved, the property would have to be turned over to the owner and the donation would have to be canceled.

The bill would also, in several provisions, make technical changes, rather than substantive changes, for clarity and consistency.

The bill would take effect 90 days after enactment.

MCL 434.181 et al.

BRIEF DISCUSSION:

Recently, local governments were authorized by the legislature to donate to local charities bicycles that were abandoned or stolen and went unclaimed. In a similar vein, legislation is being sought that would allow a law enforcement agency to request permission from its governing body to donate unclaimed abandoned or stolen property to charities. Often, the property may not be of enough value to maintain and store until the law enforcement agency has an auction, but may be too good to just throw away. For instance, items of clothing do not bring in much revenue at auction, but if in good shape and wearable, could be useful to agencies that provide clothing for the homeless or victims of fires. Toys and sports equipment can often be cleaned up and donated to community centers for programs for low-income youth. The bill would give law enforcement agencies more choice in how to responsibly dispose of items that have not been claimed.

FISCAL IMPACT:

House Bill 5718 could cause a decrease in revenues for cities, villages, and townships (CVTs), but would have no impact on expenditures or revenues for units of state government. The bill would allow law enforcement agencies in CVTs to request authority to donate unclaimed recovered stolen or abandoned property to eligible recipients. Presently, such property is either transferred to a county sheriff for disposal or sold by the law enforcement agency. The option to donate such property may decrease the frequency with which sale of property is considered, thereby lowering proceeds from sales, which are remitted to the CVTs' general fund. The magnitude of such a revenue reduction is presently indeterminate.

POSITIONS:

The Oakland County Sheriff's Office indicated support for the bill. (11-27-18)

Legislative Analyst: Susan Stutzky
Fiscal Analyst: Marcus Coffin

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.