

Legislative Analysis



DONATION OF STOLEN OR ABANDONED PROPERTY

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

House Bill 5718 as enacted
Public Act 546 of 2018
Sponsor: Rep. Jim Lilly
House Committee: Law and Justice
Senate Committee: Judiciary
Complete to 6-25-19

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

SUMMARY:

House Bill 5718 amends 1979 PA 214 to allow county, 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 1979 PA 214, 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 1959 PA 54. If the property is an abandoned or stolen bicycle, 1979 PA 214 allows the law enforcement agency to request authority from its governing body to donate the bicycle to a state licensed charitable organization.

House Bill 5718 includes a sheriff of a county in the definition of “law enforcement agency” and repeals 1959 PA 54, which allowed county sheriffs to request authority from a county board of supervisors to sell unclaimed stolen property at a public sale. In addition, the bill amends the title of 1979 PA 217 to also apply to the disposition and sale of stolen or abandoned property recovered or stolen within a county.

Under the bill, a law enforcement agency may request authority from the county board of commissioners, city or village council, or township board of trustees (hereinafter “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 means 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.

Law enforcement agency means the sheriff of a county or the law enforcement agency of a city, village, or township.

If the governing body authorizes the law enforcement agency to dispose of the property through donation, the law enforcement agency is required 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 must describe the property and provide the address of the law enforcement agency's office and the date the property will be donated. The property may be claimed at that office before the donation date provided in the notice. If ownership is proved, the property must be turned over to the owner and the donation canceled.

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

The bill took effect March 28, 2019.

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 was sought allowing a law enforcement agency to request permission from its governing body (a county board of commissioners, city or village council, or township board of trustees) to donate unclaimed abandoned or stolen property to charities and other entities that could find the property useful, such as governmental agencies, schools, and community colleges and universities. Often, the property is not of enough value to maintain and store until the law enforcement agency has an auction, but is 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 gives 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 counties and 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 counties and CVTs to request authority to donate unclaimed recovered stolen or abandoned property to eligible recipients. Presently, such property is either transferred to county sheriffs 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 county and CVT general funds. The magnitude of such a revenue reduction is presently indeterminate.

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.