



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 5718 (Substitute H-2 as passed by the House)
Sponsor: Representative Jim Lilly
House Committee: Law and Justice
Senate Committee: Judiciary

Date Completed: 12-17-18

CONTENT

The bill would amend Public Act 214 of 1979, which governs the disposition and sale of certain stolen or abandoned property, to allow a law enforcement agency to request authority from the governing board of a local unit of government to donate stolen or abandoned property recovered or discovered within a county, city, village, or township to an eligible recipient, such as a school or a nonprofit organization, and prescribe the manner in which the property would have to be donated.

The bill also would repeal Public Act 54 of 1959, which generally governs the recovery, disposition, and sale of unclaimed stolen property found within a county.

The Act generally requires a law enforcement agency that recovers stolen property or discovers abandoned personal property within the city, village, or township that is unclaimed for six months after recover or discovery to report the recovery of discovery of the property, including money, to the governing body of the local unit. The agency must request authority to dispose of the property as provided in the Act, or give the property to the sheriff of the county to dispose of as otherwise provided. The bill would include in this provision stolen property recovered or abandoned personal property discovered within a county.

Under the bill, if the stolen or abandoned personal property was not a weapon and was reusable property, a law enforcement agency could request authority from the county board of commissioners, city or village council, or township board of trustees to donate the property as described below, to an eligible recipient that, at the time of the donation, expected 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, university, community college, private nonprofit organization. "Private nonprofit organization" would mean a private organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

If the governing board of a local unit authorized a law enforcement agency to dispose of property through donation, the law enforcement agency would have to publish a notice in a newspaper of general circulation of 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 would be donated. Before the date provided in the notice, the property could be claimed at the law enforcement agency's

office. If ownership of the property were proved, it would have to be turned over the owner and the donation of the property would have to be canceled.

Instead of law enforcement officer, the bill would refer to law enforcement agency.

The bill would take effect 90 days after its enactment.

MCL 434.181 et al.

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would have no fiscal impact on the State and could have a negative fiscal impact on local governments. The option to donate property could decrease the frequency with which sales of property were considered, which could reduce revenue to the local unit's general fund. The magnitude of the reduction would depend on the actions of local units, the value of the donated property, and the recipients of the donations.

Fiscal Analyst: Bruce Baker
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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.