

HOUSE BILL ANALYSIS

SSB 5724

Title: An act relating to limitation of actions.

Brief Description: Extending the statute of limitations for first degree theft when the victim is a 501(c)(3) corporation.

Sponsors: Senate Committee on Law & Justice (originally sponsored by Senators Wood, Roach and Haugen).

HOUSE COMMITTEE ON LAW & JUSTICE

Staff: Edie Adams (786-7180).

Background: Theft involves wrongfully obtaining or exerting control over the property or services of another person with intent to deprive the other person of the property or services. Theft in the first degree is the theft of property or services exceeding \$1,000 in value, or property of any value if taken directly from the person. Theft in the first degree is a class B felony ranked at seriousness level II under the Sentencing Reform Act.

Generally, a felony offense may not be prosecuted more than three years after its commission, unless a different statute of limitations period is specifically provided for a crime. Theft in the first degree is subject to the general three-year statute of limitations period.

The federal Internal Revenue Code exempts certain organizations from federal income taxation. Under Section 501(c)(3) of the Internal Revenue Code, corporations, community chests, funds, or foundations are exempt from federal income taxation if they are organized and operated exclusively for any of the following purposes: religious; charitable; scientific; testing for public safety; literary; educational; to foster national or international amateur sports competitions; or the prevention of cruelty to children or animals. In addition, the entity must not have as a substantial part of its activities engaging in propaganda, attempting to influence legislation, or intervening in political campaigns, and no part of the earnings may benefit an individual shareholder or member.

Summary of Bill: The statute of limitations for the crime of theft in the first degree when the victim is a tax exempt corporation under section 501(c)(3) of the Internal Revenue Code is changed to three years after the discovery of the offense.

Fiscal Note: Not requested.

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

Office of Program Research