



**UC SAN DIEGO FOUNDATION
PROCEDURES FOR REVIEWING GIFTS OF REAL PROPERTY FOR HAZARDOUS
SUBSTANCES**

Under existing law,* current owners can be held fully liable for cleaning up property contaminated by hazardous wastes, even when prior owners or operators were responsible for causing the contamination. There have been instances in which donors have knowingly or unknowingly given contaminated property to charities. Although a current property owner may be able to sue prior owners and operators to recover clean-up costs, the costs, delay, and legal risks associated with such lawsuits are often prohibitive.

In order to protect the University and Campus Foundations from the high risk associated with accepting contaminated property, the following screening is required for gifts of real property to both The Regents and Campus Foundations. These procedures apply as well to property acquired by bequest, prior to recording of the decree of distribution, or in trust.

The screening process consists of a four-stage investigation modeled on the accepted standards used in current real estate transactions and generally required by lending institutions. A risk assessment is made at the conclusion of each stage. The four stages of the process are described in the following sections.

*These laws include the Federal Comprehensive Environment Response, Compensation and Liability Act as amended by the Superfund Amendment and Reauthorization Act (24 U.S.F. 9600 et seq.), the California Hazardous Substance Account Act, and the California Porter-Cologne Water Quality Control Act.