

**HOUSE BILL NO. 1462**

Introduced by

Representative Schatz

1 A BILL for an Act to amend and reenact section 54-44-04.6 of the North Dakota Century Code,  
2 relating to state surplus property and disposition of property.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 54-44-04.6 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **54-44-04.6. State surplus property - Department heads to inform director - Disposition**  
7 **of property - Proceeds - Exchange of property.**

- 8 1. The person in charge of any department, agency, or institution of the state shall inform  
9 the director of the office of management and budget or the director's designee  
10 whenever that department, agency, or institution possesses property surplus to its  
11 needs, whether originally obtained with state or other funds.
- 12 2. Political subdivisions may provide their surplus property to the office of management  
13 and budget for disposition according to subsections 3, 4, and ~~5~~6.
- 14 3. Surplus property must be transferred at fair market value to state agencies, political  
15 subdivisions, and nonprofit organizations eligible to receive federal surplus property  
16 under the Federal Property Administrative Services Act of 1949, as amended. Eligible  
17 organizations must be notified of the availability of property on a regular basis.
- 18 4. If not disposed of under subsection 3, then by sale on sealed bids or at public auction  
19 to the highest and best bidder for property valued at more than three thousand dollars,  
20 with no money deposit required prior to sale, or by sealed bids, public auction, or  
21 negotiation at fair value for property valued at less than three thousand dollars. The  
22 office of management and budget may establish a program for the recycling and  
23 disposal of surplus property determined to be unsalable and may assess and collect

1 service charges from the department, agency, institution, or political subdivision from  
2 which the property was received to cover direct and reasonable costs of this service.

3 5. At each public auction held by the department of transportation in accordance with  
4 subsection 4, the department may not sell more than three state fleet vehicles to any  
5 one person.

6 6. All proceeds received from the transfer, sale, recycling, or disposal of surplus property  
7 must be deposited with the state treasurer for deposit in the surplus property operating  
8 fund. For each piece of property sold for less than three thousand dollars, all proceeds  
9 must be retained in the surplus property operating fund unless the office of  
10 management and budget determines the sale proceeds are subject to special  
11 requirements for distribution. For each piece of property sold for three thousand  
12 dollars or more, the office of management and budget shall transfer to the agency  
13 from which the property was received an amount equal to the proceeds of the sale  
14 less the administrative expenses of the sale. The agency shall deposit the proceeds  
15 into the fund from which the property was originally purchased. At the end of each  
16 biennium, the office of management and budget shall transfer all funds in the surplus  
17 property operating fund that exceed the amount needed for operating the surplus  
18 property function for one year to the general fund.