

Introduced by

Government and Veterans Affairs Committee

(At the request of the Office of Management and Budget)

1 A BILL for an Act to amend and reenact section 54-44-04.6 of the North Dakota Century Code,
2 relating to service charges for recycling and disposal of surplus property; and to declare an
3 emergency.

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

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

7 **54-44-04.6. State surplus property - Department heads to inform director -**

8 **Disposition of property - Proceeds - Exchange of property.**

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

1 for the recycling and disposal of surplus property determined to be unsalable and
2 may assess and collect service charges from the department, agency, institution,
3 or political subdivision from which the property was received to cover direct and
4 reasonable costs of this service.

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

19 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.