

(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.

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 -**

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

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

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

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