

The House Committee on State Institutions and Property offers the following substitute to SB 592:

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 4 of Chapter 5 of Title 50 of the Official Code of Georgia Annotated,
2 relating to the disposition of surplus property, so as to provide for the sale of certain property
3 by fixed price; to permit the negotiated sale of surplus property to charitable institutions; to
4 change certain provisions relating to the disposition of surplus property by the Department
5 of Administrative Services; to provide for penalties; to provide for related matters; to provide
6 an effective date; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Article 4 of Chapter 5 of Title 50 of the Official Code of Georgia Annotated, relating to
10 disposition of surplus property, is amended by striking Code Section 50-5-141, relating to
11 the transfer, sale, trade, or destruction of property, in its entirety and inserting a new Code
12 Section 50-5-141 to read as follows:

13 "50-5-141.

14 (a) The Department of Administrative Services is authorized and it shall be its duty to
15 dispose of surplus property by one of the following means:

16 (1) Transfer ~~transfer~~ to other state agencies, ~~or;~~

17 (2) Sell ~~to sell~~ to the highest responsible bidder for cash, ~~or;~~

18 (3) Sell by fixed price; provided, however, that surplus property sold by fixed price shall
19 have been originally purchased by the state for an amount of \$5,000.00 or less;

20 (4) Trade ~~trade~~ in such surplus property on the purchase of new equipment if the
21 Department of Administrative Services shall determine that such action is for the best
22 interest of the state, ~~or;~~ or

23 (5) Where ~~where~~ the Department of Administrative Services shall determine that the
24 surplus property has no value or that the cost of maintaining and selling the surplus
25 property exceeds the anticipated proceeds from the sell of the surplus property, shall

1 ~~order its~~ by destruction and disposal and order ~~its~~ of removal from the inventory of the
2 department, institution, or agency with such action noted thereon.

3 (b) No employee of the Department of Administrative Services or such employee's
4 immediate family member shall purchase surplus property sold by fixed price or negotiated
5 sale; nor shall any person purchase surplus property by fixed price or negotiated sale for
6 the direct or indirect benefit of any such employee or employee's immediate family
7 member."

8 SECTION 2.

9 Said article is further amended by striking Code Section 50-5-142, relating to the
10 commissioner's authority to promulgate rules and regulations, in its entirety and inserting a
11 new Code Section 50-5-142 to read as follows:

12 "50-5-142.

13 The commissioner of administrative services shall promulgate such rules and regulations
14 as may be required to carry out Code Sections 50-5-140, 50-5-141, 50-5-143, 50-5-144,
15 and 50-5-146 and shall establish procedures for the disposition of surplus property,
16 including the manner whereby the sale of surplus property shall be advertised and
17 competitive bids for the purchase thereof shall be secured, ~~pursuant to Code Section~~
18 ~~50-5-141."~~

19 SECTION 3.

20 Said article is further amended by striking Code Section 50-5-144, relating to the transfer of
21 surplus property to private health or educational institutions or public corporations by
22 negotiated sale, in its entirety and inserting a new Code Section 50-5-144 to read as follows:

23 "50-5-144.

24 (a) As used in this Code section, the term:

25 (1) 'Charitable institution' ~~'Private health or educational institution'~~ means any private,
26 nonprofit tax-exempt person, firm, or corporation providing ~~health or educational~~ services
27 within this state.

28 (2) 'Public corporation' means any public authority or other public corporation created
29 by or pursuant to state law.

30 (b) In addition to any other authority provided by Code Sections 50-5-140 through
31 50-5-143, this Code section, and Code Section 50-5-146, the Department of Administrative
32 Services shall be authorized to dispose of surplus property, including surplus property
33 subject to paragraph (7) of Code Section 50-5-51, by the transfer of the property to any
34 ~~private health or educational~~ charitable institution or public corporation through a
35 negotiated sale if the department determines that such sale would be in the best interests

1 of the state, and, under the circumstances, the negotiated sales price would constitute a
2 reasonable consideration for the property.

3 (c) When any surplus property is sold to a ~~private health or educational~~ charitable
4 institution or to a public corporation pursuant to subsection (b) of this Code section, the
5 sale shall be subject to the following conditions:

6 (1) The property shall not be resold by the purchaser within one year after the sale
7 without the written consent of the Department of Administrative Services; and

8 (2) The Department of Administrative Services shall have the right and obligation to
9 supervise the resale of the property at public outcry to the highest responsible bidder if
10 the resale is within one year after the sale and, if the resale price exceeds the original
11 negotiated sales price, the amount of the excess shall be paid to the Department of
12 Administrative Services."

13 **SECTION 4.**

14 Said article is further amended by striking Code Section 50-5-146, relating to penalties, in
15 its entirety and inserting a new Code Section 50-5-146 to read as follows:

16 "50-5-146.

17 Any person ~~official, officer, or employee of the state~~ who causes state property having a
18 value of less than \$200.00 to be disposed of in violation of ~~Code Section 50-5-141 or~~
19 ~~50-5-142~~ this article shall be guilty of a misdemeanor. If such property has a value of
20 \$200.00 or more, he or she shall be guilty of a felony and, upon conviction thereof, shall
21 be punished by imprisonment for not less than one year nor more than five years."

22 **SECTION 5.**

23 This Act shall become effective upon its approval by the Governor or upon its becoming law
24 without such approval.

25 **SECTION 6.**

26 All laws and parts of laws in conflict with this Act are repealed.