



Sub. H.B. 226

124th General Assembly

(As Reported by H. Local Government & Townships)

Reps. Collier, Peterson, Fessler, Hartnett, Calvert, Setzer, Seaver, D. Miller, Reidelbach, Seitz, Metzger, Goodman, Wolpert, Niehaus, Distel, Sullivan, Schaffer, Gilb, White, Latta, Flowers, Hughes, Carmichael, Carano, Perry, Jones, Reinhard, Young, Fedor, Krupinski, Widowfield, Lendrum, Roman, Schmidt, Coates, Sferra, Salerno

BILL SUMMARY

- Authorizes counties, townships, and statutory municipal corporations to dispose of unneeded, obsolete, or unfit for use personal property by Internet auction.
- Permits counties, townships, and statutory municipal corporations to discard or salvage such personal property if it is valueless.

CONTENT AND OPERATION

Existing law: disposal of personal property

Counties

Currently, if a board of county commissioners finds that the county has personal property (including motor vehicles, and road machinery, equipment, tools, and supplies) that is not needed for public use or that is obsolete or unfit for use, the board may sell or donate it to the federal or state government or any political subdivision of this state, without advertisement or public notification (sec. 307.12(B)). Otherwise, the board may dispose of the property in other ways depending on its value.

If the board determines the fair market value of a motor vehicle does not exceed \$4,500, it may donate the vehicle to a federal tax exempt, nonprofit organization for transportation needs of participants in the Ohio Works First Program and participants in the Prevention, Retention, and Contingency Program

(sec. 307.12(A)(2)).¹ If the board determines the fair market value of any unneeded, obsolete, or unfit for use personal property is more than \$2,500, the board may sell it either at a public auction or by sealed bid to the highest bidder (sec. 307.12(A)(1)). If the board finds the fair market value of such property to be \$2,500 or less, the board may sell the property by private sale, without advertisement or public notification (sec. 307.12(B)).

In addition, if unneeded or unfit for use property is a vehicle, equipment, or machinery, the board may sell any of those items as a trade-in for the purchase of other vehicles, equipment, or machinery (sec. 307.12(D)). Also, if the board is accepting bids for the sale of vehicles, equipment, or machinery to the county, it can accept bids on its unneeded or obsolete vehicles, equipment, or machinery and subtract the bid amounts from the selling price of the vehicles, equipment, or machinery offered for sale as a means of determining the lowest responsible bidder (sec. 307.12(E)).

Townships and statutory municipal corporations

Townships and municipal corporations that follow the procedures set forth in the Revised Code have comparable authority to dispose of unneeded personal property.² Depending on its estimated value, that property must be offered for sale at a public auction or by sealed bid to the highest and best bidder, or, if that property is of a lower valuation, may be sold as the board of township trustees or municipal legislative authority sees fit. For motor vehicles, equipment, machinery, or tools, the board or legislative authority may offer to credit their sale price against the purchase price of other vehicles, equipment, machinery, or tools. (Secs. 505.10 and 721.15.)

Changes proposed by the bill

Disposal of valueless property

The bill provides that counties, townships, and municipal corporations that follow the procedures set forth in the Revised Code may dispose of certain

¹ *These are programs funded in part by federal Temporary Assistance for Needy Families (TANF) funds. The Ohio Works First Program provides aid to needy families with a minor child or expecting a child. The Prevention, Retention, and Contingency Program helps eligible persons overcome immediate barriers to achieving and maintaining self-sufficiency and personal responsibility.*

² *The township and municipal corporation provisions do not consistently also refer to "obsolete" or "unfit for use" personal property, although those provisions occasionally refer to those other types of property.*

personal property that the legislative authority of the political subdivision determines is valueless by discarding or salvaging it. That property is property not needed for public use, obsolete property, and property unfit for the use for which it was acquired. (Secs. 307.12(G), 505.10(A)(6), and 721.15(C).)

The bill also expands other township and municipal corporation property disposal provisions to include, in addition to current law's unneeded property, property that is obsolete or unfit for the use for which it was acquired (secs. 505.10 and 721.15(B)).

Internet auctions

The bill provides another means for counties, townships, and municipal corporations that follow statutory procedures to sell unneeded, obsolete, or unfit for use personal property. Regardless of the property's value, the legislative authority of any of those political subdivisions may sell it by Internet auction. To do so, the legislative authority must adopt a resolution on an annual basis expressing its intent to sell the property by Internet auction. The resolution must describe how the auctions will be conducted and specify the number of days for bidding on property; property must be available on the Internet for bidding for at least 15 days, including Saturdays, Sundays, and legal holidays. The resolution also must indicate whether the board will designate a representative to conduct an auction and must establish the general terms and conditions of sale. If a representative is known when the resolution is adopted, the resolution must provide contact information such as the representative's name, address, and telephone number. (Secs. 307.12(C) and (H), 505.10(C), and 721.15(D).)

After adopting the resolution, the legislative authority must publish notice of its intent to sell personal property that is not needed, obsolete, or unfit for use by Internet auction, at least twice in a newspaper of general circulation in the political subdivision. That notice must summarize the information in the resolution. In addition, the legislative authority must post a similar notice throughout the year in a conspicuous place in its office and, if a county, in the county auditor's office, if a village, in the village clerk's office, and if a city, in the city auditor's office. If the political subdivision maintains a website on the Internet, the notice also must be posted throughout the year at that website. (Secs. 307.12(C), 505.10(C), and 721.15(D).)

When property is to be sold on the Internet, the legislative authority or its representative may establish a minimum price that will be accepted for specific items and establish any other terms and conditions for a particular sale, including requirements for pick-up or delivery, method of payment, and sales tax. This type of information must be provided on the Internet at the time of an auction and may

be provided before that time upon request after the terms and conditions have been determined. (Secs. 307.12(C), 505.10(C), and 721.15(D).)

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	04-24-01	pp. 318-319
Reported, H. Local Gov't & Townships	06-20-01	p. 703

H0226-RH.124/jc