



H.B. 323

125th General Assembly
(As Introduced)

Rep. Hoops

BILL SUMMARY

- Allows counties and townships to donate certain personal property to eligible "501(c)(3)" nonprofit organizations.

CONTENT AND OPERATION

Current law

Currently, if a board of county commissioners finds that the county has personal property that is not needed for public use, is obsolete, or is unfit for the use for which it was acquired, the board may sell or donate it to the federal or state government or any political subdivision of this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 specified ways that generally depend on its estimated fair market value. Depending on that fair market value, the property may have to be offered for sale at a public auction or by sealed bid to the highest bidder following certain public notification. If the property is of a lower valuation, however, it may be sold as the board sees fit, including by a private sale without advertisement or public notification. (Sec. 307.12(A) and (B).)

Townships, too, can dispose of personal property that is not needed for public use, is obsolete, or is unfit for the use for which it was acquired. Under Township Law, as recently amended by Am. Sub. S.B. 82 of the 125th General Assembly, the board of township trustees may dispose of such personal property generally as follows (sec. 505.10(A)):

(1) If the property's estimated fair market value is in excess of \$2,500, by a sale at a public auction following specified published and posted public notification or, on or after February 12, 2004, by sealed bid to the highest bidder. If there is to be a sale by sealed bid, the board may reject all bids and hold another sale, by public auction or sealed bid. A sale by sealed bid must follow (a) public

notification as prescribed for sales of property with a fair market value over \$2,500 and (b) certain other procedures specified in Am. Sub. S.B. 82.¹

(2) If the property's fair market value is \$2,500 or less, at a private sale without advertisement or public notification.

In both counties and townships, in selling unneeded, unfit-for-use, or obsolete motor vehicles, road machinery, equipment, or tools, the relevant board may offer to credit their sale price against the purchase price of other vehicles, machinery, equipment, or tools. In addition, if any unneeded, unfit-for-use, or obsolete county or township personal property is valueless, the board may discard or salvage it. Moreover, in both counties and townships, regardless of its estimated fair market value, any such personal property may be sold by Internet auction. (Secs. 307.12(C), (E), (F), and (G) and 505.10(A) and (C).)

Changes proposed by the bill

In general

In addition to all the methods described above for disposing of unneeded, unfit-for-use, or obsolete personal property, the bill authorizes counties and townships to dispose of that property, if it has an estimated fair market value of \$2,500 or less, by donating it to a "501(c)(3)" nonprofit organization exempt from income taxation under federal law. (See **COMMENT.**) A county or township can make such a donation only after adopting, by resolution, a program for these donation purposes. (Secs. 307.12(B)(2) and 505.10(A)(2)(b).)

Resolution

To adopt a donation program, a board of county commissioners for its county or a board of township trustees for its township must adopt a resolution that contains the following (secs. 307.12(B)(2) and 505.10(A)(2)(b)):

- (1) A statement of its intention to make the property available to 501(c)(3) nonprofit organizations;
- (2) Guidelines and procedures necessary to implement the program;
- (3) An indication of whether the program is to be conducted by the county or township itself, or by a representative under contract with the county or township;

¹ H.B. 323 will have to be amended to substitute the new version of section 505.10 for the now "former" version contained in it.

(4) If such a representative is known when the resolution is adopted, contact information for that representative;

(5) A requirement that any nonprofit organization desiring to obtain donated property submit a written notice to the relevant board or its representative that includes evidence that it is a 501(c)(3) organization, a description of its primary purpose, a description of the type of property it needs, and contact information of its agent for the program's purposes.

Lists

Optionally, a board may include in a resolution adopted for its donation program a list of eligible 501(c)(3) organizations that are to be given priority with respect to an item's donation, but the list must specify the reasons why the organizations are given this priority. The board may choose to give priority on the basis that the purposes of a 501(c)(3) organization have a direct relationship to specific public purposes of county or township programs. (Secs. 307.12(B)(2) and 505.10(A)(2)(b).)

A board or its donation program's representative must maintain (1) a list of all 501(c)(3) organizations that submit a written notice and are determined to be eligible for the program and (2) a list of all personal property that qualifies for the program. The list of qualifying property must be continually posted at the same locations at which the resolution adopting the program must be posted (see below). (Secs. 307.12(B)(2) and 505.10(A)(2)(b).)

Posted notices

Once the resolution for a donation program is adopted, the board at least twice must publish notice in a specified newspaper of its intent to donate unneeded, unfit-for-use, or obsolete property to 501(c)(3) organizations, summarizing the resolution's contents. A similar notice also must be posted at the offices of the county auditor and the board of county commissioners, for a county, and the office of the board of township trustees, for a township. If the county or township maintains an Internet web site, the notice also must be posted on that web site. (Secs. 307.12(B)(2) and 505.10(A)(2)(b).)

Donation priority

An item of property on the property list mentioned above must be donated to the 501(c)(3) organization on the donation program's eligible organization list that first declares its desire to obtain the item, unless the program includes a list of eligible 501(c)(3) organizations that are to be given priority with respect to the particular item (as explained above) (secs. 307.12(B)(2) and 505.10(A)(2)(b)).

Ethics issues

The bill requires a board of county commissioners or board of township trustees to consult with the Ohio Ethics Commission, and emphasizes compliance with the Ethics Law and the Criminal Code's Offenses against Justice and Public Administration Law, when donating to a 501(c)(3) organization of which a board member, any family member of a board member, or any business associate of a board member is a trustee, officer, board member, or employee (secs. 307.12(C) and 505.10(C)).

COMMENT

Under the bill, a nonprofit organization must be tax exempt under subsection 501(a) and be described in subsection 501(c)(3) of the Internal Revenue Code. Subsection 501(c)(3) concerns corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition, or for the prevention of cruelty to children or animals. No part of the net earnings of these entities may inure to the benefit of any private shareholder or individual; no substantial part of these activities generally may be carrying on propaganda or otherwise attempting to influence legislation; and participating in or intervening in political campaigns on behalf of or in opposition to any candidate for public office by them is prohibited.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	11-06-03	p. 1053

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