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SENATE BILL NO. 1111

Senate Amendments in [] — January 29, 1999

A *BILL to amend and reenact § 2.1-457.2 of the Code of Virginia, relating to surplus tangible state property.*

Patrons—Schrock, Bolling, Gartlan, Lambert, Martin, Walker, Williams and Woods; Delegates: Baker, Brink, Davies, DeBoer, Diamonstein, Hall, Hamilton, Melvin and Morgan

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That § 2.1-457.2 of the Code of Virginia is amended and reenacted as follows:

§ 2.1-457.2. Disposition of surplus materials.

A. "Surplus materials" means personal property including, but not limited to, materials, supplies, equipment, and recyclable items, but does not include property as defined in § 2.1-504 that is determined to be surplus. Surplus materials shall not include finished products which a mental health or mental retardation facility sells for the benefit of its patients or residents, provided that most of the supplies, equipment, or products have been donated to such facility, and whose patients or residents have substantially altered such supplies, equipment, or products in the course of occupational or other therapy, and such substantial alterations have resulted in a finished product.

B. The Department of General Services (the "Department") shall establish procedures for the disposition of surplus materials from departments, divisions, institutions, and agencies of the Commonwealth. Such procedures shall:

1. Permit surplus materials to be transferred between or sold to departments, divisions, institutions, or agencies of the Commonwealth;

2. Permit surplus materials to be [~~transferred or~~] sold to Virginia charitable corporations granted tax-exempt status under § 501 (c) (3) of the Internal Revenue Code and operating as clinics for the indigent and uninsured that are organized for the delivery of primary health care services (i) as federally qualified health centers designated by the Health Care Financing Administration or (ii) at a reduced or sliding fee scale or without charge.

3. Permit public sales or auctions, provided that such procedures provide for sale to all political subdivisions any surplus materials prior to the public sale or auction;

4. Permit donations to political subdivisions of the Commonwealth under the circumstances specified in this section;

5. Permit other methods of disposal when (a) the cost of the sale will exceed the potential revenue to be derived therefrom or (b) the surplus material is not suitable for sale;

6. Permit any dog especially trained for police work to be sold at an appropriate price to the handler who last was in control of such dog, which sale shall not be deemed a violation of the State and Local Government Conflict of Interests Act (§ 2.1-639.1 et seq.);

7. Permit the transfer of surplus clothing to an appropriate department, division, institution, or agency of the Commonwealth for distribution to needy individuals by and through local social services boards;

8. Encourage the recycling of paper products, beverage containers, and used motor oil; and

9. Require that the proceeds from any sale or recycling of surplus materials be promptly deposited into the state treasury in accordance with § 2.1-180 and report the deposit to the State Comptroller.

C. The Department shall dispose of surplus materials pursuant to the procedures established in subsection B or permit any department, division, institution, or agency of the Commonwealth to dispose of its surplus materials consistent with the procedures established in subsection B. No surplus materials shall be disposed of without prior consent of the head of the department, division, institution, or agency of the Commonwealth in possession of such surplus materials or the Governor.

D. Departments, divisions, institutions, or agencies of the Commonwealth or the Governor may donate surplus materials only under the following circumstances: (i) emergencies declared in accordance with § 44-146.18:2 or § 44-146.28; (ii) as set forth in the budget bill as defined by § 2.1-399, provided that (a) the budget bill contains a description of the surplus materials, the method by which the surplus materials shall be distributed, and the anticipated recipients, and (b) such information shall be provided by the Department to the Department of Planning and Budget in sufficient time for inclusion in the budget bill; (iii) when the market value of the surplus materials, which shall be donated for a public purpose, is less than \$200; however, the total market value of all surplus materials so donated by any department, division, institution, or agency shall not exceed five percent of the revenue generated by

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60 such department's, division's, institution's, or agency's sale of surplus materials in the fiscal year; or (iv)
61 during a local emergency, upon written request of the head of a local government or a political
62 subdivision in the Commonwealth to the head of a department, division, institution, or agency.
63 E. On or before October 1 of every year, the Department shall prepare, and file with the Secretary of
64 the Commonwealth, a plan that describes the expected disposition of surplus materials in the upcoming
65 fiscal year pursuant to subdivision B 45.