



HOUSE BILL 697: State Surplus Prop. Computers for Nonprofits.

2019-2020 General Assembly

Committee: Senate State and Local Government. If **Date:** June 11, 2019
favorable, re-refer to Rules and Operations of
the Senate

Introduced by: Reps. Horn, Saine, Elmore

Prepared by: Billy R. Godwin

Analysis of: First Edition

Staff Attorney

OVERVIEW: *House Bill 697 would do the following:*

- *Enable certain nonprofit computer refurbishers to receive surplus computer equipment from the State Surplus Property Agency (SSPA) at no cost or the lowest possible cost.*
- *Authorize The University of North Carolina (UNC) to convey surplus computer equipment at no cost to certain nonprofit computer refurbishers.*
- *Implement reporting requirements on UNC and the nonprofits.*

CURRENT LAW: The Department of Administration (Department) acts as the SSPA in North Carolina. All State agencies must notify the SSPA of any property that is surplus to their needs. As the SSPA, the Department is authorized to sell or warehouse all surplus, obsolete or unused supplies, materials, and equipment, as well as seized vehicles and other conveyances. The Department is also authorized to distribute such property to nonprofit tax-exempt organizations.

The order of priority in disposition gives first priority to other agencies of the State for purchase or transfer. Second priority is given to political subdivisions and qualified nonprofits. The final priority is sales to the public. S.L. 2017-67 added certain nonprofit entities that refurbish computers to donate to low-income students and households in this State to the list of qualified nonprofits that receive higher priority when purchasing from the SSPA.

BILL ANALYSIS: House Bill 697 would provide that when the SSPA distributes computer equipment to nonprofits that refurbish computers to donate to low-income students or households in this State, SSPA must do so at no cost or the lowest possible cost. The bill would further authorize UNC to convey surplus computer equipment at no cost to these nonprofit computer refurbishers, conditioned upon, and in consideration of, the nonprofit's promise to refurbish the computer equipment and donate it to low-income students or households in the State.

The bill would also implement a reporting requirement on UNC and on those nonprofits receiving distributions of computer equipment at no cost from UNC. The nonprofits would be required to report to the Board of Governors of UNC by August 1, 2020, and by August 1 of each year thereafter, any information the Board deems reasonably necessary to ensure that the distributed computer equipment is being donated to low-income students and households in the State. If the nonprofit is unable to refurbish equipment for any reason, the report must include the disposition of such equipment. After the initial conveyance, UNC is prohibited from conveying additional surplus computer equipment to a nonprofit unless that nonprofit has reported the required information to Board of Governors.

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Director



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UNC would be required to keep records on the computer equipment distributed, the number distributed, the name of the nonprofit that received such distributions, and the nonprofit's report. The Board of Governors of UNC would then be required to submit a report containing this information to the Joint Legislative Education Oversight Committee by October 1, 2020, and by October 1 of each year thereafter.

EFFECTIVE DATE: This act would be effective when it becomes law.

Staff attorney Nicholas Giddens substantially contributed to this summary.