



HOUSE BILL 446: Expedite Surplus Prop./Educational Orgs.

2023-2024 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	May 2, 2023
Introduced by:	Rep. Johnson	Prepared by:	Brian Gwyn*
Analysis of:	First Edition		Staff Attorney

OVERVIEW: *House Bill 446 would allow educational organizations to obtain surplus and decommissioned federal material and property.*

CURRENT LAW: Part 2 of Article 3A of Chapter 143 of the General Statutes establishes parameters for acquiring federal surplus property. The Department of Administration (DOA) is the designated State agency for federal surplus property. The DOA can:

- Acquire from the United States government property such as equipment, books, and other supplies under the control of any department of the United States government that is usable for educational, public health, or civil defense purposes.
- Warehouse the property.
- Distribute the property to tax-supported or nonprofit and tax-exempt entities under 26 U.S.C § 501(c)(3) such as hospitals, schools, colleges, public libraries, and other eligible entities within the State as allowed under federal law.

The DOA can adopt rules to aid in the distribution of the property and may have advisory committees to assist in the distribution. It can also act as a clearinghouse of information and assist the entities as needed to acquire the surplus property and charge reasonable service charges or fees for the acquisition, warehousing and distribution of the surplus property.

Exception to DOA Designation and Authority: The North Carolina Department of Agriculture (NCDA) is also authorized by G.S. 143-64.5 to distribute food, surplus commodities and agricultural products under agreements with the United States government or any of its agencies. NCDA can adopt rules to conform with the federal requirements for the distribution of these foods and products. For these items, NCDA is not required to proceed through the DOA.

BILL ANALYSIS: House Bill 446 would create another exception to the DOA being the designated State agency for the distribution of federal surplus property and allow education organizations to obtain decommissioned and surplus material and property under agreements with the United States government or any of its agencies if the material and property is intended to be used for educational purposes. These items would not be required to be processed through DOA. An "educational organization" would be defined as an organization that has education as its primary purpose and is a nonprofit organization, a not-for-profit organization, or an organization that has tax-exempt status under 26 U.S.C § 501(c)(3).

EFFECTIVE DATE: The bill would be effective when it becomes law.

**Drupti Chauhan, Staff Attorney with the Legislative Analysis Division, substantially contributed to this summary.*

Jeffrey Hudson
Director



Legislative Analysis
Division
919-733-2578