



HOUSE BILL 150: Expedite Surplus Property.

2025-2026 General Assembly

Committee:	House State and Local Government. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	May 6, 2025
Introduced by:	Rep. Johnson	Prepared by:	Michael Whitfield
Analysis of:	PCS to Second Edition H150-CSCW-13		Committee Co-Counsel

OVERVIEW: *House Bill 150 would (1) allow educational organizations to obtain surplus and decommissioned federal material and property, (2) allow State agencies to obtain surplus and decommissioned federal material and property to promote public safety, and (3) reallocate funds from the Department of Public Instruction to the Department of Administration for the purpose of contracting with MyScholar, LLC, to support the ScholarPath platform in developing the Twelfth Grade Transition Program for certain Indian Education students.*

The PCS to House Bill 150 would remove the section providing for the reallocation of funds.

CURRENT LAW AND BILL ANALYSIS:

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 and Consumer Services (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. The NCDA can adopt rules to conform with the federal requirements for the distribution of these foods and products. For these items, the NCDA is not required to proceed through the DOA.

Section 1 would create two exceptions to the DOA being the designated State agency for the distribution of federal surplus property. The following would be able to obtain decommissioned and surplus material

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and property under agreements with the United States government or any of its agencies, without having to be processed through the DOA:

- Educational institutions who intend to use the material and property for educational purposes. An educational institution would be defined as an organization that has education as its primary purpose and is a nonprofit, a not-for-profit, or is tax-exempt under 26 U.S.C. § 501(c)(3).
- State agencies who intend to use the material and property to promote public safety. A State agency would be defined as any board, bureau, commission, department, institution, or agency of the State.

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

Samantha Yarborough, Staff Attorney for the Legislative Analysis Division, contributed substantially to this summary.