

**Surplus Property Disposition Order of Priority****01 NCAC 43A .0304**

In the disposition of state surplus property, the State Surplus Property Agency shall give first priority to other agencies (1) of the state for purchase or transfer. Second priority shall be given to sales to political subdivisions (2) and non-profit tax-exempt organizations (3) within the state. Property thus sold must be for the use of the recipient agency, political subdivision or non-profit tax-exempt organization with title being in such agency, unit or organization.

In making transfers (4) over one hundred fifty dollars (\$150.00) the price shall be set by the owning agency in consultation with the State Surplus Property Agency. The price shall be based upon previous sales of similar products on the open market. All transfers of property from or to a receipt-supported agency shall include an exchange of funds.

State surplus property sold to any political subdivision or non-profit tax-exempt organization must be retained by the unit or organization not less than 12 months before disposal.

1 "Agencies" means an existing department, institution, commission, committee, board, division, or bureau of the State of North Carolina.

2 "Political subdivision" is a county school system, city, town or county, non-profit tax-exempt organization must be an IRS Code 501 C.

(3), meet the qualifications of NC G.S. 143-64.02 (2) and be pre-qualified by the NC State Surplus Property Agency. 3 "Nonprofit tax exempt organizations" means those nonprofit tax exempt medical institutions, hospitals, clinics, health centers. school systems, schools, colleges, universities, schools for the mentally retarded, schools for the physically handicapped, radio and television stations licensed by the Federal Communications Commission as educational radio or educational television stations. public libraries, and civil defense organizations, that have been certified by the Internal Revenue Service as tax-exempt nonprofit organizations under section 501 (c){3} of the United States Internal Revenue Code of 1954.

4 "Transfers" no-cost transfers and cost applied transfers to other agencies must have approval and be processed through the North Carolina State Surplus Property Agency.