

Step-By-Step Procedures for Disposal of Surplus Property For North Carolina Local Governments

Method	Type of Property	Procedural Requirements			
<i>Competitive Sales</i>					
Sealed bids (G.S. 160A-268)	Real property Personal property	Step 1: Board adopts resolution authorizing sale by sealed bid	Step 2: Publish advertisement for sealed bids at least 30 days before the bid opening for real property; 7 days for personal property	Step 3: Receive and open sealed bids	Step 4: Award to highest responsive, responsible bidder or reject all bids
Upset bids (G.S. 160A-269)	Real property Personal property	Step 1: Unit received offer to purchase property	Step 2: Board adopts resolution accepting offer and authorizing upset bid procedure; offeror deposits 5% of bid amount with clerk while upset procedure takes places	Step 3: Publish advertisement for upset bids. Qualifying upset bid must be an amount at least 10% of the first \$1000 of the original offer and 5% of the remainder. Bidders must submit qualifying upset bids within 10 days after date of advertisement and be accompanied by a 5% bid bond or deposit.	Step 4: If qualifying upset bid received, repeat advertisement and upset bid process until no additional qualifying upset bid is received, then award to highest bid or reject all bids

Method	Type of Property	Procedural Requirements			
Public auction – <u>real</u> property (G.S. 160A-270); may be live or electronic auction	Real property	Step 1: Board adopts resolution authorizing sale by auction	Step 2: Publish advertisement of auction at least 30 days before auction is conducted. (If <i>electronic</i> auction, board may authorize electronic-only notice)	Step 3: Conduct auction	Step 4: Report highest bid to board; must accept or reject within 30 days of date bid is reported to board; complete sale to highest bidder at any time after board approval
Public auction – <u>personal</u> property (G.S. 160A-270); may be live or electronic auction	Personal property	Step 1: Board adopts resolution authorizing official to dispose of property at public auction	Step 2: Publish advertisement of auction at least 10 days before auction is conducted. (If electronic auction, board may authorize electronic-only notice)	Step 3: Conduct auction	Step 4: Complete sale to highest bidder (board approval of sale not required)
“Small Item” Sales (Personal Property Valued Less Than \$30,000)					
Private sale with board approval (authority to conduct sale not delegated) (G.S. 160A-267)	Personal property valued at less than \$30,000	Step 1: Board adopts resolution authorizing an official or employee to dispose of property by private sale at a negotiated price	Step 2: Publish notice of sale at least once	Step 3: Complete sale no sooner than 10 days after notice is published	

Sample resolutions and advertisements available online at www.ncpurchasing.unc.edu (click on “Forms”).
 Reference: Lawrence, David M., *Local Government Property Transactions in North Carolina* (2nd ed., 2000)

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Private sale without board approval of each sale (authority to conduct sale delegated) <i>(G.S. 160A-266(c))</i>	Personal property valued at less than \$30,000	Step 1: Board adopts policy authorizing an official or employee to conduct sales. Policy must be designed to secure fair market value for property sold.	Step 2: Official or employee negotiates and conducts private sales. Must keep a record of property sold and the sale price. Board approval and published notice not required.		
Leases					
Leases – total term more than 10 years <i>(G.S. 160A-272)</i>	Real property Personal property	Must use one of the competitive sale procedures for real property—sealed bid, upset bid, or public auction. <i>(If leasing real property for housing for low- and/or moderate-income persons, may use GS 160A-278)</i>			
Leases – total term more than 1 year and less than 10 years <i>(G.S. 160A-272)</i>	Real property Personal property	Step 1: Publish notice at least 30 days before <i>regular</i> meeting of the board at which resolution authorizing lease will be considered	Step 2: At a <i>regular</i> meeting, board adopts resolution authorizing lease	Step 3: Execute lease at any time after board adopts resolution	
Leases – total term one year or less <i>(G.S. 160A-272)</i>	Real property Personal property	No procedural requirements – board may delegate authority to approve leases			

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Leases for affordable housing (G.S. 160A-278)	Real property, but only to construct housing for the benefit of low and moderate income persons	Step 1: Publish notice at least 10 days before <i>regular</i> meeting of the board at which resolution authorizing lease will be considered	Step 2: At a <i>regular</i> meeting, board adopts resolution authorizing lease	Step 3: Execute lease at any time after board adopts resolution	
<i>Special Conveyances</i>					
Exchange (G.S. 160A-271)	Real property Personal property	Step 1: Unit develops a tentative agreement for exchange of property for full and fair consideration	Step 2: Publish notice at least 10 days before <i>regular</i> meeting of the board at which resolution authorizing exchange will be considered	Step 3: At a <i>regular</i> meeting, board adopts resolution authorizing exchange	Step 4: Complete exchange at any time after board adopts resolution
Trade-in (G.S. 143-129.7)	Personal property	Step 1: Unit follows competitive bidding requirements to solicit bids for new item(s); bid specifications must include notice for bidders to submit trade-in price for purchasing unit's used items	Step 2: Unit awards bid to lowest responsive, responsible bidder taking into account price offered for new items and trade-in price offered for unit's used items		

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Economic development projects <i>(G.S. 158-7.1(d))</i>	Real property, but only for economic development activities listed in G.S. 1587.1(b)	Step 1: Unit determines the probable average hourly wage to be paid to workers by the business to be located at the property to be conveyed and the fair market value of the interest. The consideration for the conveyance may not be less than that value.	Step 2: Publish notice at least 10 days before <i>regular</i> meeting of the board at which the resolution authorizing sale or lease will be considered	Step 3: At <i>regular</i> meeting, board adopts resolution approving sale or lease	Step 4: Complete sale or lease at any time after board adopts resolution
Community development projects <i>(G.S. 160A-457)</i> Cities only	Real property, but only for sale to a redeveloper in accordance with a community development program as described in G.S. 160A-456 and -457	Step 1: Publish notice of sale once a week for two successive weeks, first notice must be published not less than 10 days nor more than 25 days preceding the public hearing	Step 2: Board conducts public hearing on the sale. At the public hearing the appraised value of the property to be sold, exchanged or transferred shall be disclosed; the consideration for the conveyance shall not be less than the appraised value.	Step 3: Board adopts resolution approving the sale, exchange, or transfer	Step 4: Complete conveyance at any time after board adopts resolution

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Conveyance to other governments in North Carolina (G.S. 160A-274)	Real property Personal property	Step 1: Board adopts resolution approving the conveyance; no other procedures required			
Artistic/historic properties (G.S. 160A-266(b))	Real or personal property, but only the type of property described in G.S. 160A-266(b) and only if conveyed to a nonprofit in accordance with G.S. 160A-266(b)	Step 1: Board adopts resolution authorizing an official or employee to dispose of property by private sale at a negotiated price	Step 2: Publish notice summarizing contents of resolution once after resolution is adopted	Step 3: Complete sale at least 10 days after notice is published	
Fire departments and rescue squads (G.S. 160A-277)	Real property, but only for constructing or expanding fire department or rescue squad facilities	Step 1: Publish notice at least 10 days before <i>regular</i> meeting of the board at which resolution authorizing conveyance will be considered	Step 2: At <i>regular</i> meeting, board adopts resolution authorizing lease, sale, or conveyance	Step 3: Complete conveyance at any time after board adopts resolution	

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Conveyance to nonprofit organizations <i>(G.S. 160A-279)</i> <i>Cities and counties only</i>	Real or personal property, but only if conveyed to an entity carrying out a public purpose for which that the city or county is authorized to appropriate funds	Step 1: Board adopts resolution authorizing an appropriate official or employee to convey property	Step 2: Publish notice summarizing contents of resolution once after the resolution is adopted	Step 3: Complete conveyance at least 10 days after notice is published	
Conveyance without monetary consideration <i>(G.S. 160A-280)</i> <i>Does not apply to schools</i>	Personal property only, conveyed to a governmental unit, sister city (as defined in G.S. 160A-280), nonprofit, or charter school	Step 1: Post public notice at least 5 days before meeting of the board at which resolution authorizing will be considered	Step 2: Board adopts resolution approving conveyance	Step 3: Complete conveyance at any time after board adopts resolution	

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