



H.B. 604

127th General Assembly
(As Introduced)

Reps. DeGeeter, J. McGregor, Lundy, Slesnick, Evans, Dodd, Yuko, Harwood

BILL SUMMARY

- Authorizes nonchartered cities to sell personal property by Internet auctions lasting at least ten, instead of 15 days.

CONTENT AND OPERATION

Nonchartered municipal corporation sale of personal property

(R.C. 721.15)

Generally under continuing law, nonchartered municipal corporations have authority to dispose of unneeded personal property. Depending on its estimated value, the property must be offered for sale at a public auction or by sealed bid to the highest and best bidder, or, if the property is of a lower valuation, may be sold as the municipal legislative authority sees fit. For motor vehicles, equipment, machinery, or tools, the legislative authority may offer to credit their sale price against the purchase price of other vehicles, equipment, machinery, or tools. Additionally, ongoing law provides that municipal corporations that follow the procedures set forth in the Revised Code may discard or salvage certain personal property that the legislative authority of the political subdivision determines is valueless. That property is property not needed for public use, obsolete property, and property unfit for the use for which it was acquired.

Continuing law provides another means for municipal corporations that follow statutory procedures to sell personal property that is unneeded, obsolete, or unfit for use. Regardless of the property's value, the legislative authority can sell it by Internet auction. To do so, the legislative authority must adopt a resolution on an annual basis expressing its intent to sell the property by Internet auction. The resolution must describe how the auctions will be conducted and specify the number of days for bidding on property. Under current law, the property must be available on the Internet for bidding for at least 15 days, including Saturdays, Sundays, and legal holidays. Continuing law provides that the resolution also

must indicate whether the legislative authority will contract with a representative to conduct an auction and must establish the general terms and conditions of sale. If a representative is known when the resolution is adopted, the resolution must provide the representative's contact information. After adopting the resolution, the legislative authority must publish notice of its intent to sell personal property by Internet auction, at least twice in a newspaper of general circulation in the municipal corporation. The notice must summarize the information in the resolution. In addition, the legislative authority must post a similar notice throughout the year in a conspicuous place, if a village, in the village clerk's office, and if a city, in the city auditor's office. If the municipal corporation maintains a web site, the notice also must be posted throughout the year on that web site. When property is to be sold on the Internet, the legislative authority or its representative can establish a minimum price that will be accepted for specific items and establish any other terms and conditions for a particular sale, including requirements for pick-up or delivery, method of payment, and sales tax. This information must be provided on the Internet at the time of the auction and can be provided before that time upon request after the terms and conditions have been determined.

The bill reduces, from 15 to ten, the minimum number of days for bidding when a nonchartered municipal corporation sells personal property by Internet auction.

HISTORY

ACTION	DATE
Introduced	08-04-08

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