



## Minnesota State Colleges and Universities System Procedures Chapter 7 – General Finance Provisions

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### Procedures 7.3.13 Surplus Personal Property / Building Disposal

**Part 1. Authority.** The 1996 Mandates Reduction Bill (H.F. 2206, Section 62, subd. 3) requires Minnesota State Colleges and Universities to develop a surplus property disposal procedure in consultation with the Department of Administration.

**Part 2. Purpose.** The purpose of this procedure is to establish a process that disposes of system-wide surplus personal property and buildings in an efficient and cost effective manner.

#### Part 3. Definitions

**Surplus Property** - Any state-owned property, including commodities, equipment, materials, supplies, books, printed matter, buildings, and other property, that is obsolete, unused, not needed for a public purpose, or ineffective for current use. Any liens against property must be satisfied before the property can be considered surplus.

**Personal property** - defined the same as Surplus Property above, with the exclusion of buildings. Any liens against personal property must be satisfied before the property can be considered surplus.

**Part 4. Personal Property.** The Office of the Chancellor, a college, or a university shall sell, trade in (if item has a value), give away, or destroy surplus personal property that is no longer useful. The Office of the Chancellor, college, or university shall take the following steps for disposal of surplus personal property.

- Step 1: Offer to other offices, departments, divisions, or campuses within the institution.
- Step 2: Offer to other institutions within the Minnesota State Colleges and Universities system.
- Step 3: Offer for sale to the general public by sealed bids, public auction, negotiated sale, pre-priced garage sale, or non-sale by consignment or donation, or use the services of the Department of Administration's surplus services program.

In the event there is a publicly advertised auction sale, the public will have the opportunity to inspect the property within a reasonable period of time. All items disposed of will have no implied warranty and will be disposed of in an "AS IS" condition at the time of viewing. Disposed items that are on the fixed assets inventory list shall be removed from the list at the time of disposal.

Any items remaining after using one or more of the above options will be disposed of as determined by the Office of the Chancellor, college, or university.

**Part 5. Buildings.** If the Office of the Chancellor, college, or university determines that an owned building is no longer used or that the building is a threat to the health, welfare or safety of students, faculty or staff, it shall sell, demolish, or otherwise dispose of the building. Except in an emergency, the decision to remove or surplus any building on a campus shall be consistent with the current Office of Chancellor approved Facilities Master Plan. Any sale of a building with real property owned by Minnesota State Colleges and Universities shall be governed by Board Policy 6.7, Real Estate Transactions, and Procedure 6.7.1, Acquisition and Disposition of Real Estate. Sale of carpentry program buildings are governed by Procedure 6.7.4, Carpentry Program Administration.

Prior to any sale of a building, consultation shall be required to determine whether general obligation bond proceeds were used in the acquisition, construction, renovation or betterment of the building. Any General Obligation bond funds that were used would trigger statutory requirements under Minn.Stat. §16A.695, which also requires Minnesota Management & Budget approval, and likely recapture of the original investment of the General Obligation bond amount from the proceeds.

Prior to a sale the campus shall obtain an environmental report to determine the presence of any hazardous materials in the building and make that report available for review by prospective buyers.

When appropriate, the State Historical Society shall be notified to determine if the designated surplus building has any historical significance, and the State Building Construction Division should be notified in order to update the master register of state buildings.

The university or college shall obtain at least one written appraisal from an independent appraisal firm for any building valued greater than \$40,000. The sale price for surplus building may include the cost of the appraisal as part of the overall purchase price.

If a building has a real net value of \$5,000 or more (after giving consideration to costs of removal, demolition, salvage and restoration of land), the building may be sold through sealed bids, at a public auction to the highest responsible bidder or through a licensed real estate broker. A sale may not be made until publication of notice of the sale in a newspaper of general circulation in the area where the property is located and any other advertising deemed appropriate. Any of the property may be withdrawn from the sale prior to the completion of the sale unless the auction has been announced to be without reserve. If the sale is made at public auction, a duly licensed auctioneer must be retained to conduct the sale. The auctioneer's fees and other administrative costs of the auction must be paid from the proceeds from which an amount sufficient to pay them is appropriated.

**Part 6. State Employees or Officers.** In accordance with Minn.Stat. §15.054 no state employee or officer shall sell or give away to any other state employee or officer any personal property or materials owned by the state except such items may be sold to a state employee after reasonable public notice at a public auction or by sealed bid if the state employee is the highest bidder and is not directly involved in the auction or sealed bid process. A state employee may purchase no more than one motor vehicle from the state in any 12-month period. A person violating Minn.Stat. §15.054 is guilty of a misdemeanor. This does not apply to the sale of personal property or materials acquired or produced by the state for sale to the general public in the ordinary course of business. State employees are not prohibited from selling or possessing for sale public property if the sale or possession for sale is in the normal course of the employee's duties.

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07/21/09 – Updated sale requirements for surplus property. Technical changes including capitalization, replacing the acronym MnSCU with Minnesota State Colleges and Universities.  
06/21/00 - Contains language formerly in system procedure 5.0.2