

GOVERNMENT CODE
CHAPTER 2175. SURPLUS AND SALVAGE PROPERTY
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2175.001. DEFINITIONS. In this chapter:

- (1) "Assistance organization" means:
 - (A) a nonprofit organization that provides educational, health, or human services or assistance to homeless individuals;
 - (B) a nonprofit food bank that solicits, warehouses, and redistributes edible but unmarketable food to an agency that feeds needy families and individuals;
 - (C) Texas Partners of the Americas, a registered agency with the Advisory Committee on Voluntary Foreign Aid, with the approval of the Partners of the Alliance office of the Agency for International Development;
 - (D) a group, including a faith-based group, that enters into a financial or nonfinancial agreement with a health or human services agency to provide services to that agency's clients;
 - (E) a local workforce development board created under Section 2308.253;
 - (F) a nonprofit organization approved by the Supreme Court of Texas that provides free legal services for low-income households in civil matters;
 - (G) the Texas Boll Weevil Eradication Foundation, Inc., or an entity designated by the commissioner of agriculture as the foundation's successor entity under Section 74.1011, Agriculture Code;
 - (H) a nonprofit computer bank that solicits, stores, refurbishes, and redistributes used computer equipment to public school students and their families; and
 - (I) a nonprofit organization that provides affordable housing.

(2) "Personal property" includes:

- (A) personal property lawfully confiscated and subject to disposal by a state agency; and
- (B) personal property affixed to real property, if its removal and disposition is for a lawful purpose under this or another law.

(3) "Salvage property" means personal property that through use, time, or accident is so damaged, used, or consumed that it has no value for the purpose for which it was originally intended.

(4) "Surplus property" means personal property that exceeds a state agency's needs and is not required for the agency's foreseeable needs. The term includes used or new property that retains some usefulness for the purpose for which it was intended or for another purpose.

(5) "Data processing equipment" means equipment described by Section 2054.003(3)(A).

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 419, Sec. 2, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 1002, Sec. 1, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 1004, Sec. 5, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1422, Sec. 11.01, eff. Jan. 1, 2002; Acts 2003, 78th Leg., ch. 908, Sec. 1, eff. June 20, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 9.020(a), eff. Sept. 1, 2003; Acts 2005, 79th Leg., ch. 125, Sec. 1, eff. May 24, 2005.

Sec. 2175.002. ADMINISTRATION OF CHAPTER. The commission's surplus and salvage property division shall administer this chapter.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.004. CIVIL AIR PATROL; VOLUNTEER FIRE DEPARTMENTS. For purposes of this chapter:

(1) the Civil Air Patrol, Texas Wing, is considered a state agency having the authority to acquire surplus or salvage property; and

(2) a volunteer fire department is considered a political subdivision.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 127, Sec. 2, eff. May 19, 1997.

SUBCHAPTER B. COMMISSION POWERS AND DUTIES

Sec. 2175.061. RULES, FORMS, AND PROCEDURES. (a) The commission shall establish and maintain procedures for the transfer, sale, or disposal of surplus and salvage property as prescribed by law.

(b) Subject to Subsection (c), the commission may prescribe forms and reports necessary to administer this chapter and may adopt necessary rules, including rules governing the sale or transfer of surplus or salvage property to state agencies, political subdivisions, or assistance organizations.

(c) Subject to a risk assessment and to the legislative audit committee's approval of including the review in the audit plan under Section 321.013, the state auditor may review and comment on the forms and reports prescribed and the rules adopted by the commission under Subsection (b).

(d) The commission may by rule determine the best method of disposal for surplus and salvage property of the state under this chapter.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 309, Sec. 7.28, eff. June 18, 2003; Acts 2003, 78th Leg., ch. 785, Sec. 38, eff. Sept. 1, 2003; Acts 2005, 79th Leg., ch. 728, Sec. 23.001(41), eff. Sept. 1, 2005.

Sec. 2175.062. MAILING LIST; LIST OF PROSPECTIVE BUYERS. The commission shall maintain:

(1) a mailing list, which it shall renew annually, of assistance organizations and individuals responsible for purchasing for political subdivisions who have requested information regarding available state surplus or salvage property; and

(2) a list of other prospective buyers of surplus and salvage property.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.063. MAXIMUM RETURN FROM DISPOSITION OF SURPLUS OR SALVAGE PROPERTY. (a) The commission shall attempt to realize the maximum benefit to the state in selling or disposing of surplus and salvage property.

(b) The commission may reject any or all offers for surplus or salvage property if it determines that rejection is in the state's best interests.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.064. COOPERATION IN EVALUATION AND ANALYSIS. (a) The commission shall cooperate with state agencies in an ongoing effort to evaluate surplus and salvage property to minimize loss resulting from accumulations of property.

(b) The commission shall cooperate with the state auditor in analyzing surplus and salvage property.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.065. DELEGATION OF AUTHORITY TO STATE AGENCY. (a) The commission may authorize a state agency to dispose of surplus or salvage property if the agency demonstrates to the commission its ability to dispose of the property under Subchapters C and E in a manner that results in cost savings to the state, under commission rules adopted under this chapter.

(b) The commission shall establish by rule the criteria for determining that a delegation of authority to a state agency results in cost savings to the state.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 1422, Sec. 11.02, eff. Jan. 1, 2002.

SUBCHAPTER C. DIRECT TRANSFER OR OTHER DISPOSITION OF SURPLUS OR SALVAGE PROPERTY BY STATE AGENCY

Sec. 2175.121. APPLICABILITY. This subchapter applies only to surplus or salvage property to which Subchapter D does not apply. Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002. Reenacted by Acts 2003, 78th Leg., ch. 1276, Sec. 9.020(b), eff. Sept. 1, 2003.

Sec. 2175.122. STATE AGENCY NOTICE TO COMMISSION AND COMPTROLLER. A state agency that determines it has surplus or salvage property shall inform the commission and the comptroller of the property's kind, number, location, condition, original cost or value, and date of acquisition.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2001, 77th Leg., ch. 816, Sec. 1, eff. Sept. 1, 2001. Renumbered from V.T.C.A., Government Code Sec. 2175.121 by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002. Reenacted by Acts 2003, 78th Leg., ch. 1276, Sec. 9.020(b), eff. Sept. 1, 2003.

Sec. 2175.123. DETERMINING METHOD OF DISPOSAL. (a) Based on the condition of the property, a state agency shall determine whether the property is:

(1) surplus property that should be offered for transfer under Section 2175.125 or sold to the public; or

(2) salvage property.

(b) The state agency shall inform the commission and the comptroller of its determination.

Added by Acts 2001, 77th Leg., ch. 816, Sec. 1, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1422, eff. Jan. 1, 2002. Reenacted by Acts 2003, 78th Leg., ch. 1276, Sec. 9.020(b), eff. Sept. 1, 2003.

Sec. 2175.124. COMMISSION NOTICE TO OTHER ENTITIES. After a determination that a state agency has surplus property, the commission shall inform other state agencies, political subdivisions, and assistance organizations of the comptroller's website that lists surplus property that is available for sale.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Renumbered from V.T.C.A., Government Code Sec. 2175.122 and amended by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002. Amended by Acts 2001, 77th Leg., ch. 816, Sec. 1, eff. Sept. 1, 2001. Reenacted by Acts 2003, 78th Leg., ch. 1276, Sec. 9.020(b), eff. Sept. 1, 2003.

Sec. 2175.1245. ADVERTISING ON COMPTROLLER WEBSITE. Not later than the second day after the date the comptroller receives notice from a state agency that the agency has surplus property, the comptroller shall advertise the property's kind, number, location, and condition on the comptroller's website.

Added by Acts 2001, 77th Leg., ch. 816, Sec. 1, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002. Reenacted by Acts 2003, 78th Leg., ch. 1276, Sec. 9.020(b), eff. Sept. 1, 2003.

Sec. 2175.125. DIRECT TRANSFER; MONITORING BY COMMISSION. (a) During the 10 business days after the date the property is posted on the comptroller's website, a state agency, political subdivision, or assistance organization may coordinate directly with the reporting state agency for a transfer of the property at a price established by the reporting agency.

(b) During the 10 business days described by Subsection (a), the reporting state agency shall coordinate its activities with the commission to allow the commission to monitor the reporting state agency's activities under this section. The commission shall ensure that the reporting state agency is ethically and legally conducting a transfer according to the best economic interests of the state.

(c) If property is transferred under this section, the transferring agency shall report the transaction to the commission. The report must include a description of the property transferred, the reasons for the transfer, the price for the property transferred, and the recipient of the property transferred.

(d) If the commission determines that a violation of a state law or rule has occurred based on the monitoring or the report, the commission shall report the violation to the Legislative Budget Board.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 127, Sec. 3, eff. May 1, 1997. Renumbered from V.T.C.A., Government Code Sec. 2175.123 and amended by Acts 2001, 77th Leg., ch. 816, Sec. 1, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002. Reenacted by Acts 2003, 78th Leg., ch. 1276, Sec. 9.020(b), eff. Sept. 1, 2003; Acts 2005, 79th Leg., ch. 341, Sec. 1, eff. Sept. 1, 2005.

Sec. 2175.126. NOTICE OF TRANSFER TO COMPTROLLER; ADJUSTMENT OF APPROPRIATIONS AND PROPERTY ACCOUNTING RECORDS; REMOVAL FROM WEBSITE. (a) If property is transferred to a state agency, the participating agencies shall report the transaction to the comptroller.

(b) On receiving notice under this section, the comptroller shall, if necessary:

(1) debit and credit the proper appropriations; and

(2) adjust state property accounting records.

(c) Not later than the second day after the date the comptroller receives notice under Subsection (a), the comptroller shall remove the property from the list of surplus property for sale on the comptroller's website.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 127, Sec. 4, eff. May 19, 1997. Renumbered from V.T.C.A., Government Code Sec. 2175.124 and amended by Acts 2001, 77th Leg., ch. 816, Sec. 1, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002. Reenacted

by Acts 2003, 78th Leg., ch. 1276, Sec. 9.020(b), eff. Sept. 1, 2003.

Sec. 2175.127. PRIORITY FOR TRANSFER TO STATE AGENCY. During the 10 business days after the date the property is posted on the comptroller's website, a transfer to a state agency has priority over any other transfer under rules adopted by the commission.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 127, Sec. 5, eff. May 1997. Renumbered from V.T.C.A., Government Code Sec. 2175.125 and amended by Acts 2001, 77th Leg., ch. 816, Sec. 1, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002. Reenacted by Acts 2003, 78th Leg., ch. 1276, Sec. 9.020(b), eff. Sept. 1, 2003.

Sec. 2175.128. DISPOSITION OF DATA PROCESSING EQUIPMENT. (a) If a disposition of a state agency's surplus or salvage data processing equipment is not made under Section 2175.125 or 2175.184, the state agency shall transfer the equipment to:

(1) a school district or open-enrollment charter school in this state under Subchapter C, Chapter 32, Education Code;

(2) an assistance organization specified by the school district; or

(3) the Texas Department of Criminal Justice.

(b) If a disposition of the surplus or salvage data processing equipment of a state eleemosynary institution or an institution or agency of higher education is not made under other law, the institution or agency shall transfer the equipment to:

(1) a school district or open-enrollment charter school in this state under Subchapter C, Chapter 32, Education Code;

(2) an assistance organization specified by the school district; or

(3) the Texas Department of Criminal Justice.

(c) The state eleemosynary institution or institution or agency of higher education or other state agency may not collect a fee or other reimbursement from the district, the school, the assistance organization, or the Texas Department of Criminal Justice for the surplus or salvage data processing equipment transferred under this section.

Added by Acts 1999, 76th Leg., ch. 419, Sec. 3, eff. Sept. 1, 1999. Amended by Acts 2001, 77th Leg., ch. 1272, Sec. 6.02, eff. June 15, 2001. Renumbered from V.T.C.A., Government Code Sec. 2175.126 and amended by Acts 2001, 77th Leg., ch. 816, Sec. 1, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002. Amended by Acts 2003, 78th Leg., ch. 908, Sec. 2, eff. June 20, 2003.

Sec. 2175.129. DISPOSITION BY COMPETITIVE BIDDING, AUCTION, OR DIRECT SALE. (a) If a disposition of a state agency's surplus property is not made under Section 2175.125, the commission shall:

(1) sell the property by competitive bid, auction, or direct sale to the public, including a sale using an Internet auction site; or

(2) delegate to the state agency authority to sell the property by competitive bid, auction, or direct sale to the public, including a sale using an Internet auction site.

(b) The commission or a state agency to which authority is delegated under Subsection (a)(2) or under Section 2175.065 shall determine which method of sale shall be used based on the method that is most advantageous to the state under the circumstances. The commission shall adopt rules establishing guidelines for making that determination.

(c) In using an Internet auction site to sell surplus property under this section, the commission or state agency shall post the property on the site for at least 10 days.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Renumbered from V.T.C.A., Government Code Sec. 2175.181 and amended by Acts 2001, 77th Leg., ch. 816, Sec. 1, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002. Reenacted by Acts 2003, 78th Leg., ch. 1276, Sec. 9.020(b), eff. Sept. 1, 2003.

Sec. 2175.130. DISPOSITION BY DIRECT SALE TO PUBLIC. (a) If the commission or a state agency to which authority is delegated under Section 2175.129(a)(2) or 2175.065 determines that selling

the property by competitive bid or auction, including a sale using an Internet auction site, would not maximize the resale value of the property to the state, the commission or agency may sell surplus or salvage property directly to the public.

(b) The commission, in cooperation with the state agency that declared the property as surplus, or a state agency to which authority is delegated under Section 2175.129(a)(2) or 2175.065 shall set a fixed price for the property.

Added by Acts 2001, 77th Leg., ch. 816, Sec. 1, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002. Reenacted by Acts 2003, 78th Leg., ch. 1276, Sec. 9.020(b), eff. Sept. 1, 2003.

Sec. 2175.131. PURCHASER'S FEE. (a) The commission or a state agency disposing of property by a method other than direct transfer under this subchapter shall collect a fee from the purchaser.

(b) The commission or state agency shall set the fee at an amount that is:

(1) sufficient to recover costs associated with the sale; and

(2) at least two percent but not more than 12 percent of sale proceeds.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Renumbered from V.T.C.A., Government Code Sec. 2185.182 by Acts 2001, 77th Leg., ch. 816, Sec. 1, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002. Reenacted by Acts 2003, 78th Leg., ch. 1276, Sec. 9.020(b), eff. Sept. 1, 2003.

Sec. 2175.132. ADVERTISEMENT OF SALE. If the value of an item or a lot of property to be sold is estimated to be more than \$5,000, the commission or the state agency authorized to sell the property shall advertise the sale at least once in at least one newspaper of general circulation in the vicinity in which the property is located.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 127, Sec. 6, eff. May 19, 1997. Renumbered from V.T.C.A., Government Code Sec. 2175.183 by Acts 2001, 77th Leg., ch. 816, Sec. 1, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002. Reenacted by Acts 2003, 78th Leg., ch. 1276, Sec. 9.020(b), eff. Sept. 1, 2003.

Sec. 2175.133. REPORTING SALE; PROPERTY ACCOUNTING ADJUSTMENT. (a) On the sale by the commission of surplus or salvage property, the commission shall report the property sold and the sale price to the state agency that declared the property as surplus or salvage.

(b) A state agency for which surplus or salvage property is sold or that sells surplus or salvage property under authority of the commission shall report the sale and amount of sale proceeds to the comptroller.

(c) If property reported under this section is on the state property accounting system, the comptroller shall remove the property from the property accounting records.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 127, Sec. 7, eff. May 19, 1997. Renumbered from V.T.C.A., Government Code Sec. 2175.184 by Acts 2001, 77th Leg., ch. 816, Sec. 1, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002. Reenacted by Acts 2003, 78th Leg., ch. 1276, Sec. 9.020(b), eff. Sept. 1, 2003.

Sec. 2175.134. PROCEEDS OF SALE. (a) Proceeds from the sale of surplus or salvage property, less the cost of advertising the sale, the cost of selling the surplus or salvage property, including the cost of auctioneer services, and the amount of the fee collected under Section 2175.131, shall be deposited to the credit of the general revenue fund of the state treasury.

(b) Repealed by Acts 2003, 78th Leg., ch. 309, Sec. 7.37.

(c) Proceeds from the sale of surplus and salvage property of the State Aircraft Pooling Board shall be deposited to the credit of the board.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Renumbered from V.T.C.A., Government Code Sec. 2175.185 and amended by Acts 2001, 77th Leg., ch. 816, Sec. 1, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002. Amended by Acts 2003, 78th Leg., ch. 309, Sec. 7.29, 7.37, eff. June 18, 2003.

Sec. 2175.135. PURCHASER'S TITLE. A purchaser of surplus property at a sale conducted under Section 2175.129 or 2175.130

obtains good title to the property if the purchaser has in good faith complied with:

- (1) the conditions of the sale; and
- (2) applicable commission rules.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Renumbered from V.T.C.A., Government Code Sec. 2175.186 and amended by Acts 2001, 77th Leg., ch. 816, Sec. 1, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002. Reenacted by Acts 2003, 78th Leg., ch. 1276, Sec. 9.020(b), eff. Sept. 1, 2003.

SUBCHAPTER D. DISPOSITION OF SURPLUS OR SALVAGE PROPERTY BY COMMISSION

Sec. 2175.181. APPLICABILITY. (a) This subchapter applies only to surplus and salvage property located in:

- (1) Travis County;
- (2) a county in which federal surplus property is warehoused by the commission under Subchapter G; or
- (3) a county for which the commission determines that it is cost-effective to follow the procedures created under this subchapter and informs affected state agencies of that determination.

(b) This subchapter does not apply to a state agency delegated the authority to dispose of surplus or salvage property under Section 2175.065.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

Sec. 2175.182. STATE AGENCY TRANSFER OF PROPERTY TO COMMISSION. (a) The commission is responsible for the disposal of surplus or salvage property under this subchapter. The commission may take physical possession of the property.

(b) Based on the condition of the property, the commission shall determine whether the property is:

- (1) surplus property that should be offered for transfer under Section 2175.184 or sold to the public; or
- (2) salvage property.

(c) The commission shall inform the comptroller's office of the property's kind, number, location, condition, original cost or value, and date of acquisition.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002. Amended by Acts 2003, 78th Leg., ch. 309, Sec. 7.30, eff. June 18, 2003.

Sec. 2175.1825. ADVERTISING ON COMPTROLLER WEBSITE. Not later than the second day after the date the comptroller receives notice from the commission under Section 2175.182(c), the comptroller shall advertise the property's kind, number, location, and condition on the comptroller's website.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

Sec. 2175.183. COMMISSION NOTICE TO OTHER ENTITIES. On taking responsibility for surplus property under this subchapter, the commission shall inform other state agencies, political subdivisions, and assistance organizations of the comptroller's website that lists surplus property that is available for sale.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

Sec. 2175.184. DIRECT TRANSFER. During the 10 business days after the date the property is posted on the comptroller's website, a state agency, political subdivision, or assistance organization may coordinate with the commission for a transfer of the property at a price established by the commission in cooperation with the transferring agency. A transfer to a state agency has priority over any other transfer during this period.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

Sec. 2175.185. NOTICE OF TRANSFER TO COMPTROLLER; ADJUSTMENT OF APPROPRIATIONS AND PROPERTY ACCOUNTING RECORDS; REMOVAL FROM WEBSITE. (a) If property is transferred to a state agency under Section 2175.184, the participating agencies shall report the transaction to the comptroller.

(b) On receiving notice under this section, the comptroller shall, if necessary, adjust state property accounting records.

(c) Not later than the second day after the date the comptroller receives notice under Subsection (a), the comptroller shall remove the property from the list of surplus property for sale on the comptroller's website.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002. Amended by Acts 2003, 78th Leg., ch. 309, Sec. 7.31, eff. June 18, 2003.

Sec. 2175.186. DISPOSITION BY COMPETITIVE BIDDING, AUCTION, OR DIRECT SALE. (a) If a disposition of a state agency's surplus property is not made under Section 2175.184, the commission shall sell the property by competitive bid, auction, or direct sale to the public, including a sale using an Internet auction site.

(b) The commission shall determine which method of sale shall be used based on the method that is most advantageous to the state under the circumstances. The commission shall adopt rules establishing guidelines for making that determination.

(c) In using an Internet auction site to sell surplus property under this section, the commission shall post the property on the site for at least 10 days.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

Sec. 2175.187. DISPOSITION BY DIRECT SALE TO PUBLIC. (a) If the commission determines that selling the property by competitive bid or auction, including a sale using an Internet auction site, would not maximize the resale value of the property to the state, the commission may sell surplus property directly to the public.

(b) The commission shall set a fixed price for the property in cooperation with the state agency that owns the property.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

Sec. 2175.188. PURCHASER'S FEE. (a) For property that is sold under Section 2175.186 or 2175.187, the commission shall collect a fee from the purchaser.

(b) The commission shall set the fee at an amount that is:

(1) sufficient to recover costs associated with the sale; and

(2) at least two percent but not more than 12 percent of sale proceeds.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

Sec. 2175.189. ADVERTISEMENT OF SALE. If the value of an item or a lot of property to be sold is estimated to be more than \$5,000, the commission shall advertise the sale at least once in at least one newspaper of general circulation in the vicinity in which the property is located.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

Sec. 2175.190. REPORTING SALE; PROPERTY ACCOUNTING ADJUSTMENT. (a) On the sale by the commission of surplus or salvage property, the commission shall report the property sold and the sale price to the state agency that owned the property and to the comptroller.

(b) If property reported under this section is on the state property accounting system, the comptroller shall remove the property from the property accounting records.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

Sec. 2175.191. PROCEEDS OF SALE. (a) Proceeds from the sale of surplus or salvage property, less the cost of advertising the sale, the cost of selling the surplus or salvage property, including the cost of auctioneer services, and the amount of the fee collected under Section 2175.188, shall be deposited to the credit of the general revenue fund of the state treasury.

(b) Repealed by Acts 2003, 78th Leg., ch. 309, Sec. 7.37.

(c) Proceeds from the sale of surplus and salvage property of the State Aircraft Pooling Board shall be deposited to the credit of the board.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002. Amended by Acts 2003, 78th Leg., ch. 309, Sec. 7.32, 7.37, eff. June 18, 2003.

Sec. 2175.192. PURCHASER'S TITLE. A purchaser of surplus property at a sale conducted under Section 2175.186 or 2175.187 obtains good title to the property if the purchaser has in good faith complied with:

(1) the conditions of the sale; and

(2) applicable commission rules.

Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

Sec. 2175.193. CONTRACTS FOR DESTRUCTION OF PROPERTY. The

commission shall contract for the disposal of property under Subchapter E in a manner that maximizes value to the state. Added by Acts 2001, 77th Leg., ch. 1422, Sec. 11.03, eff. Jan. 1, 2002.

SUBCHAPTER E. DESTRUCTION OR DONATION OF SURPLUS OR SALVAGE PROPERTY

Sec. 2175.241. DESTRUCTION OR DONATION OF SURPLUS OR SALVAGE PROPERTY. If the commission or a state agency cannot otherwise sell or dispose of property in accordance with this chapter or has determined that the property has no resale value, the property may be:

- (1) destroyed as worthless salvage; or
- (2) donated to an assistance organization.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 127, Sec. 8, eff. May 19, 1997; Acts 2005, 79th Leg., ch. 125, Sec. 3, eff. May 24, 2005.

Sec. 2175.242. REMOVAL OF DESTROYED OR DONATED PROPERTY FROM STATE PROPERTY ACCOUNTING RECORDS. (a) On destruction or donation of property under this subchapter, the comptroller may remove the property from the state property accounting records.

(b) Authorization by the commission is not required for the deletion of salvage items of another state agency from the state property accounting records.

(c) This subchapter does not affect Section 403.273, which provides for the deletion from state property accounting records of a state agency's missing property.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 127, Sec. 9, eff. May 19, 1997; Acts 2001, 77th Leg., ch. 1158, Sec. 59, eff. June 15, 2001; Acts 2005, 79th Leg., ch. 125, Sec. 4, 5, eff. May 24, 2005.

SUBCHAPTER F. EXCEPTIONS

Sec. 2175.301. SURPLUS PROPERTY OF LEGISLATURE. (a) This chapter does not apply to disposition of surplus property by either house of the legislature under a disposition system provided by rules of the administration committee of each house.

(b) If surplus property of either house of the legislature is sold, proceeds of the sale shall be deposited in the state treasury to the credit of that house's appropriation.

(c) An agency in the legislative branch shall dispose of its surplus or salvage property under a disposition system established by the agency. This chapter does not apply to the agency's disposition of its surplus or salvage property under that system. That system shall give preference to transferring the property directly to, in order of priority:

- (1) a public school;
- (2) another public governmental agency; or
- (3) an assistance organization.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 266, Sec. 1, eff. May 26, 1997.

Sec. 2175.302. EXCEPTION FOR ELEEMOSYNARY INSTITUTIONS. Except as provided by Section 2175.128(b), this chapter does not apply to the disposition of surplus or salvage property by a state eleemosynary institution.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 274, Sec. 1, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 419, Sec. 4, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 1281, Sec. 1, eff. Sept. 1, 1999; Acts 2003, 78th Leg., ch. 1276, Sec. 9020(i), eff. Sept. 1, 2003.

Sec. 2175.303. EXCEPTION FOR CERTAIN PRODUCTS. This chapter does not apply to disposition of:

- (1) a product or by-product of research, forestry, agriculture, livestock, or an industrial enterprise; or
- (2) certain recyclable materials, including paper, cardboard, aluminum cans, plastics, glass, one-use pallets, used tires, used oil, and scrap metal, when the disposition is not in the best interest of the state or economically feasible.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 127, Sec. 10, eff. May 19, 1997.

Sec. 2175.304. EXCEPTION FOR INSTITUTIONS OF HIGHER EDUCATION. (a) This chapter does not apply to the disposition of surplus or salvage property of a university system or of an institution or agency of higher education except as provided by this section.

(b) The governing board of each university system or

institution or agency of higher education included within the definition of "state agency" under Section 2151.002 shall establish written procedures for the disposition of surplus or salvage property of the system, institution, or agency. The procedures shall allow for the direct transfer of materials or equipment that can be used for instructional purposes to a public school or school district, or an assistance organization designated by the school district, at a price or for other consideration to which the system, institution, or agency and the public school or school district or the assistance organization agree or for no consideration as the system, institution, or agency determines appropriate.

(c) The procedures established under Subsection (b) must give preference to transferring the property directly to a public school or school district or to an assistance organization designated by the school district before disposing of the property in another manner. If more than one public school or school district or assistance organization seeks to acquire the same property on substantially the same terms, the system, institution, or agency shall give preference to a public school that is considered low-performing by the commissioner of education or to a school district that has a taxable wealth per student that entitles the district to an allotment of state funds under Subchapter F, Chapter 42, Education Code, or to the assistance organization designated by such a school district.

(d) A university system or institution or agency of higher education may donate to an assistance organization any surplus or salvage property that:

- (1) is not disposed of under Subsection (b); and
- (2) has no resale value.

Added by Acts 1999, 76th Leg., ch. 274, Sec. 2, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 1281, Sec. 2, eff. Sept. 1, 1999. Amended by Acts 2003, 78th Leg., ch. 908, Sec. 3, eff. June 20, 2003; Acts 2005, 79th Leg., ch. 125, Sec. 6, eff. May 24, 2005.

Sec. 2175.305. EXCEPTION FOR SECRETARY OF STATE. This chapter does not apply to the disposition of surplus computer equipment by the secretary of state. The secretary of state shall give preference to transferring the property to counties for the purpose of improving voter registration technology and complying with Section 18.063, Election Code.

Added by Acts 2001, 77th Leg., ch. 1178, Sec. 6, eff. Jan. 1, 2002.

Sec. 2175.306. EXCEPTION FOR CERTAIN AGENCIES. This chapter does not apply to the disposition of surplus computer equipment by a state agency involved in the areas of health, human services, or education, except for an agency to which Section 2175.304 applies. Those agencies shall give preference to transferring the property to a public school, school district, or assistance organization specified by the school district.

Added by Acts 2003, 78th Leg., ch. 908, Sec. 4, eff. June 20, 2003.

SUBCHAPTER G. FEDERAL SURPLUS PROPERTY

Sec. 2175.361. DEFINITIONS. In this subchapter:

(1) "Federal act" means the Federal Property and Administrative Services Act of 1949 (40 U.S.C. Section 541 et seq.), as amended, or any other federal law providing for the disposal of federal surplus property.

(2) "Federal property" means federal surplus property acquired:

(A) by the commission or under the commission's jurisdiction under this subchapter; and

(B) under 40 U.S.C. Section 483c, 549, or 550, or under any other federal law providing for the disposal of federal surplus property.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 309, Sec. 7.33, eff. June 18, 2003.

Sec. 2175.362. DESIGNATED AGENCY; SEPARATE AND INDEPENDENT OPERATION OF FEDERAL SURPLUS PROPERTY PROGRAM. (a) The commission is the designated state agency under 40 U.S.C. Section 549 and any other federal law providing for the disposal of federal surplus property.

(b) Except for the sharing of support functions with other divisions, the federal surplus property program shall operate independently of the rest of the commission.

(c) The administrative offices of the federal surplus property program may be located in a building separate from the location of other commission offices.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 127, Sec. 11, eff. May 19, 1997; Acts 2003, 78th Leg., ch. 309, Sec. 7.34, eff. June 18, 2003.

Sec. 2175.363. ACQUISITION, WAREHOUSING, AND DISTRIBUTION OF FEDERAL PROPERTY. (a) The commission may acquire and warehouse federal property allocated to the commission under the federal act and distribute the property to an entity or institution that meets the eligibility qualifications for the property under the federal act.

(b) The commission shall establish and maintain procedures to implement this section.

(c) The commission is not required to comply with the provisions of this chapter that relate to the disposition of surplus state agency property in acquiring, warehousing, and distributing federal surplus property under this chapter.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.364. COMMISSION ASSISTANCE IN PROCUREMENT AND USE OF PROPERTY. The commission may:

(1) disseminate information and assist a potential applicant regarding the availability of federal real property;

(2) assist in the processing of an application for acquisition of federal real property and related personal property under 40 U.S.C. Section 550 or any other federal law providing for the disposal of federal surplus property;

(3) act as an information clearinghouse for an entity that may be eligible to acquire federal property and, as necessary, assist the entity to obtain federal property;

(4) assist in assuring use of the property; and

(5) engage in an activity relating to the use of federal property by another state agency, institution, or organization engaging in or receiving assistance under a federal program.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 309, Sec. 7.35, eff. June 18, 2003.

Sec. 2175.365. STATE PLAN OF OPERATION; COMPLIANCE WITH MINIMUM FEDERAL STANDARDS. The commission shall:

(1) file a state plan of operation that complies with federal law and operate in accordance with the plan;

(2) take necessary action to meet the minimum standards for a state agency in accordance with the federal act; and

(3) cooperate to the fullest extent consistent with this subchapter.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.366. ADMINISTRATIVE FUNCTIONS; COMPLIANCE WITH FEDERAL REQUIREMENTS. The commission may:

(1) make the necessary certifications and undertake necessary action, including an investigation;

(2) make expenditures or reports that may be required by federal law or regulation or that are otherwise necessary to provide for the proper and efficient management of its functions under this subchapter;

(3) provide information and reports relating to its activities under this subchapter that may be required by a federal agency or department; and

(4) adopt rules necessary for the efficient operation of its activities under this subchapter or as may be required by federal law or regulation.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.367. CONTRACTS. The commission may enter into an agreement, including:

(1) a cooperative agreement with a federal agency under 40 U.S.C. Section 549 or any other federal law providing for the disposal of federal surplus property;

(2) an agreement with a state agency for surplus property of a state agency that will promote the administration of the commission's functions under this subchapter; or

(3) an agreement with a group or association of state agencies for surplus property that will promote the administration of the commission's functions under this subchapter.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 2003, 78th Leg., ch. 309, Sec. 7.36, eff. June 18, 2003.

Sec. 2175.368. ACQUISITION OR IMPROVEMENT OF PROPERTY; RENT

PAYMENTS. The commission may:

(1) acquire and hold title or make capital improvements to federal real property in accordance with Section 2175.369; or

(2) make an advance payment of rent for a distribution center, an office space, or another facility that is required to accomplish the commission's functions under this subchapter.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.369. CHARGES. (a) The commission may collect a service charge for the commission's acquisition, warehousing, distribution, or transfer of federal property.

(b) The commission may not collect a charge for federal real property in an amount that is greater than the reasonable administrative cost the commission incurs in transferring the property.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.370. FEDERAL SURPLUS PROPERTY SERVICE CHARGE FUND. (a) The commission shall deposit a charge collected under Section 2175.369 in the state treasury to the credit of the federal surplus property service charge fund.

(b) Income earned on money in the federal surplus property service charge fund shall be credited to that fund.

(c) Money in the federal surplus property service charge fund may be used only to accomplish the commission's functions under this subchapter.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Amended by Acts 1997, 75th Leg., ch. 127, Sec. 12, eff. May 19, 1997.

Sec. 2175.371. ADVISORY BOARDS AND COMMITTEES. The commission may appoint advisory boards and committees necessary and suitable to administer this subchapter.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.372. PERSONNEL. (a) The commission may employ, compensate, and prescribe the duties of personnel, other than members of advisory boards and committees, necessary and suitable to administer this subchapter.

(b) The commission may fill a personnel position only with an individual selected and appointed on a nonpartisan merit basis.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

SUBCHAPTER Z. MISCELLANEOUS PROVISIONS

Sec. 2175.901. PURCHASE OF CHAIRS BY CERTAIN STATE OFFICERS AND AGENCY HEADS. (a) Notwithstanding other law, on vacating an office or terminating employment, an elected or appointed state officer or an executive head of a state agency in the legislative, executive, or judicial branch of state government may purchase for fair market value the chair used by the officer or employee during the person's period of state service.

(b) The fair market value of a chair shall be determined:

(1) for an executive agency or a legislative agency other than the legislature, by the commission;

(2) for a judicial agency, by the chief justice of the supreme court;

(3) for the house of representatives, by the speaker of the house of representatives; and

(4) for the senate, by the lieutenant governor.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.

Sec. 2175.902. MANDATORY PAPER RECYCLING PROGRAM. (a) The commission shall establish a mandatory recycling program for a state agency that occupies a building under its control. By rule, the commission shall:

(1) establish guidelines and procedures for collecting and recycling of paper;

(2) set recycling goals and performance measures;

(3) require state agencies to designate a recycling coordinator;

(4) provide employee and custodial education and training;

(5) provide feedback and recognition to state agencies when appropriate; and

(6) inform state agencies when proper recycling methods are not used.

(b) If the commission finds that a state agency's recycling program meets or exceeds the standards created under Subsection (a), the commission may delegate its responsibility under this section to a state agency located in a building under its control.

(c) The commission or a state agency with delegated responsibility under Subsection (b) shall sell the paper for recycling to the highest bidder.

(d) The commission may enter into an interagency agreement to provide recycling services to a state agency otherwise excluded from the program.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.
Amended by Acts 1997, 75th Leg., ch. 127, Sec. 13, eff. May 19, 1997; Acts 2001, 77th Leg., ch. 1422, Sec. 12.01, eff. Sept. 1, 2001.

Sec. 2175.903. PROPERTY USED AS TRADE-IN. A state agency may offer surplus or salvage property as a trade-in on new property of the same general type if the exchange is in the state's best interests.

Added by Acts 1995, 74th Leg., ch. 41, Sec. 1, eff. Sept. 1, 1995.