

SUBSTITUTE FOR  
HOUSE BILL NO. 5701

A bill to amend 1984 PA 431, entitled  
"The management and budget act,"  
by amending section 267 (MCL 18.1267), as amended by 2012 PA 237.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 267. (1) The department shall issue directives to provide  
2 for the disclosure, transfer, and disposal of surplus personal  
3 property of state agencies. ~~The~~ **EXCEPT AS OTHERWISE PROVIDED IN**  
4 **SUBSECTION (4), THE** department may dispose of surplus personal  
5 property by donating the surplus personal property to a nonprofit  
6 entity, or selling it to a unit of local government, or selling it  
7 at a public sale.

8           (2) The department may sell surplus personal property at fair  
9 market value. The department may also exchange surplus personal

1 property for goods and services at fair market value with a private  
2 company that is contracted to provide state services, and the  
3 surplus personal property is essential to providing those services.

4 (3) The department may pay necessary costs incurred in the  
5 conduct of the transfers or sale of surplus personal property  
6 including the necessary warehousing and reconditioning costs from  
7 the proceeds of the sale or by assessing a handling fee for surplus  
8 personal property being donated.

9 (4) BEGINNING OCTOBER 1, 2016, PRIOR TO DONATING, DISPOSING  
10 OF, OR SELLING SURPLUS SNOW REMOVAL EQUIPMENT OR SURPLUS ROAD  
11 CONSTRUCTION OR MAINTENANCE EQUIPMENT THAT WAS OWNED BY THE STATE  
12 TRANSPORTATION DEPARTMENT, THE DEPARTMENT SHALL MAKE THAT EQUIPMENT  
13 AVAILABLE FOR SALE AT FAIR MARKET VALUE TO LOCAL ROAD AGENCIES IN  
14 THIS STATE. THE DEPARTMENT SHALL ISSUE DIRECTIVES TO IMPLEMENT THIS  
15 SUBSECTION. AS USED IN THIS SUBSECTION, "LOCAL ROAD AGENCIES" MEANS  
16 A LOCAL ROAD AGENCY AS THAT TERM IS DEFINED IN SECTION 9A OF 1951  
17 PA 51, MCL 247.659A.