



**Montana Legislative Services Division**  
**Legal Services Office**

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**TO:** State Administration and Veterans' Affairs Interim Committee  
**FROM:** K. Virginia Aldrich  
**DATE:** March 1, 2016  
**RE:** Legislative Administrative Rule Review Report

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Pursuant to 5-5-228, MCA, the State Administration and Veterans' Affairs Interim Committee is responsible for reviewing administrative rules within its jurisdiction. Staff for the State Administration and Veterans' Affairs Interim Committee has prepared this report for informational purposes only. This report does not represent any action or opinion of the State Administration and Veterans' Affairs Interim Committee and does not preclude additional action that may be taken by the State Administration and Veterans' Affairs Interim Committee pursuant to its authority under the Montana Administrative Procedure Act (Title 2, chapter 4, MCA).

**MAR NOTICE NUMBER:** 2-11-540

**AGENCY/BOARD:** Department of Administration

**RULE CLASSIFICATION:** (e.g. substantive/interpretive/emergency/temporary): Substantive

**SUBJECT:** State Surplus Property Program

**NOTICE DESCRIPTION:** (e.g. proposal notice/adoption notice): Notice of Proposed Transfer and Amendment

**SUMMARY OF RULE(S):**

The Department of Administration proposes to transfer two rules and transfer and amend one rule pertaining to state surplus property. The State Procurement Bureau, which previously managed the surplus property program, has been moved from the General Services Division to the State Financial Services Division. As a result of this move, the Department of Administration proposes to transfer three existing rules related to the surplus property program to a section of the Department of Administration's rules relating to the General Services Division, which manages the surplus property program.

Of the three rule transfers, the Department of Administration proposes to amend only one rule. Specifically, the Department proposes to delete competitive sealed bids from the allowed disposition of surplus supplies, and it has amended the existing alternative or auctions for the sale of surplus supplies to clarify that these auctions may be online or live public auctions. Because the Department proposes to delete competitive sealed bids, the proposed amendments also delete logistics specific to competitive sealed bids. The Department notes that it is

proposing this amendment because "sealed bids became a less efficient sale method, thereby reducing monetary return to the agencies", and the Department "began using online auctions several years ago and [it] is adding wording to clarify online auctions [are] an option for surplus property sale."

Currently, the Department only allows postal money orders, certified checks, cashier's checks, and business checks for sales greater than \$300. The proposed amendments will allow these types of payments for sales of any price rather than limiting them to sales greater than \$300 and additionally allow the Department to accept cash and personal checks. The Department notes that these methods make "sales easier for the buying public, which in turn may increase returns on agency surplus property." The Department also proposed several stylistic amendments to the rule for readability.

**NOTES:** A public hearing is not contemplated. The public comment period ends on April 1, 2016.

**FULL TEXT OF NOTICE:** The full text of the notice proposal may be found online at <http://www.mtrules.org/gateway/ShowNoticeFile.asp?TID=7047>.

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