

Supplus Sales: Charge, Bureau at Purchases: Suplus Sales Charges

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STATE OF MAINE

DEPARTMENT OF THE ATTORNEY GENERAL

AUGUSTA, MAINE 04333

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To: Joseph Stephenson, State Purchasing Agent, Bureau of Purchases

From: Donald G. Alexander, Deputy Attorney General

Re: Charges for Sales of Surplus Property

This responds to your request for advice as to whether the Bureau of Purchases may charge State agencies for sales of surplus items.

The matter is a difficult one to answer in generality. Some answers may be provided by certain principles specified herein.

1. Sales of equipment. Appropriate charges must be assessed for sales of surplus equipment acquired by other State agencies from the Department of Transportation where the Department of Transportation acquired such equipment with highway trust fund proceeds, as discussed in our opinion of November 26, 1976, a copy of which is attached hereto.

2. There is no authority to charge individual departments for surplus equipment transferred to those departments from other departments where both the transferring and the receiving departments are supported by general fund revenues.

3. With the approval of the Governor, pursuant to 5 M.R.S.A. § 1586, departments supported by dedicated revenues from licensing, or programs supposed by such dedicated revenues within general fund departments may be charged at cost for surplus equipment transferred to them from departments supported by general funds. Joseph Stephenson Page 2 November 16, 1977

4. Where equipment is sold to the public at auction, it would be within the authority of the Bureau of Purchases to add a surcharge to the amount of funds taken out for the commission of the auctioneer or to assess a charge by some other manner, to cover the expenses of the Bureau in conducting the sale, prior to distribution of the proceeds of the sale to the appropriate accounts.

Beyond these general principles, it is difficult to establish, without specific instances, what programs for assessment of charges for surplus may be authorized. As indicated from the above, such depends, to a large extent, on the source of funding of the program transferring the surplus goods and the program receiving the surplus goods.

To establish a general policy in this area, it would be necessary to adopt a statute setting forth the appropriate procedure for charging of the costs of surplus goods where the surplus goods are transferred from one State agency to another.

DONALD G. ALEXANDER Deputy Attorney General

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