

## Goals of Surplus Property Policy

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Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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## Goals of Surplus Property Policy

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A good surplus property policy will focus on five important goals:

- **Economy.** The policy should stipulate a process that allows for the city to maximize the proceeds it receives from the sale of surplus property. Additionally, the policy will minimize the costs associated with such disposal. It should not, for example, cost more to conduct a surplus property sale than the amount of money the city stands to realize from such sale.
- **Fairness.** A good policy will assure that every citizen in the community has an equal opportunity to know about the impending sale of surplus property and a fair chance to submit a winning bid or proposal.
- **Protection Against Abuse.** Every surplus property policy should protect against the diversion of sale proceeds to the city's officers, employees or others -- and assure that property, which still has a reasonable use to the city, is not sold. It is not unheard of, for example, for a city employee to offer surplus property for sale and to pocket the proceeds for himself. Often in such cases, the governing board and administrative staff were unaware of the offering and sale. And, in many cases, the sold property had considerable remaining use for the city.
- **Product Liability Protection.** Some surplus items may simply be too dangerous to offer for sale. Should the buyer be injured (or worse!) when using these items, the city might be called upon to defend its sale in court. A good policy should provide examples of items that will not be sold as surplus property, and require a review before putting items up for sale.
- **Protection of the City's Image and Reputation.** A surplus property resolution should be developed with the city's reputation for ethical behavior in mind. After the sale, neither the city nor its officers and employees should be the subject of claims of unethical or illegal behavior. A well-written policy, and some due diligence by the governing board and administration, will assure that this important target is met.

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