

- There is a single source of the product or service in the locality;
- When the product is a replacement part for personal property or equipment where the need cannot be reasonably anticipated and maintaining an inventory of replacements part is not feasible; and
- The product or service are provided by one of the following programs:
 - blind and visually impaired;
 - severe disabilities;
 - qualified veteran's workshop operated by the United States Department of Veterans Affairs;
 - Nonprofit organization offering transitional or support programs to individuals with severe mental or physical disabilities or those recovering from substance abuse; or
 - Nonprofit organizations when it is determined that both the organization and the local government would mutually benefit by:
 - Furthering the purpose of the organization;
 - Providing a service or product need by the government;
 - Advancing specific public purposes;
 - Serving the interest of the public;
 - In case of a tie, the government shall award the contract using the selection criteria of its competitive bidding process.

HB 393 SCS 1 amends KRS 160.160 to allow local boards of education to authorize the transfers or sale of real or personal property to another governmental or quasi-governmental agency for exchange of money or similar type of property that is equal to or exceeds the value of the property being sold.

The fiscal impact of HB 393 SCS 1 is indeterminable, but expected to be minimally to moderately positive. By raising the threshold from \$5,000 to \$10,000 for which an asset may bypass the auction or bid process will expedite the disposal process and save cost related to storing and tracking the item prior to auction. Likewise, for items that have been appraised as having no or negligible value.

Allowing retiring animals to be transferred to their handler or trainer will reflect minimal fiscal saving.

The biggest impact will be cities, consolidated local governments, and urban county governments being able to bypass the competitive bidding process in specific circumstances. Among other benefits, local governments will not have to give preferential treatment to resident bidders, thus providing the possibility of accessing lower prices for goods and services.

Part III: Differences to Local Government Mandate Statement from Prior Versions

HB 393 SCS 1 keeps all the provisions of HB 393 as introduced and adds the following:

- Local boards of education may authorize the transfers or sale of real or personal property to another governmental or quasi-governmental agency for exchange of money or similar type of property

The SCS 1 does not change the fiscal impact.

Data Source(s): LRC Staff

Preparer: WB (JB) **Reviewer:** KHC **Date:** 3/15/23