

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 1467

(Chair, Appropriations Committee)(By Request -
Departmental - State Police)

Appropriations

Department of State Police - Online Sale of Personal Property

This departmental bill authorizes the Department of State Police (DSP) to sell personal property no longer needed for prosecution on the Internet utilizing an approved vendor that conducts electronic auctions of property. When using an Internet auction service, DSP's official web site must provide information identifying the name and web site of the vendor, where interested persons can access a description of the property and the terms of the sale.

Fiscal Summary

State Effect: Minimal. While the bill may allow for some additional revenue from sales, a faster pace for such sales, and other operational efficiencies, it is not expected to have any significant fiscal impact.

Local Effect: None.

Small Business Effect: The Department of State Police has determined that the bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: DSP must hold personal property that comes into its possession until the property is no longer needed in connection with a prosecution. After such a determination, DSP must deliver the property to the person who satisfactorily establishes the right to possession of the property and gives a proper receipt for the property. At any

time after personal property has been in the possession of DSP for three months and it is determined that the property is no longer needed in connection with a prosecution, DSP must:

- give notice of the sale of the property by registered or certified mail to persons entitled to its possession and to lienholders whose names and addresses can be ascertained; and
- publish a description of the property and the time, place, and terms of its sale in a newspaper of general circulation in Baltimore City for two successive weeks.

After complying with these requirements, DSP may sell the property at public auction. The terms and manner of sale may be established by rule. The certificate of DSP that personal property has been sold under these provisions is sufficient evidence of title to the property for all purposes, including the right to obtain a certificate of title or registration from an appropriate unit of the State.

The amount received from the sale of such property must be distributed in the following order of priority:

- to DSP in an amount equal to the expense of sale and all expenses incurred while the property was in the possession of DSP;
- to lienholders in order of their priority; and
- to the State general fund.

At any time within three years after the date of a sale of the property, a person who submits satisfactory proof of the right to possession of the property must be paid, without interest, the amount distributed to the general fund. A claim under this provision is barred if more than three years has passed since the date of a sale.

These provisions do not create or recognize any cause, action, or defense or abridge any immunity now or in the future held by DSP, the Secretary, or an employee of DSP. These provisions do not apply to personal property purchased or otherwise acquired for use by DSP or to contraband.

Background: Personal property not needed in connection with a prosecution that is recovered or found by the State Police is maintained at the local barracks until disposed of by sale or destruction. The DSP Property Unit sells or disposes of about 2,500 items of such property annually – usually via auction. The department’s 23 barracks dispose of hundreds of additional items by auction locally.

The Property Unit’s auctions occur every 18 months, netting about \$30,000 at each one, which is deposited in the general fund. DSP advises that this bill would alleviate

backlogs of storage space for the Property Unit and auctions could be held more frequently.

DSP is already conducting a pilot program, with the approval of the Department of Budget and Management, whereby some personal property is auctioned online. The company performing these auctions catalogs the property, removes it from DSP's warehouse for storage at its facilities, conducts the online auction, and sends the profits of the sale to DSP. DSP advises that this process allows for greater revenues from sales, a faster pace for such sales, and other management efficiencies.

According to DSP, the electronic sales of surplus property is currently being done by the Department of General Services.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of State Police, Department of Legislative Services

Fiscal Note History: First Reader - March 25, 2009
mlm/hlb

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Department of State Police – Online Sale of Personal Property

BILL NUMBER: HB 1467

PREPARED BY: Maryland State Police

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.