

Local Government Property Disposal Procedures
Sale by Negotiated Offer and Upset Bid (G.S. 160A-269)

Listed below are the basic procedures required under state law for disposing of personal and real property by the negotiated offer and upset bid procedures.

- Step 1 Unit receives an offer to purchase property. The unit may solicit offers informally, and may negotiate with a prospective buyer prior to initiating the upset bid procedure.

- Step 2 Governing board adopts a resolution accepting the offer and authorizing the upset bid procedure. The offeror deposits 5% of bid amount with clerk while upset procedure takes place.

- Step 3 Publish advertisement for upset bids in a newspaper of general circulation within the jurisdiction (electronic advertisement is not authorized). The advertisement must describe the property to be sold, the terms and conditions of the sale, and the requirements for submitting a qualifying upset bid within 10 days after the date of publication: a qualifying upset bid must be an amount at least 10% of the first \$1000 of the original offer and 5% of the remainder. Bidders must submit qualifying upset bids within 10 days after date of advertisement and their bids must be accompanied by a 5% bid bond or deposit.

- Step 4 If a qualifying upset bid is received, repeat the advertisement and upset bid process until no additional qualifying upset bid is received.

- Step 5 After no additional qualifying upset bids have been received, governing board awards to the highest responsive, responsible bidder or rejects all bids.