



Local Government Property Disposal Procedures

Lease (G.S. 160A-272)

Listed below are the basic procedures required under state law for disposing of personal and real property by lease. *Note: The term of the lease includes all renewal options. For example, a five year lease with two renewal options of five years each has a term of 15 years for purposes of this statute.*

If the term of the lease is one year or less:

No public notice is required. The governing board may delegate to the manager or another employee the authority to execute the lease without board approval. If the board has not delegated execution authority, the board must approve the lease by adopting a resolution at a regular meeting (not special or emergency meeting).

If the term of the lease is more than one year up to 10 years:

- Step 1 Publish advertisement of governing board's intent to authorize the lease in a newspaper of general circulation within the jurisdiction (electronic advertisement is not authorized). The advertisement must describe the property to be leased, state the annual lease payments, and announce the governing's board intent to adopt a resolution authorizing the lease at the board's next regular meeting (not emergency or special meeting). Notice must be published once and at least 30 days prior to the regular meeting at which the board will adopt the resolution authorizing the lease.
- Step 2 Governing board adopts a resolution at a regular meeting (not emergency or special meeting) authorizing the lease.
- Step 3 The lease may be executed at any time after the governing board has adopted the resolution authorizing the lease.

If term of the lease is over 10 years:

The lease must be authorized using one of the three competitive sale methods authorized under Article 12 of Chapter 160A: sealed bid, upset bid, or public auction.

Template resolutions and notices of sale are available on the School of Government's Local Government Procurement and Property Disposal microsite under "Sample Property Disposal Forms"

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