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# Authorities Budget Office Policy Guidance



**No.** 15-03

**Date Issued:** November 3, 2015

**Supercedes:** 14-01

**Subject:** Explanatory Statement of the Circumstances of Property Disposal by Negotiation

**Statutory Citation:** Section 2897(6)(d) of the Public Authorities Law and Section 1609(a-1) of Not-For-Profit Corporation Law.

**Provision:** Section 2897(6)(d) of the Public Authorities Law requires public authorities to submit a written explanation of the circumstances involving the disposal of property through a negotiated transaction to the Authorities Budget Office (ABO) not less than 90 days prior to the scheduled date of the transaction.

Section 1609 of Not-For-Profit Corporation Law excludes entities established under Article 16 (land banks) from the requirements of Section 2897 of Public Authorities Law.

**Authorities Budget Office Policy Guidance:** A written explanation of the circumstances involving the disposal of property through a negotiated transaction applies to the following property:

1. Personal property with an estimated fair market value more than \$15,000;
2. Real property having an estimated fair market value greater than \$100,000, except that any real property disposed of by lease or exchange;
3. Real property disposed of by lease, if the estimated annual rent over the term of the lease is in excess of \$15,000;
4. Real property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property;
5. Related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.

It is the intent of the Public Authorities Accountability Act (PAAA) and the Public Authorities Reform Act (PARA) to promote accountability and full public disclosure by all authorities. Therefore, the ABO will only accept an explanatory statement of the circumstances of a property disposal by negotiation that includes the following information:

1. Description of the parties involved in the property transaction;
2. Justification for disposing of property by negotiation;
3. Identification of property, including its location;
4. Estimated fair market value of the property;
5. Proposed sale price of the property;

6. Size of the property; and
7. Expected date of sale of property.