

ORDINANCE NO. 2026-_____

**AN ORDINANCE AMENDING CHAPTER 5 OF THE CITY CODE TO AUTHORIZE
THE DONATION OF CITY SURPLUS PROPERTY AND PROVIDE FOR THE
DISPOSITION OF ABANDONED OR UNCLAIMED PROPERTY IN ACCORDANCE
WITH STATE LAW**

The City Council for the City of Bloomington, Minnesota, ordains:

Section 1. That Chapter 5 of the City Code is hereby amended by deleting those words within brackets and ~~[stricken through]~~ and adding those words that are underlined, to read as follows:

CHAPTER 5: PUBLIC FACILITIES AND PROPERTY

ARTICLE V: Property Disposal

DIVISION A: City Property

§ 5.31 DEFINITIONS.

The following words and terms, when used in this Division A, shall have the following meanings, unless the context clearly indicates otherwise.

PERSONAL PROPERTY. All property that is not real property, including money, and other than the property that has come into the hands of the Police Department through forfeiture laws ~~[impoundment]~~.

SURPLUS EQUIPMENT. Equipment used by the city's public works department, cellular phones, and emergency medical and firefighting equipment that is no longer needed by the city because the equipment does not meet industry standards for emergency medical services, police, or fire departments, or when the equipment has minimal or no resale value.

§ 5.34 DISPOSAL OF PERSONAL PROPERTY.

The ~~[All]~~ sale[s], donation, or disposal of city supplies, materials or equipment, or other personal property, including forfeited property or the rental thereof, shall comply with city policy and the provisions of M.S. § 471.345, Uniform Municipal Contracting Law, M.S. § 471.3459, Donation of Surplus Equipment, and M.S. § 471.85, Property Transfer; Public Corporations ~~[as it may be amended from time to time]~~.

(a) If the estimated market value of the item or set of items is more than \$0 and not more than \$10,000 ~~[or less]~~, the sale may be made by quotation or in the open market at the discretion of the City Manager or his or her designee and conducted in a commercially reasonable manner.

(d) If a department head determines that an item or set of items has an estimated market value of \$0 and is not surplus equipment, the item or set of items may be disposed of through trash or recycling. If the item or set of items is surplus equipment, the item or set of items may be donated to a nonprofit organization when authorized by City Council or disposed of through trash or recycling.

(e) Notwithstanding the foregoing, an item or set of items of any value may be transferred to another municipal corporation for public use when authorized by City Council in accordance with M.S. § 471.85.

DIVISION B: Unclaimed Property

§ 5.36 ~~[SALE]~~ DISPOSITION OF UNCLAIMED AND ABANDONED PROPERTY.

(a) Any money that lawfully comes into the city's possession in the course of municipal operations and remains unclaimed by its owner for more than 90 days is presumed abandoned and may be retained by the city. During the 90-day holding period, if the identity and address of the apparent owner are known or can be reasonably ascertained, the city must mail written notice, by first class mail, to the apparent owner at the owner's last known address. The notice must inform the apparent owner that the city is in possession of the money and that the money may be claimed upon satisfactory proof of ownership. If the identity or address of the apparent owner is unknown and cannot be reasonably ascertained, no mailed notice is required.

(b) ~~[Whenever]~~ [a]Any unclaimed personal property other than money or a motorized vehicle that ~~[of any nature, exclusive of any motorized vehicle,]~~ lawfully comes into the city's possession ~~[of the city]~~ in the course of ~~[the]~~ municipal operations ~~[of the city]~~ and ~~[such property]~~ remains unclaimed by its ~~[the]~~ owner ~~[thereof]~~ for ~~[a period of]~~ three months or more~~;~~ ~~the city]~~ may be disposed of ~~[such property]~~ by the City Manager conducting a public auction or sale or a sale by consignment. Notice of such sale shall be published in the official newspaper and posted at least ten days in advance of the sale on the bulletin board located at the City Hall. If ~~the~~ ~~[any such]~~ unclaimed property is perishable or subject to decay by keeping it, it may be sold, if not claimed by the owner within ten days, upon five days' posted notice, and if any such property be in a state of decay or manifestly liable to decay, it may be summarily sold by order of the City Manager, after inspection, without notice. All unclaimed property sold at such auction or sale shall be sold to the highest bidder.

(c) Any ~~[All]~~ unclaimed property that is offered for sale as provided in this Division B but ~~[which]~~ is not sold ~~[when offered for sale as provided in this Division B shall]~~ becomes the property of the city and may be used, destroyed, or disposed of as directed by the City Manager. Any ~~[All]~~ unclaimed property which may not be offered for sale or sold according to law may after 60 days be disposed of or destroyed as directed by the City Manager after notice of disposition has been given in the manner provided by this Division B for saleable unclaimed property.

§ 5.37 DISPOSITION OF SALE PROCEEDS AND ABANDONED FUNDS [RECEIVED FROM SALE OF UNCLAIMED PROPERTY].

All proceeds received from the sale of unclaimed property sold by the city pursuant to the terms of this Division B, and all abandoned money that may be retained by the city pursuant to § 5.36, shall be placed in the city's General Fund.

§ 5.38 CLAIMS FOR UNCLAIMED AND ABANDONED PROPERTY [PAYMENT OF PROCEEDS OF SALE TO OWNER].

In the event that, subsequent to the sale of unclaimed property as provided for in this Division B, the owner thereof shall, within six months from said sale, make application to the City Manager, and provide satisfactory proof of ownership of the property so sold, such lawful owner shall be reimbursed to the extent of the sale price received in the sale thereof. Such reimbursement of money shall be from the city's General Fund. If the city disposes of the property in a sale by consignment, the city's contract with the consignment company must require the company to reimburse the city for the company's portion of the sale price received on sales where the rightful owner makes an application for said property/funds. If the city retains abandoned money pursuant to § 5.36 and the apparent owner, within six months after the city retains the money, applies to the City Manager and provides satisfactory proof of ownership, the city must reimburse the owner in an amount equal to the money retained by the city. Such reimbursement of money shall be from the city's General Fund. In the event that no application for unclaimed or abandoned property is made and no satisfactory proof of ownership shall be provided to the City Manager within such six-month period, the funds received from the [at such] sale of unclaimed property or from the city's retention of abandoned money shall become the absolute property of the city's General Fund.

Section 2. Effective Date. This Ordinance shall be in full force and effect from and after its passage and publication according to law.

Passed and adopted this 31st day of August, 2026.

Mayor

ATTEST:

APPROVED:

Secretary to the Council

City Attorney