

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2694 Session of
1996

INTRODUCED BY READSHAW, DEMPSEY, STISH, FICHTER, VAN HORNE,
WOGAN, PETRONE, BAKER, GEIST, ARGALL, HABAY, HARHART,
D. W. SNYDER, ROBINSON, BATTISTO, STETLER, STABACK, BROWNE,
TRELLO, ARMSTRONG, WALKO, RUBLEY, STEELMAN, RAMOS AND
BOSCOLA, JUNE 11, 1996

REFERRED TO COMMITTEE ON URBAN AFFAIRS, JUNE 11, 1996

AN ACT

1 Amending the act of February 1, 1966 (1965 P.L.1656, No.581),
2 entitled "An act concerning boroughs, and revising, amending
3 and consolidating the law relating to boroughs," further
4 providing for general powers.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Section 1201(4) of the act of February 1, 1966
8 (1965 P.L.1656, No.581), known as The Borough Code, amended June
9 26, 1995 (P.L.63, No.12), is amended to read:

10 Section 1201. General Powers.--A borough may:

11 * * *

12 (4) Purchase, acquire by gift, or otherwise, hold, lease,
13 let and convey, by sale or lease, such real and personal
14 property as shall be deemed to be to the best interest of the
15 borough: Provided, That no real estate owned by the borough
16 shall be sold for a consideration in excess of fifteen hundred
17 dollars (\$1500), except to the highest bidder after due notice

1 by advertisement for bids or advertisement of a public auction
2 in one newspaper of general circulation in the borough. Such
3 advertisement shall be published once not less than ten days
4 prior to the date fixed for the opening of bids or public
5 auction, and such date for opening bids or public auction shall
6 be announced in such advertisement. The award of contracts shall
7 be made only by public announcement at a regular or special
8 meeting of council or at the public auction. All bids shall be
9 accepted on the condition that payment of the purchase price in
10 full shall be made within sixty days of the acceptance of bids.
11 The borough council shall have the authority to reject all bids
12 if such bids are deemed to be less than the fair market value of
13 the real property. In the case of a public auction, the borough
14 council may establish a minimum bid based on the fair market
15 value of the real property. Real estate owned by a borough may
16 be sold at a consideration of fifteen hundred dollars (\$1500) or
17 less without advertisement or competitive bidding only after
18 council estimates the value thereof upon receipt of an appraisal
19 by a qualified real estate appraiser.

20 Except as otherwise hereinafter provided in the case of
21 personal property of an estimated fair market value of less than
22 one thousand dollars (\$1,000), no borough personal property
23 shall be disposed of, by sale or otherwise, except upon approval
24 of council, by ordinance or resolution. In cases where council
25 shall approve a sale of such property, it shall estimate the
26 fair market value of the entire lot to be disposed of. If
27 council shall estimate the fair market value to be one thousand
28 dollars (\$1,000) or more, the entire lot shall be advertised for
29 sale once, in at least one newspaper of general circulation in
30 the borough, not less than ten days prior to the date fixed for

1 the opening of bids or public auction, and such date of opening
2 of bids or public auction, shall be announced in such
3 advertisement, and sale of the property so advertised shall be
4 made to the best responsible bidder. Council may reject any bids
5 received if the bids are believed to be less than the fair
6 market value of the property. Council shall, by resolution,
7 adopt a procedure for the sale of surplus personal property,
8 either individual items or lots of items, of an estimated fair
9 market value of less than one thousand dollars (\$1,000) and the
10 approval of council shall not be required for any individual
11 sale that shall be made in conformity to such procedure.

12 The provisions of this clause shall not be mandatory where
13 borough property is to be traded in or exchanged for new borough
14 property.

15 The provisions of this clause requiring advertising for bids
16 or sale at public auction and sale to the highest bidder shall
17 not apply where borough real or personal property is to be sold
18 to a county, city, borough, town, township, institution
19 district, school district, volunteer fire company, volunteer
20 ambulance service or volunteer rescue squad located within the
21 borough, or municipal authority pursuant to the Municipality
22 Authorities Act of 1945, is to be sold to a non-profit
23 corporation engaged in community industrial, commercial or
24 affordable housing development or reuse or where real property
25 is to be sold to a person for his exclusive use in an industrial
26 development program or where real property is to be sold to a
27 non-profit corporation organized as a public library for its
28 exclusive use as a library, or where real property is to be sold
29 to a non-profit medical service corporation as authorized by
30 clause (76) of section 1202 or where real property is to be sold

1 to a non-profit housing corporation as authorized by clause (77)
2 of section 1202 or where real property is to be sold to the
3 Commonwealth or to the Federal Government. When real property is
4 to be sold to a non-profit corporation organized as a public
5 library for its exclusive use as a library or to a non-profit
6 medical service corporation or to a non-profit housing
7 corporation, council may elect to accept such nominal
8 consideration for such sale as it shall deem appropriate. Real
9 property sold pursuant to this clause to a volunteer fire
10 company, volunteer ambulance service or volunteer rescue squad,
11 non-profit medical service corporation or to a non-profit
12 housing corporation shall be subject to the condition that when
13 the property is not used for the purposes of the company,
14 service, squad or the corporation the property shall revert to
15 the borough.

16 * * *

17 Section 2. This act shall take effect in 60 days.