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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL**  
**No. 2867** Session of  
2004

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INTRODUCED BY ROSS, BALDWIN, BARD, BELFANTI, BOYD, BUNT, CLYMER,  
S. E. CORNELL, CRAHALLA, DeWEESE, FRANKEL, GERGELY,  
HENNESSEY, HERSHEY, LEACH, LEVDANSKY, McILHINNEY, MUNDY,  
NAILOR, O'NEILL, RUBLEY, SCAVELLO, SCHRODER, B. SMITH,  
E. Z. TAYLOR, VANCE, WEBER, YOUNGBLOOD AND YUDICHAK,  
SEPTEMBER 29, 2004

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REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, SEPTEMBER 29, 2004

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AN ACT

1 Amending the act of June 24, 1931 (P.L.1206, No.331), entitled  
2 "An act concerning townships of the first class; amending,  
3 revising, consolidating, and changing the law relating  
4 thereto," further providing for corporate powers of townships  
5 of the first class relating to suits and property.

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

8 Section 1. Section 1501 of the act of June 24, 1931  
9 (P.L.1206, No.331), known as The First Class Township Code,  
10 reenacted and amended May 27, 1949 (P.L.1955, No.569), and  
11 amended December 19, 1997 (P.L.618, No.64), is amended to read:

12 Section 1501. Suits; Property.--Townships of the first class  
13 may--

14 I. Sue and be sued.

15 II. Purchase, acquire by gift, or otherwise, hold, lease,  
16 let and convey, by sale or lease, such real and personal  
17 property as shall be deemed to be to the best interest of the

1 township: Provided, That no real estate owned by the township  
2 shall be sold for a consideration in excess of one thousand five  
3 hundred dollars except to the highest bidder after due notice by  
4 advertisement for bids or advertisement of a public auction in  
5 one newspaper of general circulation in the township. Such  
6 advertisement shall be published once not less than ten days  
7 prior to the date fixed for the opening of bids or public  
8 auction, and such date for opening bids or public auction shall  
9 be announced in such advertisement. The award of contracts shall  
10 be made only by public announcement at a regular or special  
11 meeting of the board of township commissioners or at the public  
12 auction. All bids shall be accepted on the condition that  
13 payment of the purchase price in full shall be made within sixty  
14 days of the acceptance of bids.

15 The board of township commissioners shall have the authority  
16 to reject all bids if such bids are deemed to be less than the  
17 fair market value of the real property. In the case of a public  
18 auction, the board of township commissioners may establish a  
19 minimum bid based on the fair market value of the real property.

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, no township personal property shall be  
23 disposed of, by sale or otherwise, except upon approval of the  
24 board of township commissioners, by ordinance or resolution. In  
25 cases where the board of township commissioners shall approve a  
26 sale of such property, it shall estimate the fair market value  
27 of the entire lot to be disposed of. If the board of township  
28 commissioners shall estimate the fair market value to be one  
29 thousand dollars or more, the entire lot shall be advertised for  
30 sale once, in at least one newspaper of general circulation in

1 the township, not less than ten days prior to the date fixed for  
2 the opening of bids or public auction, and such date of opening  
3 of bids or public auction shall be announced in such  
4 advertisement, and sale of the property so advertised shall be  
5 made to the best responsible bidder. The board of township  
6 commissioners may reject any bids received if the bids are  
7 believed to be less than the fair market value of the property.  
8 The board of township commissioners shall, by resolution, adopt  
9 a procedure for the sale of surplus personal property, either  
10 individual items or lots of items, of an estimated fair market  
11 value of less than one thousand dollars and the approval of the  
12 board of township commissioners shall not be required for any  
13 individual sale that shall be made in conformity to such  
14 procedure.

15 The provisions of this clause shall not be mandatory where  
16 township property is to be traded in or exchanged for new  
17 township property.

18 The provisions of this clause shall not prohibit the sale or  
19 exchange of township property to public utilities.

20 The provisions of this clause requiring advertising for bids  
21 or sale at public auction and sale to the highest bidder shall  
22 not apply where township real or personal property is to be sold  
23 to [a county, city, borough, town, township, institution  
24 district, school district, volunteer fire company, volunteer  
25 ambulance service or volunteer rescue squad located within the  
26 township, or municipal authority pursuant to the Municipality  
27 Authorities Act of 1945, or to a nonprofit corporation engaged  
28 in community industrial, commercial or affordable housing  
29 development or reuse or where real property is to be sold to a  
30 person for his exclusive use in an industrial development

1 program or where real property is to be sold to a nonprofit  
2 corporation organized as a public library, or where real  
3 property is to be sold to a nonprofit medical service  
4 corporation as authorized by clause LXXII of section 1502, or  
5 where real property is to be sold to a nonprofit housing  
6 corporation as authorized by clause LXXIII of section 1502.] the  
7 following:

8 (i) A county, city, borough, town, township, institution  
9 district, school district.

10 (ii) A volunteer fire company, volunteer ambulance service  
11 or volunteer rescue squad located within the township.

12 (iii) A municipal authority pursuant to 53 Pa.C.S. Ch. 56  
13 (relating to municipal authorities).

14 (iv) A nonprofit corporation engaged in community  
15 industrial, commercial or affordable housing development or  
16 reuse.

17 (v) A person for his exclusive use in an industrial  
18 development program.

19 (vi) A nonprofit corporation organized as a public library.

20 (vii) A nonprofit medical service corporation as authorized  
21 by clause LXXII of section 1502.

22 (viii) A nonprofit housing corporation as authorized by  
23 clause LXXIII of section 1502.

24 (ix) A nonprofit association or nonprofit corporation  
25 organized to acquire and maintain real property for the  
26 preservation, conservation and stewardship of open space.

27 When real property is to be sold to a nonprofit corporation  
28 organized as a public library or to a nonprofit medical service  
29 corporation or to a nonprofit housing corporation the board of  
30 township commissioners may elect to accept such nominal

1 consideration for such sale as it shall deem appropriate. Real  
2 property sold pursuant to this clause to a volunteer fire  
3 company, volunteer ambulance service or volunteer rescue squad,  
4 nonprofit medical service corporation or to a nonprofit housing  
5 corporation shall be subject to the condition that when the  
6 property is not used for the purposes of the company, service,  
7 squad or the corporation the property shall revert to the  
8 township.

9 Any officer who sells and each officer who votes in favor of  
10 selling any township property, either real or personal, without  
11 the provisions of this section having been complied with, shall  
12 be subject to surcharge in the amount of any loss sustained by  
13 the township by reason of such sale.

14 The exemption granted by this clause to nonprofit  
15 corporations engaged in community, industrial, commercial or  
16 affordable housing development or reuse shall not apply to  
17 property owned and operated by the township or subcontracted or  
18 operated on the behalf of the township in order to conduct  
19 existing governmental functions.

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