

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 374 Session of
2011

INTRODUCED BY MILLARD, ROSS, BOYD, CALTAGIRONE, CARROLL, CLYMER,
CUTLER, D. EVANS, EVERETT, FLECK, FRANKEL, GEIST, GINGRICH,
GRELL, HICKERNELL, KNOWLES, KORTZ, MICOZZIE, MILNE, MOUL,
O'NEILL, REICHLEY, VULAKOVICH, HESS, MURT AND STERN,
FEBRUARY 1, 2011

AS REPORTED FROM COMMITTEE ON LOCAL GOVERNMENT, HOUSE OF
REPRESENTATIVES, AS AMENDED, FEBRUARY 15, 2011

AN ACT

1 Amending the act of May 27, 1953 (P.L.244, No.34), entitled "An
2 act relating to and regulating the contracts of incorporated
3 towns and providing penalties," further providing for power
4 to convey.

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

7 Section 1. Section 1.1 of the act of May 27, 1953 (P.L.244,
8 No.34), entitled "An act relating to and regulating the
9 contracts of incorporated towns and providing penalties," added
10 October 31, 1985 (P.L.297, No.70), is amended to read:

11 Section 1.1. Power to Convey.--(a) Each incorporated town
12 may purchase, acquire by gift or otherwise, hold, lease, let and
13 convey, by sale or lease, such real and personal property as
14 shall be deemed to be in the best interest of the town:

15 Provided, That no real estate owned by the town shall be sold
16 for a consideration in excess of fifteen hundred dollars except
17 to the highest bidder after due notice by advertisement for bids

1 in one newspaper of general circulation in the town. The
2 advertisement shall be published once, not less than ten days
3 prior to the date fixed for the opening of bids, and the date
4 for opening bids shall be announced in the advertisement. The
5 acceptance of bids shall be made only by public announcement at
6 a regular or special meeting of council. All bids shall be
7 accepted on the condition that payment of the purchase price in
8 full shall be made within sixty days of the acceptance of bids.
9 COUNCIL MAY REJECT ALL BIDS IF THE BIDS ARE DEEMED TO BE LESS
10 THAN THE FAIR MARKET VALUE OF THE REAL PROPERTY. IN THE CASE OF
11 PUBLIC AUCTION, THE COUNCIL MAY ESTABLISH A MINIMUM BID BASED ON
12 THE FAIR MARKET VALUE OF THE REAL PROPERTY. Real estate owned by
13 a town may be sold at a consideration of fifteen hundred dollars
14 or less without advertisement of competitive bidding only after
15 council estimates the value thereof upon receipt of an appraisal
16 by a qualified real estate appraiser.

17 (b) Except as otherwise hereinafter provided in the case of
18 personal property of an estimated sale value of less than [two
19 hundred] one thousand dollars, no town personal property shall
20 be disposed of, by sale or otherwise, except upon approval of
21 council, by ordinance or resolution. In cases where council
22 shall approve a sale of such property, it shall estimate the
23 sale value of the entire lot to be disposed of. If council shall
24 estimate the sale value to be [two hundred] one thousand dollars
25 or more, the entire lot shall be advertised for sale once, in at
26 least one newspaper of general circulation in the town, not less
27 than ten days prior to the date fixed for the opening of bids or
28 public auction, and such date of opening of bids or public
29 auction shall be announced in such advertisement, and sale of
30 the property so advertised shall be made to the best responsible

bidder. The advertisement for electronic auction sales
authorized in subsection (c.1) shall include the Internet
address or means of accessing the electronic auction and the
date, time and duration of the electronic auction. Council shall
have authority, by resolution, to adopt a procedure for the sale
of surplus personal property of an estimated sale value of less
than [two hundred] one thousand dollars, and the approval of
council shall not be required for any individual sale that shall
be made in conformity to such procedure.

(c) The provisions of this section shall not be mandatory
where town property is to be traded in or exchanged for new town
property.

(c.1) A public auction of personal property may be conducted
by means of an online or electronic auction sale. During an
electronic auction sale, bids shall be accepted electronically
at the time and in the manner designated in the advertisement.
During the electronic auction, each bidder shall have the
capability to view the bidder's bid rank or the high bid price.
Bidders may increase their bid prices during the electronic
auction. The record of the electronic auction shall be
accessible for public inspection. The purchase price shall be
paid by the high bidder immediately or at a reasonable time
after the conclusion of the electronic auction as determined by
council. In the event that shipping costs are incurred, they
shall be paid by the high bidder.

(c.2) A town that has complied with the advertising
requirements of subsection (b) may provide additional public
notice of the sale by bids or public auction in any manner
deemed appropriate by council.

(C.3) COUNCIL MAY REJECT ANY BIDS RECEIVED IF THE BIDS ARE



1 BELIEVED TO BE LESS THAN THE FAIR MARKET VALUE OF THE PROPERTY.

2 (d) The provisions of this section requiring advertising for
3 bids and sale to the highest bidder shall not apply where town
4 real or personal property is to be sold to a county, city,
5 borough, town, township, institution district, school district,
6 volunteer fire company, volunteer ambulance service or volunteer
7 rescue squad located within the town, or [municipal] an
8 authority [pursuant to the act of May 2, 1945 (P.L.382, No.164),
9 known as the "Municipality Authorities Act of 1945,"] as defined
10 in 53 Pa.C.S. § 5602 (relating to definitions), or is to be sold
11 to a non-profit corporation engaged in community industrial
12 development or where real property is to be sold to a person for
13 his exclusive use in an industrial development program, or where
14 real property is to be sold to a non-profit corporation
15 organized as a public library for its exclusive use as a
16 library, or where real property is to be sold to a non-profit
17 medical service corporation or to a non-profit housing
18 corporation. When real property is to be sold to a non-profit
19 corporation organized as a public library for its exclusive use
20 as a library or to a non-profit medical service corporation or
21 to a non-profit housing corporation, council may elect to accept
22 such nominal consideration for such sale as it shall deem
23 appropriate. Real property sold pursuant to this section to a
24 volunteer fire company, volunteer ambulance service or volunteer
25 rescue squad, non-profit medical service corporation or to a
26 non-profit housing corporation shall be subject to the condition
27 that, when the property is not used for the purposes of the
28 company, service, squad or the corporation, the property shall
29 revert to the town.

30 Section 2. This act shall take effect immediately.