

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 372 Session of 2011

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

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, FEBRUARY 1, 2011

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 suits and property.

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

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

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

13 I. Sue and be sued.

14 II. Purchase, acquire by gift, or otherwise, hold, lease,
15 let and convey, by sale or lease, such real and personal
16 property as shall be deemed to be to the best interest of the
17 township: Provided, That no real estate owned by the township
18 shall be sold for a consideration in excess of one thousand five

1 hundred dollars except to the highest bidder after due notice by
2 advertisement for bids or advertisement of a public auction in
3 one newspaper of general circulation in the township. Such
4 advertisement shall be published once not less than ten days
5 prior to the date fixed for the opening of bids or public
6 auction, and such date for opening bids or public auction shall
7 be announced in such advertisement. The award of contracts shall
8 be made only by public announcement at a regular or special
9 meeting of the board of township commissioners or at the public
10 auction. All bids shall be accepted on the condition that
11 payment of the purchase price in full shall be made within sixty
12 days of the acceptance of bids.

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

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

1 of bids or public auction shall be announced in such
2 advertisement, and sale of the property so advertised shall be
3 made to the best responsible bidder. A public auction of
4 personal property may be conducted by means of an online or
5 electronic auction sale. During an electronic auction sale, bids
6 shall be accepted electronically at the time and in the manner
7 designated in the advertisement. During the electronic auction,
8 each bidder shall have the capability to view the bidder's bid
9 rank or the high bid price. Bidders may increase their bid
10 prices during the electronic auction. The record of the
11 electronic auction shall be accessible for public inspection.
12 The purchase price shall be paid by the high bidder immediately
13 or at a reasonable time after the conclusion of the electronic
14 auction as determined by the board of township commissioners. In
15 the event that shipping costs are incurred, they shall be paid
16 by the high bidder. A township that has complied with the
17 advertising requirements of this clause may provide additional
18 public notice of the sale by bids or public auction in any
19 manner deemed appropriate by the board of township
20 commissioners. The advertisement for electronic auction sales
21 authorized in this clause shall include the Internet address or
22 means of accessing the electronic auction and the date, time and
23 duration of the electronic auction. The board of township
24 commissioners may reject any bids received if the bids are
25 believed to be less than the fair market value of the property.
26 The board of township commissioners shall, by resolution, adopt
27 a procedure for the sale of surplus personal property, either
28 individual items or lots of items, of an estimated fair market
29 value of less than one thousand dollars and the approval of the
30 board of township commissioners shall not be required for any

1 individual sale that shall be made in conformity to such
2 procedure.

3 The provisions of this clause shall not be mandatory where
4 township property is to be traded in or exchanged for new
5 township property.

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

8 The provisions of this clause requiring advertising for bids
9 or sale at public auction and sale to the highest bidder shall
10 not apply where township real or personal property is to be sold
11 to a county, city, borough, town, township, institution
12 district, school district, volunteer fire company, volunteer
13 ambulance service or volunteer rescue squad located within the
14 township, or [municipal authority pursuant to the Municipality
15 Authorities Act of 1945] authority as defined in 53 Pa.C.S. §
16 5602 (relating to definitions), or to a nonprofit corporation
17 engaged in community industrial, commercial or affordable
18 housing development or reuse or where real property is to be
19 sold to a person for his exclusive use in an industrial
20 development program or where real property is to be sold to a
21 nonprofit corporation organized as a public library, or where
22 real property is to be sold to a nonprofit medical service
23 corporation as authorized by clause LXXII of section 1502, or
24 where real property is to be sold to a nonprofit housing
25 corporation as authorized by clause LXXIII of section 1502. When
26 real property is to be sold to a nonprofit corporation organized
27 as a public library or to a nonprofit medical service
28 corporation or to a nonprofit housing corporation the board of
29 township commissioners may elect to accept such nominal
30 consideration for such sale as it shall deem appropriate. Real

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

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

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

19 Section 2. This act shall take effect immediately.