

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2714 Session of
2006

INTRODUCED BY MILLARD, ROSS, ARGALL, ARMSTRONG, BALDWIN,
BELFANTI, BENNINGHOFF, BEYER, BOYD, BUNT, CAPPELLI, CLYMER,
CORNELL, CRAHALLA, CREIGHTON, DENLINGER, GEIST, GERGELY,
GINGRICH, GOOD, GOODMAN, GRELL, HARHAI, HARHART, HARPER,
HARRIS, HERSHEY, HESS, KOTIK, McILHATTAN, McILHINNEY, NICKOL,
PALLONE, PAYNE, PHILLIPS, PYLE, RUBLEY, SATHER, SAYLOR,
SEMMEL, SIPTROTH, B. SMITH, SONNEY, STABACK, E. Z. TAYLOR,
J. TAYLOR, TIGUE AND YOUNGBLOOD, JUNE 5, 2006

AS REPORTED FROM COMMITTEE ON LOCAL GOVERNMENT, HOUSE OF
REPRESENTATIVES, AS AMENDED, JUNE 21, 2006

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 to
4 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

1 for a consideration in excess of fifteen hundred dollars except
2 to the highest bidder after due notice by advertisement for bids
3 in one newspaper of general circulation in the town. The
4 advertisement shall be published once, not less than ten days
5 prior to the date fixed for the opening of bids, and the date
6 for opening bids shall be announced in the advertisement. The
7 acceptance of bids shall be made only by public announcement at
8 a regular or special meeting of council. 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 Real estate owned by a town may be sold at a consideration of
12 fifteen hundred dollars or less without advertisement of
13 competitive bidding only after council estimates the value
14 thereof upon receipt of an appraisal by a qualified real estate
15 appraiser.

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

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

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

12 (c.1) A "public auction" of personal property shall include <—
13 an online or electronic auction sale. A PUBLIC AUCTION OF <—
14 PERSONAL PROPERTY MAY BE CONDUCTED BY MEANS OF AN ONLINE OR
15 ELECTRONIC AUCTION SALE. During an electronic auction sale, bids
16 shall be accepted electronically at the time and in the manner
17 designated in the advertisement. During the electronic auction,
18 each bidder shall have the capability to view the bidder's bid
19 rank or the high bid price. Bidders may increase their bid
20 prices during the electronic auction. The record of the
21 electronic auction shall be accessible for public inspection.
22 The purchase price shall be paid by the high bidder immediately
23 or at a reasonable time after the conclusion of the electronic
24 auction as determined by council. In the event that shipping
25 costs are incurred, they shall be paid by the high bidder.

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

30 (d) The provisions of this section requiring advertising for

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

28 Section 2. This act shall take effect immediately.