

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 AND HESS, FEBRUARY 1, 2011

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, FEBRUARY 1, 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
18 in one newspaper of general circulation in the town. The

1 advertisement shall be published once, not less than ten days
2 prior to the date fixed for the opening of bids, and the date
3 for opening bids shall be announced in the advertisement. The
4 acceptance of bids shall be made only by public announcement at
5 a regular or special meeting of council. All bids shall be
6 accepted on the condition that payment of the purchase price in
7 full shall be made within sixty days of the acceptance of bids.
8 Real estate owned by a town may be sold at a consideration of
9 fifteen hundred dollars or less without advertisement of
10 competitive bidding only after council estimates the value
11 thereof upon receipt of an appraisal by a qualified real estate
12 appraiser.

13 (b) Except as otherwise hereinafter provided in the case of
14 personal property of an estimated sale value of less than [two
15 hundred] one thousand dollars, no town personal property shall
16 be disposed of, by sale or otherwise, except upon approval of
17 council, by ordinance or resolution. In cases where council
18 shall approve a sale of such property, it shall estimate the
19 sale value of the entire lot to be disposed of. If council shall
20 estimate the sale value to be [two hundred] one thousand dollars
21 or more, the entire lot shall be advertised for sale once, in at
22 least one newspaper of general circulation in the town, not less
23 than ten days prior to the date fixed for the opening of bids or
24 public auction, and such date of opening of bids or public
25 auction shall be announced in such advertisement, and sale of
26 the property so advertised shall be made to the best responsible
27 bidder. The advertisement for electronic auction sales
28 authorized in subsection (c.1) shall include the Internet
29 address or means of accessing the electronic auction and the
30 date, time and duration of the electronic auction. Council shall

1 have authority, by resolution, to adopt a procedure for the sale
2 of surplus personal property of an estimated sale value of less
3 than [two hundred] one thousand dollars, and the approval of
4 council shall not be required for any individual sale that shall
5 be made in conformity to such procedure.

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

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

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

26 (d) The provisions of this section requiring advertising for
27 bids and sale to the highest bidder shall not apply where town
28 real or personal property is to be sold to a county, city,
29 borough, town, township, institution district, school district,
30 volunteer fire company, volunteer ambulance service or volunteer

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

24 Section 2. This act shall take effect immediately.