

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. Senate Bill 947

PRINTER NO. 1330

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

November 15, 2017

PRIME SPONSOR

Senator Hutchinson

DESCRIPTION

Senate Bill 947 amends the Borough Code and the Third Class City Code to increase the value threshold for which a municipality must advertise for bids when selling its property.

As it relates to the Borough Code, the threshold for when borough council must adopt a procedure for the sale of surplus personal property is when the sale price is less than \$2,000 rather than less than \$1,000. As it relates to the Third Class City Code, Senate Bill 947 provides that when city council estimates the sale value of personal property to be less than \$2,000, rather than \$1,000, council may sell the property for the best price obtainable.

The legislation also increases the threshold from \$1,000 to \$2,000 for when a municipality must advertise for bids for sale of property.

FISCAL IMPACT:

There is no fiscal impact to Commonwealth funds.

Currently, due to the administrative and advertising costs for a municipality to publish a request for bids for the sale of property, the net return on the sale is often minimal.

The cost to advertise in the Legal Notice section in a medium size paper is for a full page \$6,800, half-page \$3,400 and quarter-page \$1,700. If a bid for sale must be advertised and utilizes a quarter-page advertisement, the municipality would lose money on any sale less than \$1,700.

The increase of the threshold to \$2,000 will allow municipalities to recognize increased revenue from the sale of the property. The amount of the increased revenue will be dependent on the value of the property sold under the increased threshold.