

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 949

PRINTER NO. 1332

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

November 15, 2017

PRIME SPONSOR

Senator Hutchinson

DESCRIPTION

Senate Bill 949 amends Act 34 of 1953 (relating to incorporated towns) to increase the value threshold for which a municipality must advertise for bids when selling its property from \$1,000 to \$2,000.

The legislation increases from \$1,000 to \$2,000 the value of personal property for which an incorporated town must have the approval of council to dispose of the personal property by sale or other method. Senate Bill 949 also increases from \$1,000 to \$2,000 the threshold for when council has the authority to adopt a procedure for the sale of surplus personal property that falls below the threshold value.

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, 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.