

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 690

PRINTER NO. 829

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

May 31, 2019

PRIME SPONSOR

Senator Hutchinson

DESCRIPTION

Senate Bill 690 amends Act 34 of 1953 (Incorporated Towns) to increase the value of municipal real property below which a publicly advertised bid is necessary for sale.

This legislation will increase from \$1,500 to \$6,000 the value of real property which a council must advertise prior to the sale to the highest bidder. The real estate may be sold at \$6,000 or less only after receiving an appraisal by a qualified real estate appraiser. The council must also make a public announcement of the intention to sell at a board meeting at least 30 days prior to the sale.

This act shall take effect in 60 days.

FISCAL IMPACT:

Senate Bill 690 will have no impact on 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. The increase of the threshold to \$6,000 will allow municipalities to recognize increased revenue from the sale of real property, dependent on the value of property sold under the threshold. The \$6,000 amount was recommended by the Local Government Commission taking into consideration the increase in the Consumer Price Index since the current threshold was set in 1978.