

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. Senate Bill 692

PRINTER NO. 831

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

May 31, 2019

PRIME SPONSOR

Senator Hutchinson

DESCRIPTION

Senate Bill 692 amends Title 8 (Boroughs and Incorporated Towns) and Title 11 (Cities) 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.

FISCAL IMPACT:

Senate Bill 692 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.