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**HB 1887 (Printer's No. 2642) Analysis**

**Date: October 25, 2017**

**Amending the First Class Township Code –  
Increasing the Dollar Threshold That Triggers Advertisement When Selling Municipal  
Personal Property**

**Prime Sponsor: Representative James**

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**A. Synopsis of Bill**

Increases from \$1,000 to \$2,000 the value of municipal personal property below which a first class township need not publicly advertise for bids when selling its personal property.

This legislation is part of a three bill package. The other two bills similarly amend Act 34 of 1953 (relating to contracts for incorporated towns) and the Borough Code and Third Class City Code in Titles 8 and 11 of the Pennsylvania Consolidated Statutes, respectively.

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**B. Summary and Analysis of Bill**

This bill amends section 1501(II) of the First Class Township Code (Act 331 of 1931) by increasing from \$1,000 to \$2,000 the threshold for when a township's personal property must be advertised for sale; increasing from \$1,000 to \$2,000 the value of personal property for which a township must have the approval of the board of township commissioners to dispose of the personal property by sale or other method; and increasing from \$1,000 to \$2,000 the threshold for when the board of township commissioners must adopt a procedure for the sale of surplus personal property that falls below the threshold value.

Upon enactment, the law will take effect in 60 days.

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**C. Relevant Current Law**

Section 1501(II) of the First Class Township Code (Act 331 of 1931) governs contracts of first class townships. This section requires the approval of the board of township commissioners to dispose of or to sell

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the township's personal property. The Code also provides that for personal property valued in excess of \$1,000, the entire lot must be advertised for sale once in a least one newspaper of general circulation in the township. The advertisement shall appear not less than 10 days before the date for opening bids or public auction. The date for bid opening must appear in the advertisement. Sale of the advertised property shall be made to the best responsible bidder. Personal property valued less than \$1,000 shall be disposed of pursuant to a procedure adopted by resolution of the board of township commissioners.

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**D. Background of Bill**

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In the current session, Senate Bill 365 (Gordner) amends the Second Class Township Code to increase the threshold for the sale of personal property without advertisement or receiving bids from \$1,000 to \$2,000. Other municipal associations expressed interest in having their respective municipal codes similarly amended. Thus, a package of three bills is being introduced that will make this change: Act 34 of 1953 (Incorporated Towns); the First Class Township Code; and Titles 8 (Boroughs) and 11 (Third Class Cities) of the Pennsylvania Consolidated Statutes.

The threshold value of \$1,000 for the sale of personal property that determines whether the personal property must be advertised was put into the First Class Township Code in 1995 when it was increased from \$200 to \$1,000.

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**E. Effect of Bill**

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This bill will save taxpayer dollars by decreasing the need for advertising the sale of municipal personal property by raising the threshold that triggers the advertising requirement. Advertising is still required for any sales over the threshold amount.

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**F. Issues, Policy Questions and Stakeholder Feedback**

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The Pennsylvania State Association of Township Commissioners supports this legislation.

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**G. Bill History**

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This bill has no previous history.