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HB 1889 (Printer's No. 2644) Analysis

Date: October 25, 2017

**Amending Act 34 of 1953 (relating to Incorporated Towns) –
Increasing the Dollar Threshold That Triggers Advertisement When Selling Municipal
Personal Property**

Prime Sponsor: Representative James

A. Synopsis of Bill

Increases from \$1,000 to \$2,000 the value of municipal personal property below which an incorporated town 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 the First Class Township Code and the Borough Code and Third Class City Code in Titles 8 and 11 of the Pennsylvania Consolidated Statutes, respectively.

B. Summary and Analysis of Bill

This bill amends section 1.1 of Act 34 of 1953 (regulation of contracts for incorporated towns) by increasing from \$1,000 to \$2,000 the threshold for when an incorporated town's personal property must be advertised for sale; increasing 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; and increasing 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.

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

C. Relevant Current Law

Act 34 of 1953 (Act) governs contracts of incorporated towns. The Act requires the approval of the incorporated town's council to dispose of or sell the incorporated town's personal property. The Act 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 incorporated town. 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 town council.

D. Background of Bill

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 Act 34 of 1953 in 2011 when it was increased from \$200 to \$1,000 to coincide with the value in the other municipal codes.

E. Effect of Bill

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.

F. Bill History

This bill has no previous history.