

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2116 Session of
2007

INTRODUCED BY LENTZ, BELFANTI, BOYD, CALTAGIRONE, GEIST,
GINGRICH, HARKINS, HORNAMAN, KOTIK, KULA, LONGIETTI, MAHONEY,
MARSHALL, McILVAINE SMITH, MILLARD, MILNE, MURT, MYERS,
PETRONE, SANTONI, SAYLOR, SHIMKUS, SIPTROTH, K. SMITH AND
YOUNGBLOOD, DECEMBER 13, 2007

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, DECEMBER 13, 2007

AN ACT

1 Amending the act of June 24, 1931 (P.L.1206, No.331), entitled
2 "An act concerning townships of the first class; amending,
3 revising, consolidating, and changing the law relating
4 thereto," further providing for corporate powers, suits and
5 property.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Section 1501 of the act of June 24, 1931
9 (P.L.1206, No.331), known as The First Class Township Code,
10 reenacted and amended May 27, 1949 (P.L.1955, No.569) and
11 amended December 19, 1997 (P.L.618, No.64), is amended to read:

12 Section 1501. Suits; Property.--Townships of the first class
13 may--

14 I. Sue and be sued.

15 II. Purchase, acquire by gift, or otherwise, hold, lease,
16 let and convey, by sale or lease, such real and personal
17 property as shall be deemed to be to the best interest of the
18 township: Provided, That no real estate owned by the township

1 shall be sold for a consideration in excess of one thousand five
2 hundred dollars except to the highest bidder after due notice by
3 advertisement for bids or advertisement of a public auction in
4 one newspaper of general circulation in the township. Such
5 advertisement shall be published once not less than ten days
6 prior to the date fixed for the opening of bids or public
7 auction, and such date for opening bids or public auction shall
8 be announced in such advertisement. The award of contracts shall
9 be made only by public announcement at a regular or special
10 meeting of the board of township commissioners or at the public
11 auction. All bids shall be accepted on the condition that
12 payment of the purchase price in full shall be made within sixty
13 days of the acceptance of bids.

14 The board of township commissioners shall have the authority
15 to reject all bids if such bids are deemed to be less than the
16 fair market value of the real property. In the case of a public
17 auction, the board of township commissioners may establish a
18 minimum bid based on the fair market value of the real property.

19 Except as otherwise hereinafter provided in the case of
20 personal property of an estimated fair market value of less than
21 one thousand dollars, no township personal property shall be
22 disposed of, by sale or otherwise, except upon approval of the
23 board of township commissioners, by ordinance or resolution. In
24 cases where the board of township commissioners shall approve a
25 sale of such property, it shall estimate the fair market value
26 of the entire lot to be disposed of. If the board of township
27 commissioners shall estimate the fair market value to be one
28 thousand dollars or more, the entire lot shall be advertised for
29 sale once, in at least one newspaper of general circulation in
30 the township, not less than ten days prior to the date fixed for

1 the opening of bids or public auction, and such date of opening
2 of bids or public auction shall be announced in such
3 advertisement, and sale of the property so advertised shall be
4 made to the best responsible bidder. The board of township
5 commissioners may reject any bids received if the bids are
6 believed to be less than the fair market value of the property.
7 The board of township commissioners shall, by resolution, adopt
8 a procedure for the sale of surplus personal property, either
9 individual items or lots of items, of an estimated fair market
10 value of less than one thousand dollars and the approval of the
11 board of township commissioners shall not be required for any
12 individual sale that shall be made in conformity to such
13 procedure.

14 The provisions of this clause shall not be mandatory where
15 township property is to be traded in or exchanged for new
16 township property.

17 The provisions of this clause shall not prohibit the sale or
18 exchange of township property to public utilities.

19 The provisions of this clause requiring advertising for bids
20 or sale at public auction and sale to the highest bidder shall
21 not apply where township real or personal property is to be sold
22 to a county, city, borough, town, township, institution
23 district, school district, volunteer fire company, volunteer
24 ambulance service or volunteer rescue squad located within the
25 township, or municipal authority [pursuant to the Municipality
26 Authorities Act of 1945,] under 53 Pa.C.S. Ch. 56 (relating to
27 municipal authorities) or to a council of government,
28 consortium, cooperative or other similar entity created pursuant
29 to 53 Pa.C.S. Ch. 23 Subch. A (relating to intergovernmental
30 cooperation) or to a nonprofit corporation engaged in community

1 industrial, commercial or affordable housing development or
2 reuse or where real property is to be sold to a person for his
3 exclusive use in an industrial development program or where real
4 property is to be sold to a nonprofit corporation organized as a
5 public library, or where real property is to be sold to a
6 nonprofit medical service corporation as authorized by clause
7 LXXII of section 1502, or where real property is to be sold to a
8 nonprofit housing corporation as authorized by clause LXXIII of
9 section 1502. When real property is to be sold to a nonprofit
10 corporation organized as a public library or to a nonprofit
11 medical service corporation or to a nonprofit housing
12 corporation or to a council of government, consortium,
13 cooperative or other similar entity created pursuant to 53
14 Pa.C.S. Ch. 23 Subch. A, the board of township commissioners may
15 elect to accept such nominal consideration for such sale as it
16 shall deem appropriate. Real property sold pursuant to this
17 clause to a volunteer fire company, volunteer ambulance service
18 or volunteer rescue squad, nonprofit medical service corporation
19 or to a nonprofit housing corporation shall be subject to the
20 condition that when the property is not used for the purposes of
21 the company, service, squad [or the], corporation, or council of
22 government, consortium, cooperative or other similar entity, the
23 property shall revert to the township.

24 Any officer who sells and each officer who votes in favor of
25 selling any township property, either real or personal, without
26 the provisions of this section having been complied with, shall
27 be subject to surcharge in the amount of any loss sustained by
28 the township by reason of such sale.

29 The exemption granted by this clause to nonprofit
30 corporations engaged in community, industrial, commercial or

1 affordable housing development or reuse shall not apply to
2 property owned and operated by the township or subcontracted or
3 operated on the behalf of the township in order to conduct
4 existing governmental functions.

5 Section 2. This act shall take effect in 60 days.