

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 507 Session of 2009

INTRODUCED BY ROSS, MILLARD, BELFANTI, BEYER, BOYD, CLYMER, CREIGHTON, DENLINGER, EVERETT, FLECK, GEIST, GINGRICH, GRELL, HENNESSEY, HESS, HICKERNELL, KILLION, MILNE, O'NEILL, PICKETT, RAPP, SIPTROTH, SONNEY, STABACK, STERN, THOMAS AND VULAKOVICH, FEBRUARY 18, 2009

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, FEBRUARY 18, 2009

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 suits and property.

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

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

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

13 I. Sue and be sued.

14 II. Purchase, acquire by gift, or otherwise, hold, lease,
15 let and convey, by sale or lease, such real and personal
16 property as shall be deemed to be to the best interest of the
17 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. A public auction of
5 personal property may be conducted by means of an online or
6 electronic auction sale. During an electronic auction sale, bids
7 shall be accepted electronically at the time and in the manner
8 designated in the advertisement. During the electronic auction,
9 each bidder shall have the capability to view the bidder's bid
10 rank or the high bid price. Bidders may increase their bid
11 prices during the electronic auction. The record of the
12 electronic auction shall be accessible for public inspection.
13 The purchase price shall be paid by the high bidder immediately
14 or at a reasonable time after the conclusion of the electronic
15 auction as determined by the board of township commissioners. In
16 the event that shipping costs are incurred, they shall be paid
17 by the high bidder. A township that has complied with the
18 advertising requirements of this clause may provide additional
19 public notice of the sale by bids or public auction in any
20 manner deemed appropriate by the board of township
21 commissioners. The advertisement for electronic auction sales
22 authorized in this clause shall include the Internet address or
23 means of accessing the electronic auction and the date, time and
24 duration of the electronic auction. The board of township
25 commissioners may reject any bids received if the bids are
26 believed to be less than the fair market value of the property.
27 The board of township commissioners shall, by resolution, adopt
28 a procedure for the sale of surplus personal property, either
29 individual items or lots of items, of an estimated fair market
30 value of less than one thousand dollars and the approval of the

1 board of township commissioners shall not be required for any
2 individual sale that shall be made in conformity to such
3 procedure.

4 The provisions of this clause shall not be mandatory where
5 township property is to be traded in or exchanged for new
6 township property.

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

9 The provisions of this clause requiring advertising for bids
10 or sale at public auction and sale to the highest bidder shall
11 not apply where township real or personal property is to be sold
12 to a county, city, borough, town, township, institution
13 district, school district, volunteer fire company, volunteer
14 ambulance service or volunteer rescue squad located within the
15 township, or [municipal authority pursuant to the Municipality
16 Authorities Act of 1945] authority as defined in 53 Pa.C.S. §
17 5602 (relating to definitions), or to a nonprofit corporation
18 engaged in community industrial, commercial or affordable
19 housing development or reuse or where real property is to be
20 sold to a person for his exclusive use in an industrial
21 development program or where real property is to be sold to a
22 nonprofit corporation organized as a public library, or where
23 real property is to be sold to a nonprofit medical service
24 corporation as authorized by clause LXXII of section 1502, or
25 where real property is to be sold to a nonprofit housing
26 corporation as authorized by clause LXXIII of section 1502. When
27 real property is to be sold to a nonprofit corporation organized
28 as a public library or to a nonprofit medical service
29 corporation or to a nonprofit housing corporation the board of
30 township commissioners may elect to accept such nominal

1 consideration for such sale as it shall deem appropriate. Real
2 property sold pursuant to this clause to a volunteer fire
3 company, volunteer ambulance service or volunteer rescue squad,
4 nonprofit medical service corporation or to a nonprofit housing
5 corporation shall be subject to the condition that when the
6 property is not used for the purposes of the company, service,
7 squad or the corporation the property shall revert to the
8 township.

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

14 The exemption granted by this clause to nonprofit
15 corporations engaged in community, industrial, commercial or
16 affordable housing development or reuse shall not apply to
17 property owned and operated by the township or subcontracted or
18 operated on the behalf of the township in order to conduct
19 existing governmental functions.

20 Section 2. This act shall take effect immediately.