

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**SENATE BILL****No. 359** Session of  
2011

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INTRODUCED BY EICHELBERGER, RAFFERTY, ORIE, TARTAGLIONE,  
ERICKSON, GORDNER, ALLOWAY, WASHINGTON, BRUBAKER, WAUGH,  
GREENLEAF, EARLL, WOZNIAK, PILEGGI, WARD AND BROWNE,  
FEBRUARY 1, 2011

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AS REPORTED FROM COMMITTEE ON LOCAL GOVERNMENT, HOUSE OF  
REPRESENTATIVES, AS AMENDED, MAY 10, 2011

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## AN ACT

1 Amending the act of May 27, 1953 (P.L.244, No.34), entitled "An  
2 act relating to and regulating the contracts of incorporated  
3 towns and providing penalties," further providing for power  
4 to convey.

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

7 Section 1. Section 1.1 of the act of May 27, 1953 (P.L.244,  
8 No.34), entitled "An act relating to and regulating the  
9 contracts of incorporated towns and providing penalties," added  
10 October 31, 1985 (P.L.297, No.70), is amended to read:

11 Section 1.1. Power to Convey.--(a) Each incorporated town  
12 may purchase, acquire by gift or otherwise, hold, lease, let and  
13 convey, by sale or lease, such real and personal property as  
14 shall be deemed to be in the best interest of the town:

15 Provided, That no real estate owned by the town shall be sold  
16 for a consideration in excess of fifteen hundred dollars except  
17 to the highest bidder after due notice by advertisement for bids

1 in one newspaper of general circulation in the town. The  
2 advertisement shall be published once, not less than ten days  
3 prior to the date fixed for the opening of bids, and the date  
4 for opening bids shall be announced in the advertisement. The  
5 acceptance of bids shall be made only by public announcement at  
6 a regular or special meeting of council. All bids shall be  
7 accepted on the condition that payment of the purchase price in  
8 full shall be made within sixty days of the acceptance of bids.  
9 COUNCIL MAY REJECT ALL BIDS IF THE BIDS ARE DEEMED TO BE LESS  
10 THAN THE FAIR MARKET VALUE OF THE REAL PROPERTY. IN THE CASE OF  
11 PUBLIC AUCTION, THE COUNCIL MAY ESTABLISH A MINIMUM BID BASED ON  
12 THE FAIR MARKET VALUE OF THE REAL PROPERTY. Real estate owned by  
13 a town may be sold at a consideration of fifteen hundred dollars  
14 or less without advertisement of competitive bidding only after  
15 council estimates the value thereof upon receipt of an appraisal  
16 by a qualified real estate appraiser.

17 (b) Except as otherwise hereinafter provided in the case of  
18 personal property of an estimated sale value of less than [two  
19 hundred] one thousand dollars, no town personal property shall  
20 be disposed of, by sale or otherwise, except upon approval of  
21 council, by ordinance or resolution. In cases where council  
22 shall approve a sale of such property, it shall estimate the  
23 sale value of the entire lot to be disposed of. If council shall  
24 estimate the sale value to be [two hundred] one thousand dollars  
25 or more, the entire lot shall be advertised for sale once, in at  
26 least one newspaper of general circulation in the town, not less  
27 than ten days prior to the date fixed for the opening of bids or  
28 public auction, and such date of opening of bids or public  
29 auction shall be announced in such advertisement, and sale of  
30 the property so advertised shall be made to the best responsible

1 bidder. The advertisement for electronic auction sales  
2 authorized in subsection (c.1) shall include the Internet  
3 address or means of accessing the electronic auction and the  
4 date, time and duration of the electronic auction. Council shall  
5 have authority, by resolution, to adopt a procedure for the sale  
6 of surplus personal property of an estimated sale value of less  
7 than [two hundred] one thousand dollars, and the approval of  
8 council shall not be required for any individual sale that shall  
9 be made in conformity to such procedure.

10 (c) The provisions of this section shall not be mandatory  
11 where town property is to be traded in or exchanged for new town  
12 property.

13 (c.1) A public auction of personal property may be conducted  
14 by means of an online or electronic auction sale. During an  
15 electronic auction sale, bids shall be accepted electronically  
16 at the time and in the manner designated in the advertisement.  
17 During the electronic auction, each bidder shall have the  
18 capability to view the bidder's bid rank or the high bid price.  
19 Bidders may increase their bid prices during the electronic  
20 auction. The record of the electronic auction shall be  
21 accessible for public inspection. The purchase price shall be  
22 paid by the high bidder immediately or at a reasonable time  
23 after the conclusion of the electronic auction as determined by  
24 council. In the event that shipping costs are incurred, they  
25 shall be paid by the high bidder.

26 (c.2) A town that has complied with the advertising  
27 requirements of subsection (b) may provide additional public  
28 notice of the sale by bids or public auction in any manner  
29 deemed appropriate by council.

30 (C.3) COUNCIL MAY REJECT ANY BIDS RECEIVED IF THE BIDS ARE



1 BELIEVED TO BE LESS THAN THE FAIR MARKET VALUE OF THE PROPERTY.

2 (d) The provisions of this section requiring advertising for  
3 bids and sale to the highest bidder shall not apply where town  
4 real or personal property is to be sold to a county, city,  
5 borough, town, township, institution district, school district,  
6 volunteer fire company, volunteer ambulance service or volunteer  
7 rescue squad located within the town, or [municipal] an  
8 authority [pursuant to the act of May 2, 1945 (P.L.382, No.164),  
9 known as the "Municipality Authorities Act of 1945,"] as defined  
10 in 53 Pa.C.S. § 5602 (relating to definitions), or is to be sold  
11 to a non-profit corporation engaged in community industrial  
12 development or where real property is to be sold to a person for  
13 his exclusive use in an industrial development program, or where  
14 real property is to be sold to a non-profit corporation  
15 organized as a public library for its exclusive use as a  
16 library, or where real property is to be sold to a non-profit  
17 medical service corporation or to a non-profit housing  
18 corporation. When real property is to be sold to a non-profit  
19 corporation organized as a public library for its exclusive use  
20 as a library or to a non-profit medical service corporation or  
21 to a non-profit housing corporation, council may elect to accept  
22 such nominal consideration for such sale as it shall deem  
23 appropriate. Real property sold pursuant to this section to a  
24 volunteer fire company, volunteer ambulance service or volunteer  
25 rescue squad, non-profit medical service corporation or to a  
26 non-profit housing corporation shall be subject to the condition  
27 that, when the property is not used for the purposes of the  
28 company, service, squad or the corporation, the property shall  
29 revert to the town.

30 Section 2. This act shall take effect immediately.