

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 730 Session of 2011

INTRODUCED BY GORDNER, EARLL, BREWSTER, WOZNIAK, M. WHITE,
ROBBINS, FONTANA, ERICKSON, YUDICHAK AND ORIE, MARCH 2, 2011

REFERRED TO LOCAL GOVERNMENT, MARCH 2, 2011

AN ACT

1 Amending the act of May 1, 1933 (P.L.103, No.69), entitled, as
2 reenacted and amended, "An act concerning townships of the
3 second class; and amending, revising, consolidating and
4 changing the law relating thereto," in corporate powers,
5 further providing for real property and for personal
6 property; and, in contracts, further providing for letting
7 contracts.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. Section 1503 of the act of May 1, 1933 (P.L.103,
11 No.69), known as The Second Class Township Code, reenacted and
12 amended November 9, 1995 (P.L.350, No.60) and amended May 18,
13 2004 (P.L.219, No.29) and May 18, 2004 (P.L.226, No.33), is
14 amended to read:

15 Section 1503. Real Property.--(a) No real estate owned by
16 the township having a value in excess of fifteen hundred dollars
17 (\$1,500) may be sold except to the highest bidder after due
18 notice by advertisement for bids or advertisement of a public
19 auction in one newspaper of general circulation in the township.
20 The advertisement shall be published once not less than ten days

1 before the date set for the opening of bids or public auction,
2 and the date for opening bids or public auction shall be
3 announced in the advertisement. The award of contracts shall be
4 made only by public announcement at a regular or special meeting
5 of the board of supervisors or at the public auction. All bids
6 shall be accepted on the condition that payment of the purchase
7 price in full shall be made within sixty days of the acceptance
8 of bids.

9 (b) The board of supervisors may reject all bids if the bids
10 are deemed to be less than the fair market value of the
11 property. In the case of a public auction, the board of
12 supervisors may establish a minimum bid based on the fair market
13 value of the real property.

14 (c) The requirements of this section do not apply to
15 conveyances or leases of real property by a township to any of
16 the following:

- 17 (1) A municipal corporation.
- 18 (2) The Federal Government.
- 19 (3) The Commonwealth.
- 20 (4) An institution district.
- 21 (5) A school district.
- 22 (6) A municipality authority.
- 23 (7) A county.
- 24 (8) A public utility.
- 25 (9) A volunteer fire company.
- 26 (10) A nonprofit corporation engaged in community
27 industrial, commercial or affordable housing development.
- 28 (11) A volunteer ambulance service or volunteer rescue squad
29 located within the township.
- 30 (12) A nonprofit corporation organized as a public library.

1 (13) A nonprofit medical service corporation.

2 (14) A nonprofit housing corporation.

3 (15) A nonprofit organization providing community service or
4 development activities.

5 (16) A nonprofit corporation established for the
6 preservation of historical, architectural or aesthetic sites or
7 artifacts.

8 (17) A nonprofit association or nonprofit corporation
9 organized to acquire and maintain real property for the
10 preservation, conservation and stewardship of open space.
11 Such conveyances or leases shall be at the sole discretion of
12 the township.

13 (18) A council of government, consortium, cooperative or
14 other similar entity created pursuant to 53 Pa.C.S. Ch. 23
15 Subch. A (relating to intergovernmental cooperation).

16 (d) When real property is sold to a nonprofit corporation
17 organized as a public library or to a nonprofit medical service
18 corporation, nonprofit housing corporation, volunteer fire
19 company, volunteer ambulance service [or], volunteer rescue
20 squad[,] or a council of government, consortium, cooperative or
21 other similar entity created pursuant to 53 Pa.C.S. Ch. 23
22 Subch. A involving one or more of the entities listed in this
23 subsection, the board of supervisors may elect to accept any
24 nominal consideration for the property as it believes
25 appropriate. Real property sold under this subsection is subject
26 to the condition that when the property is not used for the
27 purposes of the corporation or volunteer fire company, the
28 property reverts to the township.

29 (e) No real estate may be purchased by a township unless the
30 board of supervisors obtains at least one appraisal on the real

1 property in question by a person authorized to perform an
2 appraisal on the subject property under the act of July 10, 1990
3 (P.L.404, No.98), known as the "Real Estate Appraisers
4 Certification Act," and the township supervisors may require
5 that an environmental impact statement be prepared, indicating
6 the potential liability of the township for any environmental
7 problems associated with the real estate to be purchased. The
8 person making the appraisal shall not be interested directly or
9 indirectly in any aspect of the sale of the real estate. The
10 price paid by the board of supervisors for the purchase of the
11 real estate shall not exceed the price established by the
12 appraisal: Provided, however, That if more than one appraisal is
13 obtained, the price paid by the board of supervisors shall not
14 exceed the average of the appraisals.

15 (f) When real property has been dedicated, deeded or devised
16 to a township to be used for a designated purpose and the real
17 property is accepted and used for that purpose, or the real
18 property is not used for the purpose designated for a period of
19 ten years or more, and the township supervisors determine that
20 it is not possible or not desirable for the best interest of the
21 township to use the real property for the purpose designated,
22 the township supervisors, with the prior approval of the court
23 of common pleas, may by ordinance reconvey to the original
24 owners or their successors, heirs or assigns, or otherwise
25 dispose of, the real property free and clear of any public
26 right.

27 Section 2. Section 1504 of the act, amended June 23, 2006
28 (P.L.203, No.49), is amended to read:

29 Section 1504. Personal Property.--(a) No personal property
30 of the township shall be sold or disposed of without the

1 approval of the board of supervisors. No personal property owned
2 by the township, the estimated fair market value of which is one
3 thousand dollars (\$1,000) or more, shall be sold except to the
4 highest bidder after due notice by advertisement for bids or for
5 public auction in one newspaper of general circulation in the
6 township. The advertisement shall be published once not less
7 than ten days before the date set for the opening of bids or
8 public auction, and the date for opening bids or public auction
9 shall be announced in the advertisement. The advertisement for
10 electronic auction sales authorized in subsection (d) shall
11 include the Internet address or means of accessing the
12 electronic auction and the date, time and duration of the
13 electronic auction. If after attempting twice to receive bids or
14 if at a public auction no bid was received, the board of
15 supervisors may by resolution adopt a procedure by which the
16 personal property may be sold without further action of the
17 board of supervisors. A procedure adopted pursuant to this
18 authorization shall be subject to and shall conform with the
19 requirements of any law governing the sale of property by
20 municipal corporations generally when no bids have been
21 received. The award of contracts shall be made only by public
22 announcement at a regular or special meeting of the board of
23 supervisors or at the public auction. Except as provided in
24 subsection (d), all bids shall be accepted on the condition that
25 payment of the purchase price in full is made immediately upon
26 acceptance of the successful bid. The board of supervisors may
27 reject any bids received if the bids are believed to be less
28 than the fair market value of the property.

29 (b) With respect to personal property, either individual
30 items or lots of items, the fair market value of which is

1 estimated to be less than one thousand dollars (\$1,000), the
2 board of supervisors shall by resolution adopt a procedure by
3 which the property may be sold without further action by the
4 board of supervisors. The board of supervisors may arrange for
5 the sale of the item or items at public auction.

6 (c) The bidding and advertising requirements of this section
7 do not apply to the following transactions:

8 (1) If personal property of the township is being traded in
9 or exchanged for other personal property.

10 (2) The sale or lease of personal property to any municipal
11 corporation, the Federal Government, the Commonwealth or any
12 institution district, school district, municipality authority,
13 county, public utility, volunteer fire company, nonprofit
14 corporation engaged in community industrial development,
15 volunteer ambulance service or volunteer rescue squad located
16 within the township, nonprofit corporation organized as a public
17 library, nonprofit medical service corporation, nonprofit
18 housing corporation, nonprofit organizations providing community
19 service or development activities or nonprofit corporation
20 established for the preservation of historical, architectural or
21 aesthetical sites or artifacts[.] or a council of government,
22 consortium, cooperative or other similar entity created pursuant
23 to 53 Pa.C.S. Ch. 23 Subch. A (relating to intergovernmental
24 cooperation).

25 (d) A "public auction" shall include an online or electronic
26 auction sale. During an electronic auction sale, bids shall be
27 accepted electronically at the time and in the manner designated
28 in the advertisement. During the electronic auction, each bidder
29 shall have the capability to view the bidder's bid rank or the
30 high bid price. Bidders may increase their bid prices during the

1 electronic auction. The record of the electronic auction shall
2 be accessible for public inspection. The purchase price shall be
3 paid by the high bidder immediately or at a reasonable time
4 after the conclusion of the electronic auction as determined by
5 the township. In the event that shipping costs are incurred,
6 they shall be paid by the high bidder.

7 (e) A township that has complied with the advertising
8 requirements of subsection (a) may provide additional public
9 notice of the sale by bids or public auction in any manner
10 deemed appropriate by the township.

11 Section 3. Section 3102(h) of the act, amended December 18,
12 1996 (P.L.1142, No.172) and October 11, 2000 (P.L.535, No.70),
13 is amended to read:

14 Section 3102. Letting Contracts.--* * *

15 (h) The contracts or purchases made by the board of
16 supervisors involving payments in excess of the required
17 advertising amount, which do not require advertising, bidding or
18 price quotations are as follows:

19 (1) Those made for emergency, or routine maintenance,
20 repairs or replacements for water, electric light and other
21 public works of the township if they do not constitute new
22 additions, extensions or enlargements of existing facilities and
23 equipment.

24 (2) Those made for improvements, repairs or maintenance of
25 any kind made or provided by any township through its own
26 employes. All contracts or purchases of materials used for
27 improvement, maintenance or construction in excess of four
28 thousand dollars (\$4,000) but less than the required advertising
29 amount are subject to the provisions contained in subsection
30 (b), and those contracts or purchases in excess of the required

1 advertising amount are subject to the advertising requirements
2 contained in subsection (a).

3 (3) Those involving any policies of insurance or surety
4 company bonds, those made for public utility service, those made
5 for electricity, natural gas or telecommunications service
6 either directly or with an association authorized under Article
7 XIV in which the township is a member and those made with
8 another municipal corporation, county, school district or
9 municipality authority, a council of government, consortium,
10 cooperative or other similar entity created pursuant to 53
11 Pa.C.S. Ch. 23 Subch. A (relating to intergovernmental
12 cooperation) or Federal or State Government, including the sale,
13 leasing or loan of any supplies or materials by the Federal or
14 State Government or their agencies.

15 (4) Those involving personal or professional services.

16 (5) Those made for materials and supplies or equipment
17 rental under emergency conditions under 35 Pa.C.S. Pt. V
18 (relating to emergency management services).

19 (6) Those contracts involving equipment rental with
20 operators if more than fifty percent of the total labor
21 personnel hours required for the completion of the contract is
22 supplied by the township through its own employees.

23 (7) Those contracts for the purchase of repair parts or
24 materials for use in existing township equipment or facilities
25 if the item or material to be purchased is the sole item of its
26 kind on the market or is manufactured as a replacement for the
27 original item or equipment being repaired.

28 (8) Those for used equipment, articles, apparatus,
29 appliances, vehicles or parts thereof being purchased from a
30 public utility.

1 (9) Those where particular types, models or pieces of
2 equipment, articles, apparatus, appliances, vehicles or parts
3 thereof which are patented and manufactured products.

4 * * *

5 Section 4. This act shall take effect in 60 days.