

## 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

---

SENATOR CORMAN, APPROPRIATIONS, RE-REPORTED AS AMENDED, DECEMBER  
5, 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 (B.1) THE BOARD OF SUPERVISORS MAY SELL REAL PROPERTY UNDER ←  
15 THE ACT OF OCTOBER 27, 1979 (P.L.241, NO.78), ENTITLED, AS  
16 AMENDED, "AN ACT AUTHORIZING POLITICAL SUBDIVISIONS,  
17 MUNICIPALITY AUTHORITIES AND TRANSPORTATION AUTHORITIES TO ENTER  
18 INTO CONTRACTS FOR THE PURCHASE OF GOODS AND THE SALE OF REAL  
19 AND PERSONAL PROPERTY WHERE NO BIDS ARE RECEIVED," IF NO BIDS  
20 ARE RECEIVED ON AN ITEM AFTER PROPER NOTICES.

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

- 24 (1) A municipal corporation.
- 25 (2) The Federal Government.
- 26 (3) The Commonwealth.
- 27 (4) An institution district.
- 28 (5) A school district.
- 29 (6) A municipality authority.
- 30 (7) A county.

1 (8) A public utility.

2 (9) A volunteer fire company.

3 (10) A nonprofit corporation engaged in community  
4 industrial, commercial or affordable housing development.

5 (11) A volunteer ambulance service or volunteer rescue squad  
6 located within the township.

7 (12) A nonprofit corporation organized as a public library.

8 (13) A nonprofit medical service corporation.

9 (14) A nonprofit housing corporation.

10 (15) A nonprofit organization providing community service or  
11 development activities.

12 (16) A nonprofit corporation established for the  
13 preservation of historical, architectural or aesthetic sites or  
14 artifacts.

15 (17) A nonprofit association or nonprofit corporation  
16 organized to acquire and maintain real property for the  
17 preservation, conservation and stewardship of open space.

18 ~~Such conveyances or leases shall be at the sole discretion of~~ ←  
19 ~~the township.~~

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

23 SUCH CONVEYANCES OR LEASES SHALL BE AT THE SOLE DISCRETION OF ←  
24 THE TOWNSHIP.

25 (d) When real property is sold to a nonprofit corporation  
26 organized as a public library or to a nonprofit medical service  
27 corporation, nonprofit housing corporation, volunteer fire  
28 company, volunteer ambulance service [or], volunteer rescue  
29 squad[,] or a council of government, consortium, cooperative or  
30 other similar entity created pursuant to 53 Pa.C.S. Ch. 23

1 Subch. A involving one or more of the entities listed in this  
2 subsection, the board of supervisors may elect to accept any  
3 nominal consideration for the property as it believes  
4 appropriate. Real property sold under this subsection is subject  
5 to the condition that when the property is not used for the  
6 purposes of the corporation or volunteer fire company, the  
7 property reverts to the township.

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

24 (f) When real property has been dedicated, deeded or devised  
25 to a township to be used for a designated purpose and the real  
26 property is accepted and used for that purpose, or the real  
27 property is not used for the purpose designated for a period of  
28 ten years or more, and the township supervisors determine that  
29 it is not possible or not desirable for the best interest of the  
30 township to use the real property for the purpose designated,

1 the township supervisors, with the prior approval of the court  
2 of common pleas, may by ordinance reconvey to the original  
3 owners or their successors, heirs or assigns, or otherwise  
4 dispose of, the real property free and clear of any public  
5 right.

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

8 Section 1504. Personal Property.--(a) No personal property  
9 of the township shall be sold or disposed of without the  
10 approval of the board of supervisors. No personal property owned  
11 by the township, the estimated fair market value of which is one  
12 thousand dollars (\$1,000) or more, shall be sold except to the  
13 highest bidder after due notice by advertisement for bids or for  
14 public auction in one newspaper of general circulation in the  
15 township. The advertisement shall be published once not less  
16 than ten days before the date set for the opening of bids or  
17 public auction, and the date for opening bids or public auction  
18 shall be announced in the advertisement. The advertisement for  
19 electronic auction sales authorized in subsection (d) shall  
20 include the Internet address or means of accessing the  
21 electronic auction and the date, time and duration of the  
22 electronic auction. If after attempting twice to receive bids or  
23 if at a public auction no bid was received, the board of  
24 supervisors may by resolution adopt a procedure by which the  
25 personal property may be sold without further action of the  
26 board of supervisors. A procedure adopted pursuant to this  
27 authorization shall be subject to and shall conform with the  
28 requirements of any law governing the sale of property by  
29 municipal corporations generally when no bids have been  
30 received. The award of contracts shall be made only by public

1 announcement at a regular or special meeting of the board of  
2 supervisors or at the public auction. Except as provided in  
3 subsection (d), all bids shall be accepted on the condition that  
4 payment of the purchase price in full is made immediately upon  
5 acceptance of the successful bid. The board of supervisors may  
6 reject any bids received if the bids are believed to be less  
7 than the fair market value of the property.

8 (b) With respect to personal property, either individual  
9 items or lots of items, the fair market value of which is  
10 estimated to be less than one thousand dollars (\$1,000), the  
11 board of supervisors shall by resolution adopt a procedure by  
12 which the property may be sold without further action by the  
13 board of supervisors. The board of supervisors may arrange for  
14 the sale of the item or items at public auction.

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

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

19 [(2) The sale or lease of personal property to any municipal ←  
20 corporation, the Federal Government, the Commonwealth or any  
21 institution district, school district, municipality authority,  
22 county, public utility, volunteer fire company, nonprofit  
23 corporation engaged in community industrial development,  
24 volunteer ambulance service or volunteer rescue squad located  
25 within the township, nonprofit corporation organized as a public  
26 library, nonprofit medical service corporation, nonprofit  
27 housing corporation, nonprofit organizations providing community  
28 service or development activities or nonprofit corporation  
29 established for the preservation of historical, architectural or  
30 ~~aesthetical sites or artifacts.] or a council of government, ←~~

1 ~~consortium, cooperative or other similar entity created pursuant~~  
2 ~~to 53 Pa.C.S. Ch. 23 Subch. A (relating to intergovernmental~~  
3 ~~cooperation).~~

4 (2) THE SALE OR LEASE OF PERSONAL PROPERTY BY THE TOWNSHIP ←  
5 TO ANY OF THE FOLLOWING:

6 (I) A MUNICIPAL CORPORATION.

7 (II) THE FEDERAL GOVERNMENT.

8 (III) THE COMMONWEALTH.

9 (IV) AN INSTITUTION DISTRICT.

10 (V) A SCHOOL DISTRICT.

11 (VI) A MUNICIPALITY AUTHORITY.

12 (VII) A COUNTY.

13 (VIII) A PUBLIC UTILITY.

14 (IX) A VOLUNTEER FIRE COMPANY.

15 (X) A NONPROFIT CORPORATION ENGAGED IN COMMUNITY INDUSTRIAL,  
16 COMMERCIAL OR AFFORDABLE HOUSING DEVELOPMENT.

17 (XI) A VOLUNTEER AMBULANCE SERVICE OR VOLUNTEER RESCUE SQUAD  
18 LOCATED WITHIN THE TOWNSHIP.

19 (XII) A NONPROFIT CORPORATION ORGANIZED AS A PUBLIC LIBRARY.

20 (XIII) A NONPROFIT MEDICAL SERVICE CORPORATION.

21 (XIV) A NONPROFIT HOUSING CORPORATION.

22 (XV) A NONPROFIT ORGANIZATION PROVIDING COMMUNITY SERVICE OR  
23 DEVELOPMENT ACTIVITIES.

24 (XVI) A NONPROFIT CORPORATION ESTABLISHED FOR THE  
25 PRESERVATION OF HISTORICAL ARCHITECTURAL OR AESTHETICAL SITES OR  
26 ARTIFACTS.

27 (XVII) A COUNCIL OF GOVERNMENT, CONSORTIUM, COOPERATIVE OR  
28 OTHER SIMILAR ENTITY CREATED PURSUANT TO 53 PA.C.S. CH. 23  
29 SUBCH. A (RELATING TO INTERGOVERNMENTAL COOPERATION).

30 (d) A "public auction" shall include an online or electronic

1 auction sale. During an electronic auction sale, bids shall be  
2 accepted electronically at the time and in the manner designated  
3 in the advertisement. During the electronic auction, each bidder  
4 shall have the capability to view the bidder's bid rank or the  
5 high bid price. Bidders may increase their bid prices during the  
6 electronic auction. The record of the electronic auction shall  
7 be accessible for public inspection. The purchase price shall be  
8 paid by the high bidder immediately or at a reasonable time  
9 after the conclusion of the electronic auction as determined by  
10 the township. In the event that shipping costs are incurred,  
11 they shall be paid by the high bidder.

12 (e) A township that has complied with the advertising  
13 requirements of subsection (a) may provide additional public  
14 notice of the sale by bids or public auction in any manner  
15 deemed appropriate by the township.

16 Section 3. Section 3102(h) of the act, amended ~~December 18,~~ ←  
17 ~~1996 (P.L.1142, No.172) and October 11, 2000 (P.L.535, No.70)~~  
18 NOVEMBER 3, 2011 (P.L.341, NO.84), is amended to read: ←

19 Section 3102. Letting Contracts.--\* \* \*

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

24 (1) Those made for emergency, or routine maintenance,  
25 repairs or replacements for water, electric light and other  
26 public works of the township if they do not constitute new  
27 additions, extensions or enlargements of existing facilities and  
28 equipment.

29 ~~(2) Those made for improvements, repairs or maintenance of~~ ←  
30 ~~any kind made or provided by any township through its own~~

1 ~~employees. All contracts or purchases of materials used for~~  
2 ~~improvement, maintenance or construction in excess of four~~  
3 ~~thousand dollars (\$4,000) but less than the required advertising~~  
4 ~~amount are subject to the provisions contained in subsection~~  
5 ~~(b), and those contracts or purchases in excess of the required~~  
6 ~~advertising amount are subject to the advertising requirements~~  
7 ~~contained in subsection (a).~~

8 (2) THOSE MADE FOR IMPROVEMENTS, REPAIRS OR MAINTENANCE OF ←  
9 ANY KIND MADE OR PROVIDED BY ANY TOWNSHIP THROUGH ITS OWN  
10 EMPLOYES. ALL CONTRACTS OR PURCHASES OF MATERIALS USED FOR  
11 IMPROVEMENT, MAINTENANCE OR CONSTRUCTION ARE SUBJECT TO THE  
12 PROVISIONS CONTAINED IN SUBSECTIONS (A) AND (B).

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

25 (4) Those involving personal or professional services.

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

29 (6) Those contracts involving equipment rental with  
30 operators if more than fifty percent of the total labor

1 personnel hours required for the completion of the contract is  
2 supplied by the township through its own employes.

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

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

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

14 \* \* \*

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