

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1023 Session of
2024

INTRODUCED BY COLEMAN AND ROTHMAN, JANUARY 2, 2024

REFERRED TO STATE GOVERNMENT, JANUARY 2, 2024

AN ACT

1 Amending the act of April 9, 1929 (P.L.177, No.175), entitled
2 "An act providing for and reorganizing the conduct of the
3 executive and administrative work of the Commonwealth by the
4 Executive Department thereof and the administrative
5 departments, boards, commissions, and officers thereof,
6 including the boards of trustees of State Normal Schools, or
7 Teachers Colleges; abolishing, creating, reorganizing or
8 authorizing the reorganization of certain administrative
9 departments, boards, and commissions; defining the powers and
10 duties of the Governor and other executive and administrative
11 officers, and of the several administrative departments,
12 boards, commissions, and officers; fixing the salaries of the
13 Governor, Lieutenant Governor, and certain other executive
14 and administrative officers; providing for the appointment of
15 certain administrative officers, and of all deputies and
16 other assistants and employes in certain departments, boards,
17 and commissions; providing for judicial administration; and
18 prescribing the manner in which the number and compensation
19 of the deputies and all other assistants and employes of
20 certain departments, boards and commissions shall be
21 determined," in disposition of Commonwealth surplus land,
22 further providing for definitions, for annual property
23 survey, for property disposition and for conditions upon
24 conveyance; and making an editorial change.

25 The General Assembly of the Commonwealth of Pennsylvania
26 hereby enacts as follows:

27 Section 1. Article XXIV-A heading of the act of April 9,
28 1929 (P.L.177, No.175), known as The Administrative Code of
29 1929, is amended to read:

ARTICLE XXIV-A

DISPOSITION OF COMMONWEALTH [SURPLUS] LAND

Section 2. The definition of "surplus property" in section 2401-A of the act is amended to read:

Section 2401-A. Limited Definitions.--The following words and phrases when used in this article shall have, unless the context clearly indicates otherwise, the meanings given to them in this section:

* * *

"Surplus property." Any buildings, land or other real estate owned by the Commonwealth that under section 2402-A(a) has been deemed surplus to the needs of the administering agency which has current use of the property. The definition of and the designation of surplus property shall not apply to any lands designated as State parks or State forests or any lands acquired by the Pennsylvania Fish and Boat Commission or the Pennsylvania Game Commission.

Section 3. Sections 2402-A(c), 2403-A and 2405-A of the act are amended to read:

Section 2402-A. Annual Property Survey.--* * *

(c) For all [real property identified as surplus by an agency] surplus property, the department shall determine whether any other agencies have an appropriate use for the property. If it is desirable and appropriate to transfer surplus property to another agency [property that has been deemed surplus by the administering agency currently using the property], the department shall prepare a plan for transfer of the surplus property. Upon approval of the transfer plan by the General Counsel and the Secretary of Budget and Administration, use of the surplus property shall be transferred to the agency that can

1 make the best use of the surplus property.

2 Section 2403-A. Surplus Property Disposition Plan; and
3 Commonwealth Land Disposition.--(a) The department shall
4 annually develop a plan for the orderly disposition of all [real
5 property deemed surplus by the agency currently in possession of
6 the property, which property is not suitable for use by another
7 agency] surplus property.

8 (b) The plan shall consider the following factors in
9 proposing the manner and schedule for property disposition:

10 (1) Whether the property should be leased, transferred in
11 fee simple, or transferred with a restriction as to use, right
12 of reversion, or other special deed provisions.

13 (2) Whether the land should be retained in agricultural use
14 or as open space for recreation or conservation. A determination
15 whether land should be preserved as open space or in
16 agricultural use shall be made in consultation with the
17 Department of Agriculture, the Department of Conservation and
18 Natural Resources, the Department of Environmental [Resources]
19 Protection and the Department of Community [Affairs] and
20 Economic Development.

21 (3) Likely cost savings and expenses to the Commonwealth
22 arising from the proposed property disposition.

23 (4) The needs of local governments, charitable institutions,
24 and local volunteer fire and rescue squads.

25 (5) The likely revenue to be generated by the sale of the
26 property and the needs of the Commonwealth for those revenues.

27 (c) The plan for the disposition of surplus property shall,
28 for each parcel, identify the proposed manner of disposition,
29 when the property will be disposed of, likely revenues and
30 costs, the assessed market value of the property, and the

1 Commonwealth's acquisition cost for the property.

2 (d) Any Commonwealth lands acquired by condemnation which is
3 later determined to be surplus land shall be disposed pursuant
4 to and consistent with the provisions of section 2003(e) and the
5 provisions of the act of June 22, 1964 (Sp.Sess., P.L.84, No.6),
6 known as the "Eminent Domain Code."

7 (e) The department may only sell Commonwealth lands, other
8 than surplus property, upon an act of the General Assembly and
9 in accordance with the conditions specified in section 2405-
10 A(b).

11 Section 2405-A. Conditions Upon Conveyances.--(a) Any
12 proposed disposition of surplus property shall be subject to the
13 following conditions and limitations:

14 (1) The department may sell real estate only to [an
15 individual, an organization, a firm or corporation,] a political
16 subdivision of the Commonwealth, or to the Government of the
17 United States or a branch or agency thereof.

18 (2) Following approval of the property disposition plan,
19 information regarding the availability and sale of each parcel
20 of surplus property shall be provided through the publication of
21 legal notice in the Pennsylvania Bulletin and such State
22 newspapers as the department shall direct.

23 (3) The remuneration for a conveyance of surplus property
24 shall be based on fair consideration. Fair consideration
25 requires either the payment of the current fair market value of
26 the property or the demonstration of equivalent or greater
27 return to the Commonwealth within five years due to the proposed
28 use of the property by the entity receiving the conveyance.

29 (4) After appropriate public notice, the sale of declared
30 surplus property by the department shall be open to public

1 review and inspection. Acceptance of an offer shall be subject
2 to a minimum price requirement as established by the department,
3 which shall not be less than the fair market value. Declared
4 surplus property shall be sold by the department through either
5 a competitive sealed bidding process in which prospective buyers
6 submit sealed offers through the mail or at an auction conducted
7 by an auctioneer holding a license under the provisions of the
8 act of December 22, 1983 (P.L.327, No.85), known as the
9 "Auctioneer and Auction Licensing Act." The use of either method
10 of sale shall be at the department's discretion. Except as
11 provided in clause (3), sale of the declared surplus property
12 shall be to the highest bidder, provided that no offer may be
13 accepted which is below the fair market value, established
14 through independent appraisal.

15 (5) The disposition of surplus property shall be made upon
16 such terms and conditions of sale as the department may
17 prescribe. The sale of such real estate may be in the form of a
18 lump sum purchase, installment purchase or lease purchase and
19 may include use restrictions and reverter clauses. The term and
20 conditions of sale and the form of purchase shall reflect
21 current market conditions, shall afford maximum protection of
22 Commonwealth assets and shall prescribe procedures to be
23 utilized in the event of default. In the case of the sale of
24 authority properties, the sale of such property shall be in
25 accordance to the applicable bond indentures.

26 (6) The deed of conveyance shall expressly reserve all oil,
27 gas and mineral rights to the Commonwealth.

28 (b) Any proposed disposition of real property of the
29 Commonwealth, other than surplus property, shall be subject to
30 the following conditions and limitations:

1 (1) The department may sell real estate only to a political
2 subdivision of the Commonwealth, or to the Government of the
3 United States or a branch or agency thereof.

4 (2) Following enactment of an act of the General Assembly
5 authorizing the conveyance of the real property, information
6 regarding the availability and sale of each parcel shall be
7 provided through the publication of legal notice in the
8 Pennsylvania Bulletin and such State newspapers as the
9 department shall direct.

10 (3) The remuneration for a conveyance of surplus property
11 shall be based on fair consideration. Fair consideration
12 requires either the payment of the current fair market value of
13 the property or the demonstration of equivalent or greater
14 return to the Commonwealth within five years due to the proposed
15 use of the property by the entity receiving the conveyance.

16 (4) After appropriate public notice, the sale of the real
17 property by the department shall be open to public review and
18 inspection. Acceptance of an offer shall be subject to a minimum
19 price requirement as established by the department, which shall
20 not be less than the fair market value. The real property shall
21 be sold by the department through either a competitive sealed
22 bidding process in which prospective buyers submit sealed offers
23 through the mail or at an auction conducted by an auctioneer
24 holding a license under the provisions of the "Auctioneer and
25 Auction Licensing Act." The use of either method of sale shall
26 be at the department's discretion. Except as provided in clause
27 (3), sale of the real property shall be to the highest bidder,
28 provided that no offer may be accepted which is below the fair
29 market value, established through independent appraisal.

30 (5) The disposition of the real property shall be made upon

1 such terms and conditions of sale as the department may
2 prescribe. The sale of the real property may be in the form of a
3 lump sum purchase, installment purchase or lease purchase and
4 may include use restrictions and reverter clauses. The term and
5 conditions of sale and the form of purchase shall reflect
6 current market conditions, shall afford maximum protection of
7 Commonwealth assets and shall prescribe procedures to be
8 utilized in the event of default. In the case of the sale of
9 authority real property, the sale shall be in accordance to the
10 applicable bond indentures.

11 (6) The deed of conveyance shall expressly reserve all oil,
12 gas and mineral rights to the Commonwealth.

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