

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1537

Session of
1981

INTRODUCED BY NAHILL, NOYE, MAIALE, J. L. WRIGHT, DAWIDA, TELEK
AND ITKIN, JUNE 10, 1981

AS REPORTED FROM COMMITTEE ON LOCAL GOVERNMENT, HOUSE OF
REPRESENTATIVES, AS AMENDED, NOVEMBER 10, 1981

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 the ~~investment of funds by~~ <—
5 ~~the treasurer, and permitting savings and loan associations~~
6 ~~to be designated as depositories.~~ REMOVAL AND IMPOSITIONS OF <—
7 LIMITATIONS ON CERTAIN DEPOSITS AND FURTHER PROVIDING FOR
8 AUTHORIZING INVESTMENTS.

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

11 Section 1. ~~Section 803 and the first paragraph of section~~ <—
12 ~~808,~~ CLAUSE (III) OF SUBSECTION (D) OF SECTION 1705.1, act of <—
13 June 24, 1931 (P.L.1206, No.331), known as "The First Class
14 Township Code," reenacted and amended May 27, 1949 (P.L.1955,
15 No.569), ~~are~~ AND AMENDED JULY 3, 1980 (P.L.374, NO.94), IS <—
16 amended and ~~a section is~~ CLAUSES ARE added to read: <—

17 ~~Section 803. Accounts to Be Kept by Treasurer. Every~~ <—
18 ~~township treasurer shall take charge of all township moneys from~~
19 ~~all sources, and promptly deposit the same in a bank, banking~~
20 ~~institution, [or] trust company or savings and loan association~~

~~in the name of the township, and keep distinct accounts of all sums received from taxes and other sources, which accounts shall at all times be open to the inspection of the commissioners and township auditor or controller. He shall annually state his accounts, and lay the same, together with the books and the vouchers, before the township auditors or controller for audit.~~

~~Section 808. Depositories of Township Funds; Selection; Bonds. The board of commissioners shall, from time to time, designate, by resolution, a depository or depositories for township funds. Such depository or depositories shall be banks, banking institutions, [or] trust companies or savings and loan associations, which are subject to national or State supervision, and the accounts of which are insured by a corporation organized under the Laws of the Commonwealth, or by an instrumentality of the Federal Government, located in the Commonwealth.~~

~~* * *~~

~~Section 809. Investment of Moneys. The treasurer may, from time to time pursuant to ordinance or resolution adopted by the board invest and reinvest such moneys of any fund as shall be accumulated beyond the ordinary needs of the various funds and which are not authorized by law to be invested by any other board or commission or township officer by purchasing certificates of deposit from commercial banks domiciled in this Commonwealth up to the level equal to twenty per centum of such bank's total capital and surplus. Certificates of deposit may likewise be purchased from savings and loan associations domiciled in the Commonwealth up to a level equal to twenty per centum of such association's assets minus liabilities. Such certificates of deposit need not be collateralized. In applying~~

1 ~~the proceeding limitation on investments in certificates of~~
2 ~~deposit, the treasurer must include the similar investments of~~
3 ~~the township employees' retirement fund. The treasurer shall not~~
4 ~~at anytime have invested in uncollateralized certificates of~~
5 ~~deposit more than the total amount authorized by ordinance or~~
6 ~~resolution of the board. The treasurer shall purchase~~
7 ~~certificates of deposit under this section pursuant to~~
8 ~~procedures established by ordinance or resolution by the board~~
9 ~~and shall take into account the differences, if any, in~~
10 ~~competitive bids, the financial strength of each of the bidders~~
11 ~~and the services provided to or at the request of the township~~
12 ~~and any of its departments, agencies, boards, commissions or~~
13 ~~bureaus by each of the bidders.~~

14 ~~Section 2. This act shall take effect in 60 days.~~

15 SECTION 1705.1. INVESTMENT OF TOWNSHIP FUNDS.--* * *

<—

16 (D) AUTHORIZED TYPES OF INVESTMENTS FOR TOWNSHIP FUNDS SHALL
17 BE:

18 * * *

19 (III) DEPOSITS IN SAVINGS ACCOUNTS OR TIME DEPOSITS, OTHER
20 THAN CERTIFICATES OF DEPOSIT, OR SHARE ACCOUNTS OF INSTITUTIONS
21 ORGANIZED AND EXISTING UNDER THE LAWS OF THE COMMONWEALTH AND
22 INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR THE
23 FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION OR THE NATIONAL
24 CREDIT UNION SHARE INSURANCE FUND OR THE PENNSYLVANIA DEPOSIT
25 INSURANCE CORPORATION OR THE PENNSYLVANIA SAVINGS ASSOCIATION
26 INSURANCE CORPORATION TO THE EXTENT THAT SUCH ACCOUNTS ARE SO
27 INSURED, AND, FOR ANY AMOUNTS ABOVE THE INSURED MAXIMUM,
28 PROVIDED THAT APPROVED COLLATERAL AS PROVIDED BY LAW THEREFORE
29 SHALL BE PLEDGED BY THE DEPOSITORY.

30 * * *

1 (VI) CERTIFICATES OF DEPOSIT PURCHASED FROM INSTITUTIONS
2 ORGANIZED AND EXISTING UNDER THE LAWS OF THE COMMONWEALTH AND
3 INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR THE
4 FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION OR THE NATIONAL
5 CREDIT UNION SHARE INSURANCE FUND OR THE PENNSYLVANIA DEPOSIT
6 INSURANCE CORPORATION OR THE PENNSYLVANIA SAVINGS ASSOCIATION
7 INSURANCE CORPORATION TO THE EXTENT THAT SUCH ACCOUNTS ARE SO
8 INSURED, HOWEVER, FOR ANY AMOUNTS ABOVE THE INSURED MAXIMUM,
9 SUCH CERTIFICATES OF DEPOSIT NEED NOT BE COLLATERALIZED.
10 CERTIFICATES OF DEPOSIT PURCHASED FROM COMMERCIAL BANKS SHALL BE
11 LIMITED TO AN AMOUNT EQUAL TO TWENTY PERCENT OF A BANK'S TOTAL
12 CAPITAL AND SURPLUS. CERTIFICATES OF DEPOSIT PURCHASED FROM
13 SAVINGS AND LOAN ASSOCIATIONS OR SAVINGS BANKS SHALL BE LIMITED
14 TO AN AMOUNT EQUAL TO TWENTY PERCENT OF AN INSTITUTIONS ASSETS
15 MINUS LIABILITIES.
16 (VII) ANY INVESTMENT AUTHORIZED BY 20 PA.C.S. CH. 73
17 (RELATING TO FIDUCIARIES INVESTMENTS) SHALL BE AN AUTHORIZED
18 INVESTMENT FOR ANY PENSION OR RETIREMENT FUND.

19 * * *

20 SECTION 2. THE AMENDMENTS AFFECTING CLAUSES (III) AND (VI)
21 OF SUBSECTION (D) OF SECTION 1705.1 SHALL TAKE EFFECT IN 60
22 DAYS. THE AMENDMENT AFFECTING CLAUSE (VII) OF SUBSECTION (D) OF
23 SECTION 1705.1 SHALL TAKE EFFECT IMMEDIATELY AND BE RETROACTIVE
24 TO SEPTEMBER 3, 1980.