
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

SENATOR JUBELIRER, RULES AND EXECUTIVE NOMINATIONS, IN SENATE,
RE-REPORTED AS AMENDED, NOVEMBER 17, 1982

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 removal and impositions
5 of limitations on certain deposits and further providing for
6 authorizing investments.

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

9 Section 1. Clause (iii) of subsection (d) of section 1705.1,
10 act of June 24, 1931 (P.L.1206, No.331), known as "The First
11 Class Township Code," reenacted and amended May 27, 1949
12 (P.L.1955, No.569) and amended July 3, 1980 (P.L.374, No.94), is
13 amended and clauses are added to read:

14 Section 1705.1. Investment of Township Funds.--* * *

15 (d) Authorized types of investments for township funds shall
16 be:

17 * * *

18 (iii) Deposits in savings accounts or time deposits, other

1 than certificates of deposit, or share accounts of institutions
2 ~~having their principal place of business in 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, and, for any amounts above the insured maximum,
9 provided that approved collateral as provided by law therefore
10 shall be pledged by the depository.

11 * * *

12 (vi) Certificates of deposit purchased from institutions
13 ~~having their principal place of business in the Commonwealth and~~ <—
14 insured by the Federal Deposit Insurance Corporation or the
15 Federal Savings and Loan Insurance Corporation or the National
16 Credit Union Share Insurance Fund or the Pennsylvania Deposit
17 Insurance Corporation or the Pennsylvania Savings Association
18 Insurance Corporation to the extent that such accounts are so
19 insured, however, for any amounts above the insured maximum,
20 such certificates of deposit need not be collateralized. SHALL <—
21 BE COLLATERALIZED BY A PLEDGE OR ASSIGNMENT OF ASSETS OF THE
22 INSTITUTION, AND SUCH COLLATERAL MAY INCLUDE LOANS (INCLUDING
23 INTEREST IN POOLS OF LOANS) SECURED BY FIRST MORTGAGE LIENS ON
24 REAL PROPERTY. Certificates of deposit purchased from commercial
25 banks shall be limited to an amount equal to twenty percent of a
26 bank's total capital and surplus. Certificates of deposit
27 purchased from savings and loan associations or savings banks
28 shall be limited to an amount equal to twenty percent of an
29 institution's assets minus liabilities.

30 (vii) Any investment authorized by 20 Pa.C.S. Ch. 73

1 (relating to fiduciaries investments) shall be an authorized
2 investment for any pension or retirement fund.

3 * * *

4 Section 2. The amendments affecting clauses (iii) and (vi)
5 of subsection (d) of section 1705.1 shall take effect in 60
6 days. The amendment affecting clause (vii) of subsection (d) of
7 section 1705.1 shall take effect immediately and be retroactive
8 to September 3, 1980.