

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 AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
DECEMBER 7, 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 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
19 than certificates of deposit, or share accounts of institutions

~~organized and existing under the laws of~~ HAVING THEIR PRINCIPAL
PLACE OF BUSINESS IN the Commonwealth and insured by the Federal
Deposit Insurance Corporation or the Federal Savings and Loan
Insurance Corporation or the National Credit Union Share
Insurance Fund or the Pennsylvania Deposit Insurance Corporation
or the Pennsylvania Savings Association Insurance Corporation to
the extent that such accounts are so insured, and, for any
amounts above the insured maximum, provided that approved
collateral as provided by law therefore shall be pledged by the
depository.

* * *

(vi) Certificates of deposit purchased from institutions
~~organized and existing under the laws of~~ HAVING THEIR PRINCIPAL
PLACE OF BUSINESS IN the Commonwealth and insured by the Federal
Deposit Insurance Corporation or the Federal Savings and Loan
Insurance Corporation or the National Credit Union Share
Insurance Fund or the Pennsylvania Deposit Insurance Corporation
or the Pennsylvania Savings Association Insurance Corporation to
the extent that such accounts are so insured, however, for any
amounts above the insured maximum, such certificates of deposit
need not be collateralized. Certificates of deposit purchased
from commercial banks shall be limited to an amount equal to
twenty percent of a bank's total capital and surplus.
Certificates of deposit purchased from savings and loan
associations or savings banks shall be limited to an amount
equal to twenty percent of an institution's assets minus
liabilities.

(vii) Any investment authorized by 20 Pa.C.S. Ch. 73
(relating to fiduciaries investments) shall be an authorized
investment for any pension or retirement fund.

1 * * *

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