

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2631 Session of
2010

INTRODUCED BY SANTARSIERO, BRADFORD, BRIGGS, CALTAGIRONE, DALEY,
DONATUCCI, GEORGE, HARHAI, JOSEPHS, W. KELLER, KORTZ,
O'NEILL, PAYTON AND SIPTROTH, JUNE 30, 2010

REFERRED TO COMMITTEE ON COMMERCE, JUNE 30, 2010

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled,
2 as amended, "An act relating to the finances of the State
3 government; providing for the settlement, assessment,
4 collection, and lien of taxes, bonus, and all other accounts
5 due the Commonwealth, the collection and recovery of fees and
6 other money or property due or belonging to the Commonwealth,
7 or any agency thereof, including escheated property and the
8 proceeds of its sale, the custody and disbursement or other
9 disposition of funds and securities belonging to or in the
10 possession of the Commonwealth, and the settlement of claims
11 against the Commonwealth, the resettlement of accounts and
12 appeals to the courts, refunds of moneys erroneously paid to
13 the Commonwealth, auditing the accounts of the Commonwealth
14 and all agencies thereof, of all public officers collecting
15 moneys payable to the Commonwealth, or any agency thereof,
16 and all receipts of appropriations from the Commonwealth,
17 authorizing the Commonwealth to issue tax anticipation notes
18 to defray current expenses, implementing the provisions of
19 section 7(a) of Article VIII of the Constitution of
20 Pennsylvania authorizing and restricting the incurring of
21 certain debt and imposing penalties; affecting every
22 department, board, commission, and officer of the State
23 government, every political subdivision of the State, and
24 certain officers of such subdivisions, every person,
25 association, and corporation required to pay, assess, or
26 collect taxes, or to make returns or reports under the laws
27 imposing taxes for State purposes, or to pay license fees or
28 other moneys to the Commonwealth, or any agency thereof,
29 every State depository and every debtor or creditor of the
30 Commonwealth," further providing for State depositories.

31 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. Section 505(a)2 and (c) of the act of April 9,
3 1929 (P.L.343, No.176), known as The Fiscal Code, amended
4 December 14, 1967 (P.L.810, No.347), December 1, 1971 (P.L.581,
5 No.151) and July 11, 1980 (P.L.554, No.115), are amended to
6 read:

7 Section 505. State Depositories.--The Board of Finance and
8 Revenue shall have the power, and its duty shall be,

9 (a) To select and designate, as depositories for the State
10 moneys, banks, banking institutions, trust companies or savings
11 and loan associations, which are subject to national or State
12 supervision, and the accounts of which are insured by a
13 corporation organized under the Laws of the Commonwealth, or by
14 an instrumentality of the Federal Government, and each of which,

15 * * *

16 2. Shall, upon the receipt of notice of its selection as a
17 depository of State moneys, furnish a bond to secure payment of
18 deposits and interests to the Commonwealth of Pennsylvania, with
19 a proper warrant of attorney to confess judgment in favor of the
20 Commonwealth, secured by a surety company or individual sureties
21 to be approved by the board, in the amount of the deposit to be
22 made. If a corporate bond be given, no one surety company shall
23 be approved in an aggregate amount in excess of five times its
24 capital surplus, and reserve, and, whenever individual sureties
25 are presented for approval, they shall qualify in an aggregate
26 over and above their individual liabilities to three times the
27 amount of the deposit. No one person may qualify for more than
28 one-fourth of the total amount of the bond required: Provided,
29 That when any deposit of State moneys is insured with the
30 Federal Deposit Insurance Commissioner or any other corporation

1 hereafter organized by the United States for the purpose of
2 insuring deposits, such depository shall not be required to
3 furnish bond or security to cover the amount of such deposit so
4 insured: And provided further, That, in lieu of the surety bonds
5 of surety companies or of individuals as aforesaid, the deposit
6 of State moneys may be secured by the deposit with the State
7 Treasurer, with the Federal Reserve Bank of Philadelphia or
8 Pittsburgh, or with any bank or bank and trust company organized
9 under the laws of this Commonwealth or any national association
10 located in this Commonwealth which shall be approved by the
11 State Treasurer, subject to such regulations as may be
12 prescribed by the Board of Finance and Revenue or the State
13 Treasurer, or both, as the case may be, of bonds or notes of the
14 United States, or bonds or notes which the United States fully
15 guarantees both as to principal and interest, bonds of the
16 Delaware River Joint Commissions, bonds of the Pennsylvania
17 Turnpike Commission, bonds of the State Public School Building
18 Authority, bonds of The General State Authority, bonds of the
19 State Highway and Bridge Authority, bonds of the Pennsylvania
20 Housing Agency, bonds or tax anticipation notes of this
21 Commonwealth, or of any municipal subdivision, institution
22 district, or school district or county thereof, to be approved
23 by the board, in an amount measured by their actual market value
24 equal to the amount of deposit so secured and [twenty] two per
25 centum in addition thereto. Said bonds and any additions to and
26 substitutions and exchanges therefor shall be subject to proper
27 assignment, or right to sell, or power of attorney to transfer
28 the same, and said trust deposit of securities shall be
29 maintained, on request, at the amount aforesaid, in case of any
30 depreciation in the value thereof: Provided, That no bonds, or

1 other security, shall be required of State depositories for
2 State deposits to the extent, that such State deposits are
3 insured under the provisions of Section 12 B of the Federal
4 Reserve Act, approved the twenty-third day of December, one
5 thousand nine hundred and thirteen, its amendments and
6 supplements.

7 * * *

8 (c) To designate [two banks or trust companies in Dauphin
9 County, two banks or trust companies in Allegheny County, two
10 banks or trust companies in Philadelphia County, and thirteen]
11 at least eight banks or trust companies in any part of the
12 Commonwealth, to be known as active depositories, in which shall
13 be deposited a sufficient amount of the daily receipts of the
14 State Treasury to transact the current business of the
15 Commonwealth. [The board may designate nine other banks or trust
16 companies, located anywhere in the Commonwealth, to be known as
17 active depositories, and to be used for the purpose above
18 mentioned.]

19 * * *

20 Section 2. This act shall take effect in 60 days.