

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**HOUSE BILL**  
**No. 1533** Session of  
1981

INTRODUCED BY NAHILL, NOYE, MAIALE, J. L. WRIGHT, DAWIDA, TELEK  
AND ITKIN, JUNE 15, 1981

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, JUNE 15, 1981

AN ACT

1 Amending the act of May 1, 1933 (P.L.103, No.69), entitled "An  
2 act concerning townships of the second class; and 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.

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

9 Section 1. Section 532, act of May 1, 1933 (P.L.103, No.69),  
10 known as "The Second Class Township Code," reenacted and amended  
11 July 10, 1947 (P.L.1481, No.567) and amended May 20, 1949  
12 (P.L.1562, No.474), is amended to read:

13 Section 532. Duties.--The township treasurer shall receive  
14 all moneys due the township and deposit the same promptly upon  
15 receipt thereof in a bank, banking institution, [or] trust  
16 company or savings and loan association in the name of the  
17 township. He shall keep distinct and accurate accounts of all  
18 sums received from taxes and other sources, which accounts shall  
19 be open to the inspection of the supervisors and taxpayers of

1 the township. He shall pay out all moneys received by him only  
2 on orders drawn by the supervisors of the township. He shall  
3 annually state his accounts, and lay the same, together with the  
4 vouchers, before the township auditors for settlement.

5 Section 2. Section 535 of the act is amended and a section  
6 is added to read:

7 Section 535. Depositories of Township Funds.--The township  
8 supervisors may, at their annual organization meeting, or as  
9 soon thereafter as is practicable, designate, by resolution, a  
10 depository or depositories for township funds, and fix and  
11 approve the security to be furnished by any such depository:  
12 Provided, That any such funds deposited with any banking  
13 institution of this Commonwealth may be insured with the Federal  
14 Deposit Insurance Corporation, or any other corporation  
15 hereafter organized by the United States for the purpose of  
16 insuring deposits, up to the amount to which such corporation  
17 is, or may hereafter be, authorized to insure deposits, in any  
18 one name, and where so insured the supervisors shall not require  
19 such banking institution to furnish additional bond, insurance  
20 or security to cover the amount of such deposits so insured.  
21 Such designation shall be valid for a period of one year or  
22 until such time as another depository or other depositories  
23 shall be designated by similar action of the township  
24 supervisors.

25 Such depository, or depositories shall be banks, banking  
26 institutions, [or] trust companies savings and loan  
27 associations, which are subject to national or State  
28 supervision, and the accounts of which are insured by a  
29 corporation organized under the Laws of the Commonwealth, or by  
30 an instrumentality of the Federal Government, located in the

1 Commonwealth.

2 The township treasurer shall, upon the designation of such  
3 depository or depositories, immediately transfer thereto the  
4 township funds, and shall thereafter keep such deposits solely  
5 in such depository or depositories in the name of the township.

6 No township treasurer, complying with the provisions of this  
7 section, nor his surety or sureties, shall be chargeable with  
8 losses of township funds caused by the failure or negligence of  
9 such depository or depositories.

10 Section 536. Investment of Moneys.--The treasurer may, from  
11 time to time pursuant to ordinance or resolution adopted by the  
12 board invest and reinvest such moneys of any fund as shall be  
13 accumulated beyond the ordinary needs of the various funds and  
14 which are not authorized by law to be invested by any other  
15 board or commission or township officer by purchasing  
16 certificates of deposit from commercial banks domiciled in this  
17 Commonwealth up to the level equal to twenty per centum (20%) of  
18 such bank's total capital and surplus. Certificates of deposit  
19 may likewise be purchased from savings and loan associations  
20 domiciled in the Commonwealth up to a level equal to twenty per  
21 centum (20%) of such association's assets minus liabilities.  
22 Such certificates of deposit need not be collateralized. In  
23 applying the proceeding limitation on investments in  
24 certificates of deposit, the treasurer must include the similar  
25 investments of the township employees' retirement fund. The  
26 treasurer shall not at anytime have invested in uncollateralized  
27 certificates of deposit more than the total amount authorized by  
28 ordinance or resolution of the board. The treasurer shall  
29 purchase certificates of deposit under this section pursuant to  
30 procedures established by ordinance or resolution by the board

1 and shall take into account the differences, if any, in  
2 competitive bids, the financial strength of each of the bidders  
3 and the services provided to or at the request of the township  
4 and any of its departments, agencies, boards, commissions or  
5 bureaus by each of the bidders.

6       Section 3. This act shall take effect in 60 days.