

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1534

Session of
1981

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

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
DECEMBER 7, 1981

AN ACT

1 Amending the act of June 23, 1931 (P.L.932, No.317), entitled
2 "An act relating to cities of the third class; and amending,
3 revising, and consolidating the law relating thereto,"
4 further providing for the removal and the imposition of
5 limitations on certain deposits and further providing for
6 authorized investments.

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

9 Section 1. Clause (3) of subsection (d) of section 1804.1,
10 act of June 23, 1931 (P.L.932, No.317), known as "The Third
11 Class City Code," reenacted and amended June 28, 1951 (P.L.662,
12 No.164) and amended July 10, 1980 (P.L.478, No.103), is amended
13 and clauses are added to read:

14 Section 1804.1. Investment of City Funds.--* * *

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

16 (3) Deposits in savings accounts or time deposits, other
17 than certificates of deposit, or share accounts of institutions
18 organized and existing under the laws of HAVING THEIR PRINCIPAL <—
19 PLACE OF BUSINESS IN the Commonwealth and insured by the Federal

1 Deposit Insurance Corporation or the Federal Savings and Loan
2 Insurance Corporation or the National Credit Union Share
3 Insurance Fund or the Pennsylvania Deposit Insurance Corporation
4 or the Pennsylvania Savings Association Insurance Corporation to
5 the extent that such accounts are so insured, and, for any
6 amounts above the insured maximum, provided that approved
7 collateral as provided by law therefore shall be pledged by the
8 depository.

9 * * *

10 (6) Certificates of deposit purchased from institutions
11 ~~organized and existing under the laws of~~ HAVING THEIR PRINCIPAL <—
12 PLACE OF BUSINESS IN the Commonwealth and insured by the Federal
13 Deposit Insurance Corporation or the Federal Savings and Loan
14 Insurance Corporation or the National Credit Union Share
15 Insurance Fund or the Pennsylvania Deposit Insurance Corporation
16 or the Pennsylvania Savings Association Insurance Corporation to
17 the extent that such accounts are so insured, however, for any
18 amounts above the insured maximum, such certificates of deposit
19 need not be collateralized. Certificates of deposit purchased
20 from commercial banks shall be limited to an amount equal to
21 twenty per centum of a bank's total capital and surplus.
22 Certificates of deposit purchased from savings and loan
23 associations or savings banks shall be limited to an amount
24 equal to twenty per centum of an institution's assets minus
25 liabilities.

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

29 * * *

30 Section 2. The amendments affecting section 1804.1(d)(3) and

1 (6) shall take effect in 60 days. The amendment affecting
2 section 1804.1(d)(7) shall take effect immediately and shall be
3 retroactive to September 10, 1980.