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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 283

Session of  
1973

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INTRODUCED BY RAPPAPORT, PIEVSKY, LEDERER, WOJDAK,  
FRANCIS J. LYNCH, RIEGER AND JOHNSON, FEBRUARY 5, 1973

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REFERRED TO COMMITTEE ON URBAN AFFAIRS, FEBRUARY 5, 1973

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AN ACT

1 Authorizing cities of the first class to invest all funds  
2 received and deposited with the city treasurer in certain  
3 commercial paper under certain terms and conditions.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. (a) The city treasurer of any city of the first  
7 class shall have the power subject to the hereinafter stated  
8 conditions and limitations to invest and reinvest all moneys of  
9 the General Fund and other funds as shall be deposited and  
10 accumulated, beyond the ordinary needs of said funds and which  
11 are not authorized by law to be invested by any board,  
12 commission, or city officer, in commercial paper.

13 (b) As used herein commercial paper shall mean unsecured  
14 promissory notes issued at a discount from par or on an interest  
15 bearing basis by an industrial, common carrier, public utility  
16 or finance company, a real estate investment trust, a commercial  
17 bank holding company, or a corporation whose credit shall have  
18 been approved by the National Credit Office, Incorporated, New

1 York, or Standard and Poor's Corporation, New York, or their  
2 successors.

3 (c) Prior to any commitment to purchase commercial paper the  
4 city treasurer of any city of the first class shall determine:

5 (1) That said commercial paper is rated Prime 1 or Prime  
6 LOC-1 by the National Credit Office, Incorporated, or A-1 or A-2  
7 by Standard and Poor's Corporation.

8 (2) That the paper proposed to be delivered is not  
9 subordinated by any senior unsecured debt of the issuer.

10 (3) That there is no litigation pending or threatened which  
11 will affect such paper.

12 (4) That the issuer is not in default as to the payment of  
13 principal and interest upon any of its outstanding obligations.

14 (5) That the issuer was incorporated within the United  
15 States, is transacting business within the United States and has  
16 assets of one billion dollars (\$1,000,000,000) or more or is a  
17 wholly owned subsidiary of any corporation having assets of one  
18 billion dollars (\$1,000,000,000) or more.

19 Section 2. The authority provided by this act to the city  
20 treasurer of any city of the first class to invest or reinvest  
21 moneys of the General Fund and other funds in commercial paper  
22 shall be in addition to but not exclusive of other investment  
23 powers of the city treasurer as to moneys of first class cities.

24 Section 3. This act shall take effect immediately.