

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1458 Session of  
1978

INTRODUCED BY ZEMPRELLI, SCHAEFER, HANKINS, DUFFIELD, SCANLON,  
DWYER, KUSSE, ANDREWS, ROMANELLI AND LYNCH, APRIL 19, 1978

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,  
SEPTEMBER 27, 1978

AN ACT

1 ~~Amending Title 15 (Corporations and Unincorporated Associations)~~ <—  
2 ~~of the Pennsylvania Consolidated Statutes, establishing the~~  
3 ~~Pennsylvania Savings Association Insurance Corporation.~~  
4 ESTABLISHING THE PENNSYLVANIA SAVINGS ASSOCIATION INSURANCE <—  
5 CORPORATION AND PROVIDING FOR ITS POWERS AND DUTIES,  
6 EXTENDING CONTEMPT OF COURT POWERS TO DISTRICT JUSTICES,  
7 FURTHER PROVIDING FOR THE PENSION FOR DECEASED SOLDIERS'  
8 DEPENDENTS AND PROVIDING TUITION CREDITS TO CERTAIN  
9 DEPENDENTS.

10 The General Assembly of the Commonwealth of Pennsylvania  
11 hereby enacts as follows:

12 ~~Section 1. Part III of Title 15, act of November 25, 1970~~ <—  
13 ~~(P.L. 707, No. 230), known as the Pennsylvania Consolidated~~  
14 ~~Statutes, is amended by adding an article to read:~~

15 ~~PART III~~

16 ~~CORPORATIONS NOT FOR PROFIT~~

17 ~~\* \* \*~~

18 ~~ARTICLE D~~

19 ~~PENNSYLVANIA SAVINGS ASSOCIATION INSURANCE CORPORATION~~

20 ~~Sec.~~

1   ~~§151. Definitions.~~

2   ~~§152. Creation; application of General Corporation Law;~~  
3       ~~adoption, application and filing of bylaws; rules and~~  
4       ~~regulations.~~

5   ~~§153. Purposes and powers; accumulated earnings.~~

6   ~~§154. Board of directors.~~

7   ~~§155. Qualifications for membership in corporation; withdrawal.~~

8   ~~§156. Exchange of information.~~

9   ~~§157. Faith or credit of State not pledged.~~

10   ~~§158. Bylaws, rules and regulations generally.~~

11   ~~§159. Corporation or member associations not subject to~~  
12       ~~insurance laws.~~

13   ~~§160. Liability of officer or director upon contracts.~~

14   ~~§161. Perpetual life.~~

15   ~~§162. Exemption from taxation.~~

16   ~~§163. Application for membership.~~

17   ~~§164. Filing certificate of commencement of business.~~

18   ~~§165. Termination of existence.~~

19   ~~§ 8151. Definitions.~~

20       ~~The following words and phrases when used in this part shall~~  
21   ~~have, unless the context clearly indicates otherwise, the~~  
22   ~~meanings given to them in this section:~~

23       ~~"Association." Any building, savings, savings and loan or~~  
24   ~~homestead association organized under the laws of this~~  
25   ~~Commonwealth, Federal Savings and Loan Association Incorporated~~  
26   ~~pursuant to the Federal Act of June 13, 1933, known as the~~  
27   ~~"Homeowners' Loan Act of 1933," and further, each such Federal~~  
28   ~~association shall be required to have its principal offices in~~  
29   ~~this Commonwealth and 75% of its total assets invested in this~~  
30   ~~Commonwealth.~~

~~"Corporation."—The Pennsylvania Savings Association Insurance Corporation, hereby created.~~

~~"Directors."—The Board of Directors of the Pennsylvania Savings Association Insurance Corporation.~~

~~"Insured institution."—An association whose accounts are insured by the Federal Savings and Loan Insurance Corporation.~~

~~"Savings account."—Any sum of money deposited with an association in exchange for a promise to pay interest to the depositor.~~

~~§ 8152.—Creation; application of General Corporation Law; —adoption, application and filing of bylaws; rules and —regulations.~~

~~A nonstock, nonprofit corporation is hereby created, which shall be known as the Pennsylvania Savings Association Insurance Corporation and the members of which shall be certain eligible savings and loan associations of this Commonwealth. Except as otherwise provided in this act, the corporation possesses all the powers, privileges and immunities which now are or hereafter may be conferred on corporations by the general corporation law applicable to corporations organized thereunder. The board of directors may adopt and promulgate bylaws, rules and regulations which conform to the reasonable intent and purposes of this act. The rules and regulations apply to members of the corporation and to associations applying for membership therein. The bylaw, rules and regulations so adopted shall be filed with the Department of State.~~

~~§ 8153.—Purposes and powers; accumulated earnings.~~

~~(a) Purposes.—The purposes of the corporation are to promote the elasticity and flexibility of the resources of member associations, to provide for the liquidity of such~~

~~associations through a central reserve fund, and to insure the savings accounts in such associations.~~

~~(b) Powers. In furtherance of said purposes the corporation has the following powers:~~

~~(1) To provide for the liquidity of member associations through the creation of a central reserve fund for the purpose of making loans to member associations. The central reserve fund shall not be subject to payment of insurance claims against the corporation by member associations or their account holders or otherwise.~~

~~(2) To insure the savings accounts in member associations through the creation of a central insurance fund.~~

~~(3) To borrow money and otherwise incur indebtedness for any of its purposes; to issue its bonds, debentures, notes or other evidences of indebtedness, whether secured or unsecured, therefor; and to secure the same by mortgage, pledge, deed of trust, or other lien on its property, rights, and privileges of every kind and nature or any part thereof.~~

~~(4) To lend money to, and to guarantee, endorse, or act as surety on the bonds, notes, contracts, or other obligations of or otherwise assist financially, any member association; and to establish and regulate the terms and conditions with respect to any such loans or financial assistance and the charges for interest and service connected therewith;~~

~~(5) To purchase, receive, hold, lease, or otherwise acquire and to sell, convey, mortgage, lease, pledge or otherwise dispose of, upon such terms and conditions as its board of directors may deem advisable, real and personal~~

1 ~~property, together with such rights and privileges as may be~~  
2 ~~incidental and appurtenant thereto and the use thereof,~~  
3 ~~including, but not restricted to, any real or personal~~  
4 ~~property acquired by the corporation from time to time in the~~  
5 ~~satisfaction of debts or enforcement of obligations.~~

6 ~~(6) To invest any of its funds, upon proper~~  
7 ~~authorization thereof by the board of directors, in any of~~  
8 ~~the following:~~

9 ~~(i) Cash or deposits in checking or savings~~  
10 ~~accounts, or under certificates of deposit in national or~~  
11 ~~State banking institutions, to the extent that such~~  
12 ~~accounts are insured by the Federal Deposit Insurance~~  
13 ~~Corporation.~~

14 ~~(ii) Savings and loan association savings accounts~~  
15 ~~to the extent that such accounts are insured by the~~  
16 ~~Federal Savings and Loan Insurance Corporation.~~

17 ~~(iii) Interest bearing bonds, notes, certificates of~~  
18 ~~indebtedness bills, or other obligations of the United~~  
19 ~~States, any state or the District of Columbia, or of any~~  
20 ~~commission, instrumentality, agency, authority or~~  
21 ~~political subdivision thereof having legal authority to~~  
22 ~~issue the same.~~

23 ~~(iv) Interest bearing bonds, notes or other interest~~  
24 ~~bearing obligations of any corporation created or~~  
25 ~~existing under the laws of the United States, any state,~~  
26 ~~or the District of Columbia.~~

27 ~~(v) Dividend paying stocks or shares having readily~~  
28 ~~marketable values of any corporation created or existing~~  
29 ~~under the laws of the United States or of any state, may~~  
30 ~~not invest more than 10% of its total assets in such~~

1 ~~stocks, nor more than 3% of its total assets in the stock~~  
2 ~~of any one corporation.~~

3 ~~(vi) Loans secured by first mortgages or deeds of~~  
4 ~~trust on otherwise unencumbered fee simple real estate or~~  
5 ~~improved leasehold property in this Commonwealth,~~  
6 ~~provided said loans are purchased from a member~~  
7 ~~association.~~

8 ~~(vii) Ground rents in this Commonwealth.~~

9 ~~(viii) Collateral loans secured by pledge of any~~  
10 ~~security hereinabove named.~~

11 ~~(ix) Direct loans to member associations under the~~  
12 ~~terms and conditions established therefor by the board of~~  
13 ~~directors.~~

14 ~~(7) To exercise all other corporate powers granted by~~  
15 ~~general law to corporations in this Commonwealth which are~~  
16 ~~not inconsistent herewith and which are necessary or~~  
17 ~~appropriate to the purposes hereof.~~

18 ~~(c) Accumulated earnings. The earnings shall be accumulated~~  
19 ~~by the corporation, and no part thereof shall be returned to the~~  
20 ~~member association. The provisions of this subsection shall not~~  
21 ~~prohibit the payment of interest by the corporation to member~~  
22 ~~associations which have made deposits, loans or advances to the~~  
23 ~~central reserve fund.~~

24 ~~§ 8154. Board of directors.~~

25 ~~(a) Number of directors; initial appointment; election by~~  
26 ~~member associations; qualifications and terms of elective~~  
27 ~~directors. All of the corporate powers of the corporation shall~~  
28 ~~be exercised by a board of directors, composed of 11 members who~~  
29 ~~initially shall be appointed by the Governor within 60 days of~~  
30 ~~the effective date of this act, with the advice of the Secretary~~

1 ~~of Banking, and who shall serve until the first annual meeting.~~  
2 ~~After a minimum of 25 associations have become members of the~~  
3 ~~corporation, the first annual meeting of the corporation shall~~  
4 ~~be held, and the member associations of the corporation shall~~  
5 ~~elect eight directors, each of whom shall be a registered voter~~  
6 ~~of the Commonwealth of Pennsylvania and shall reside therein. Of~~  
7 ~~the directors elected at the first annual meeting, three shall~~  
8 ~~be elected for terms of two years each, three shall be elected~~  
9 ~~for terms of three years each, and two shall be elected for~~  
10 ~~terms of four years each; and thereafter all terms shall be for~~  
11 ~~four years each.~~

12 ~~(b) Appointment by Governor; terms and qualifications of~~  
13 ~~appointive directors. In addition to the eight directors~~  
14 ~~elected by the member associations as provided in subsection~~  
15 ~~(a), the Governor shall, with the advice of the Secretary of~~  
16 ~~Banking, appoint three directors of the corporation for a term~~  
17 ~~of four years, whose terms shall commence on the date of the~~  
18 ~~first annual meeting of the corporation; and thereafter the~~  
19 ~~Governor, with the advice of the Secretary of Banking, shall~~  
20 ~~appoint directors from time to time to fill these offices of~~  
21 ~~director whenever they become vacant. Any director so appointed~~  
22 ~~shall be a registered voter of the Commonwealth of Pennsylvania~~  
23 ~~who resides in Pennsylvania.~~

24 ~~(c) Vacancies. If any vacancy occurs in the membership of~~  
25 ~~any director elected by the members of the corporation, through~~  
26 ~~death, resignation, or otherwise, the remaining directors shall~~  
27 ~~within 60 days elect a person to fill the vacancy of the~~  
28 ~~unexpired term. Any vacancy occurring in the term of director~~  
29 ~~appointed by the Governor shall be filled by the Governor within~~  
30 ~~60 days, with the advice of the Secretary of Banking, for the~~

1 unexpired term. Upon the expiration of the term of any director,  
2 he shall continue as such until his successor has been elected  
3 or appointed and has qualified.

4 ~~(d) Chairman; adoption of bylaws, rules and regulations;~~  
5 ~~appointment of officers and employees. The board of directors~~  
6 ~~shall elect one of its members as chairman of such board, shall~~  
7 ~~adopt bylaws, rules and regulations for the corporation and may~~  
8 ~~appoint such officers and employees as it deems advisable.~~

9 ~~(e) Quorum. Six members of the board of directors are a~~  
10 ~~quorum at any meeting thereof.~~

11 ~~(f) Voting. In the election of directors and in voting on~~  
12 ~~any other matter legally to come before a meeting of the~~  
13 ~~corporation, each member association of the corporation has one~~  
14 ~~vote, to be cast by a delegate authorized to act by that~~  
15 ~~association. A delegate may not vote on behalf of more than one~~  
16 ~~member association. A majority of the votes so cast shall elect~~  
17 ~~directors or determine any question put to a vote.~~

18 ~~(g) Service as director or officer of member association.~~  
19 ~~Not more than three directors of the corporation, at any one~~  
20 ~~time, may be directors or officers of member associations which~~  
21 ~~are insured institutions of the Federal Savings and Loan~~  
22 ~~Insurance Corporation. If at any time a director of this~~  
23 ~~corporation is also a director or officer of an association, and~~  
24 ~~said association becomes an insured institution of the Federal~~  
25 ~~Savings and Loan Insurance Corporation, and such occurrence~~  
26 ~~increases the number of directors, of this corporation, allowed~~  
27 ~~from associations which are insured institutions of the Federal~~  
28 ~~Savings and Loan Insurance Corporation to more than three, the~~  
29 ~~term of such director shall become vacant, and the vacancy shall~~  
30 ~~be filled as provided in subsection (c).~~



1       ~~(h) Compensation. The directors of the corporation may~~  
2       ~~receive such reasonable compensation as may be determined by the~~  
3       ~~board of directors.~~

4       ~~(i) Surety bonds of officers and employees. The directors~~  
5       ~~of the corporation shall fix the amount of the surety bonds of~~  
6       ~~the officers and employees of the corporation conditioned upon~~  
7       ~~the faithful performance of their duties, as provided in the~~  
8       ~~bylaws of the corporation.~~

9       ~~§ 8155. Qualifications for membership in corporation;~~  
10       ~~—withdrawal.~~

11       ~~The membership of the corporation consists of those~~  
12       ~~associations the quality and soundness of whose financial~~  
13       ~~affairs, solvency, management, and directorship have been~~  
14       ~~certified to the corporation in an expeditious manner, as~~  
15       ~~approved for insurance of savings accounts, by the Secretary of~~  
16       ~~Banking and which have thereupon filed an application for~~  
17       ~~membership accepted by the board of directors, which acceptance~~  
18       ~~shall not be denied except for good cause shown regarding the~~  
19       ~~quality and soundness of their financial affairs, solvency,~~  
20       ~~management or directorship. Every savings and loan association~~  
21       ~~of this Commonwealth may become a member of the corporation and~~  
22       ~~may invest in and pay such assessments, premiums and other~~  
23       ~~charges as may be required for participation in the corporation.~~  
24       ~~Membership in the corporation is for the life of the~~  
25       ~~corporation, subject to the bylaws, rules and regulations of the~~  
26       ~~corporation. Any member may withdraw from the corporation upon~~  
27       ~~written notice given one year in advance of the intended date of~~  
28       ~~withdrawal and upon complying with the bylaws, rules and~~  
29       ~~regulations of the corporation.~~

30       ~~§ 8156. Exchange of information.~~

~~The laws of this Commonwealth, including but not limited to the act of May 15, 1933 (P.L.565, No.111), known as the "Department of Banking Code," shall be construed and applied so as not to prevent an exchange of information relating to associations and their business, between the Secretary of Banking and representatives of the corporation.~~

~~§ 8157. Faith or credit of State not pledged.~~

~~Under no circumstances is the faith or credit of the Commonwealth of Pennsylvania pledged herein.~~

~~§ 8158. Bylaws, rules and regulations generally.~~

~~Within 60 days of its appointment and before the acceptance of the membership of any associations, the board of directors shall promulgate such bylaws, rules and regulations as may be necessary and proper to carry out the provisions hereof and as are not inconsistent herewith. Thereafter, the bylaws, rules and regulations so adopted may be amended or revoked by the board of directors and will become effective upon their adoption. Such rules and regulations shall establish a limit on the amount of insurance which may be provided for each separate savings account of an association; and this limit shall be the amount of prevailing insurance available from the Federal Savings and Loan Insurance Corporation or its successor instrumentality from time to time.~~

~~§ 8159. Corporation or member associations not subject to —insurance laws.~~

~~Neither the corporation, the member associations, nor those persons owning savings accounts therein are subject to the provisions of any Commonwealth laws, concerning insurance, by reason of participation herein.~~

~~§ 8160. Liability of officer or director upon contracts.~~

~~No officer or director of the corporation, whether appointed, or elected, is personally liable upon any of its contracts legally entered into on behalf of the corporation unless the same by its terms shall expressly obligate him or them.~~

~~§ 8161. Perpetual life.~~

~~The life of the corporation is perpetual.~~

~~§ 8162. Exemption from taxation.~~

~~The corporation is exempt from all special and ordinary taxes and from documentary stamp and transfer taxes imposed by this Commonwealth or any political subdivision thereof.~~

~~§ 8163. Application for membership.~~

~~All applications from associations for membership received by the corporation prior to appointment and organization of the board of directors, shall be referred to the Secretary of Banking. The Secretary of Banking shall examine the affairs of all such applicants and as a result thereof if he finds the applicants to meet the qualifications for membership in the corporation set forth herein under section 8155 (relating to qualifications for membership in corporation; withdrawal), he shall so certify them. The corporation shall not extend the benefits to be accorded to member associations to any applicant until:~~

~~(1) It has received the report and recommendation as provided herein from the Secretary of Banking as to each such application so filed prior to appointment and organization of the board of directors and has acted thereon; and~~

~~(2) It has accepted for membership a minimum of 25 associations, having savings accounts in the aggregate total of at least \$25,000,000.~~

~~§ 8164. Filing certificate of commencement of business.~~

~~After the first meeting of the board of directors, a certificate shall be filed by the board of directors with the Department of State certifying that the corporation has commenced business as provided herein. Such certificate shall be conclusive evidence that business was begun.~~

~~§ 8165. Termination of existence.~~

~~If the corporation fails to insure savings accounts by January 1, 1981, its existence terminates at that time without further action by the General Assembly and the Governor of Pennsylvania, the provisions of this act then are null and void.~~

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

## ARTICLE I

### SECTION 1. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL HAVE, UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE, THE MEANINGS GIVEN TO THEM IN THIS SECTION:

"ASSOCIATION." ANY BUILDING, SAVINGS, SAVINGS AND LOAN OR HOMESTEAD ASSOCIATION ORGANIZED UNDER THE LAWS OF THIS COMMONWEALTH AND ANY FEDERAL SAVINGS AND LOAN ASSOCIATION INCORPORATED PURSUANT TO THE FEDERAL ACT OF JUNE 13, 1933, KNOWN AS THE "HOME OWNERS' LOAN ACT OF 1933," WHICH HAS ITS PRINCIPAL OFFICES IN THIS COMMONWEALTH AND 75% OF ITS TOTAL ASSETS INVESTED IN THIS COMMONWEALTH.

"CORPORATION." THE PENNSYLVANIA SAVINGS ASSOCIATION INSURANCE CORPORATION.

"DIRECTORS." THE BOARD OF DIRECTORS OF THE PENNSYLVANIA SAVINGS ASSOCIATION INSURANCE CORPORATION.

"INSURED INSTITUTION." AN ASSOCIATION WHOSE ACCOUNTS ARE INSURED BY THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION.

"SAVINGS ACCOUNT." ANY SUM OF MONEY DEPOSITED WITH AN

1 ASSOCIATION IN EXCHANGE FOR A PROMISE TO PAY INTEREST TO THE  
2 DEPOSITOR.

3 SECTION 2. PENNSYLVANIA SAVINGS ASSOCIATION INSURANCE  
4 CORPORATION.

5 (A) CREATION AND STATUS.--A NONSTOCK, NONPROFIT CORPORATION  
6 IS HEREBY CREATED, WHICH SHALL BE KNOWN AS THE PENNSYLVANIA  
7 SAVINGS ASSOCIATION INSURANCE CORPORATION AND THE MEMBERS OF  
8 WHICH SHALL BE CERTAIN ELIGIBLE SAVINGS AND LOAN ASSOCIATIONS OF  
9 THIS COMMONWEALTH. EXCEPT AS OTHERWISE PROVIDED IN THIS ACT, THE  
10 CORPORATION POSSESSES ALL THE POWERS, PRIVILEGES AND IMMUNITIES  
11 WHICH NOW ARE OR HEREAFTER MAY BE CONFERRED ON CORPORATIONS BY  
12 THE GENERAL CORPORATION LAW APPLICABLE TO CORPORATIONS ORGANIZED  
13 THEREUNDER.

14 (B) BYLAWS, RULES AND REGULATIONS.--THE BOARD OF DIRECTORS  
15 MAY ADOPT AND PROMULGATE BYLAWS, RULES AND REGULATIONS WHICH  
16 CONFORM TO THE REASONABLE INTENT AND PURPOSES OF THIS ACT. THE  
17 RULES AND REGULATIONS APPLY TO MEMBERS OF THE CORPORATION AND TO  
18 ASSOCIATIONS APPLYING FOR MEMBERSHIP THEREIN. THE BYLAWS, RULES  
19 AND REGULATIONS SO ADOPTED SHALL BE FILED WITH THE DEPARTMENT OF  
20 STATE.

21 SECTION 3. PURPOSES AND POWERS.

22 (A) PURPOSES.--THE PURPOSES OF THE CORPORATION ARE TO  
23 PROMOTE THE ELASTICITY AND FLEXIBILITY OF THE RESOURCES OF  
24 MEMBER ASSOCIATIONS, TO PROVIDE FOR THE LIQUIDITY OF SUCH  
25 ASSOCIATIONS THROUGH A CENTRAL RESERVE FUND AND TO INSURE THE  
26 SAVINGS ACCOUNTS IN SUCH ASSOCIATIONS.

27 (B) POWERS.--IN FURTHERANCE OF THESE PURPOSES THE  
28 CORPORATION HAS THE FOLLOWING POWERS:

29 (1) TO PROVIDE FOR THE LIQUIDITY OF MEMBER ASSOCIATIONS  
30 THROUGH THE CREATION OF A CENTRAL RESERVE FUND FOR THE

1 PURPOSE OF MAKING LOANS TO MEMBER ASSOCIATIONS. THE CENTRAL  
2 RESERVE FUND SHALL NOT BE SUBJECT TO PAYMENT OF INSURANCE  
3 CLAIMS AGAINST THE CORPORATION BY MEMBER ASSOCIATIONS OR  
4 THEIR ACCOUNT HOLDERS OR OTHERWISE.

5 (2) TO INSURE THE SAVINGS ACCOUNTS IN MEMBER  
6 ASSOCIATIONS THROUGH THE CREATION OF A CENTRAL INSURANCE  
7 FUND.

8 (3) TO BORROW MONEY AND OTHERWISE INCUR INDEBTEDNESS FOR  
9 ANY OF ITS PURPOSES; TO ISSUE ITS BONDS, DEBENTURES, NOTES OR  
10 OTHER EVIDENCES OF INDEBTEDNESS, WHETHER SECURED OR  
11 UNSECURED, THEREFOR; AND TO SECURE THE SAME BY MORTGAGE,  
12 PLEDGE, DEED OF TRUST OR OTHER LIEN ON ITS PROPERTY, RIGHTS  
13 AND PRIVILEGES OF EVERY KIND AND NATURE OR ANY PART THEREOF.

14 (4) TO LEND MONEY TO, AND TO GUARANTEE, ENDORSE OR ACT  
15 AS SURETY ON THE BONDS, NOTES, CONTRACTS OR OTHER OBLIGATIONS  
16 OF OR OTHERWISE ASSIST FINANCIALLY, ANY MEMBER ASSOCIATION;  
17 AND TO ESTABLISH AND REGULATE THE TERMS AND CONDITIONS WITH  
18 RESPECT TO ANY SUCH LOANS OR FINANCIAL ASSISTANCE AND THE  
19 CHARGES FOR INTEREST AND SERVICE CONNECTED THEREWITH.

20 (5) TO PURCHASE, RECEIVE, HOLD, LEASE OR OTHERWISE  
21 ACQUIRE AND TO SELL, CONVEY, MORTGAGE, LEASE, PLEDGE OR  
22 OTHERWISE DISPOSE OF, UPON SUCH TERMS AND CONDITIONS AS ITS  
23 BOARD OF DIRECTORS MAY DEEM ADVISABLE, REAL AND PERSONAL  
24 PROPERTY, TOGETHER WITH SUCH RIGHTS AND PRIVILEGES AS MAY BE  
25 INCIDENTAL AND APPURTENANT THERETO AND THE USE THEREOF,  
26 INCLUDING, BUT NOT RESTRICTED TO, ANY REAL OR PERSONAL  
27 PROPERTY ACQUIRED BY THE CORPORATION FROM TIME TO TIME IN THE  
28 SATISFACTION OF DEBTS OR ENFORCEMENT OF OBLIGATIONS.

29 (6) TO INVEST ANY OF ITS FUNDS, UPON PROPER  
30 AUTHORIZATION THEREOF BY THE BOARD OF DIRECTORS, IN ANY OF

1 THE FOLLOWING:

2 (I) CASH OR DEPOSITS IN CHECKING OR SAVINGS  
3 ACCOUNTS, OR UNDER CERTIFICATES OF DEPOSIT IN NATIONAL OR  
4 STATE BANKING INSTITUTIONS, TO THE EXTENT THAT SUCH  
5 ACCOUNTS ARE INSURED BY THE FEDERAL DEPOSIT INSURANCE  
6 CORPORATION.

7 (II) SAVINGS AND LOAN ASSOCIATION SAVINGS ACCOUNTS  
8 TO THE EXTENT THAT SUCH ACCOUNTS ARE INSURED BY THE  
9 FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION.

10 (III) INTEREST BEARING BONDS, NOTES, CERTIFICATES OF  
11 INDEBTEDNESS BILLS OR OTHER OBLIGATIONS OF THE UNITED  
12 STATES, ANY STATE OR THE DISTRICT OF COLUMBIA, OR OF ANY  
13 COMMISSION, INSTRUMENTALITY, AGENCY, AUTHORITY OR  
14 POLITICAL SUBDIVISION THEREOF HAVING LEGAL AUTHORITY TO  
15 ISSUE THE SAME.

16 (IV) INTEREST BEARING BONDS, NOTES OR OTHER INTEREST  
17 BEARING OBLIGATIONS OF ANY CORPORATION CREATED OR  
18 EXISTING UNDER THE LAWS OF THE UNITED STATES, ANY STATE  
19 OR THE DISTRICT OF COLUMBIA.

20 (V) DIVIDEND PAYING STOCKS OR SHARES HAVING READILY  
21 MARKETABLE VALUES OF ANY CORPORATION CREATED OR EXISTING  
22 UNDER THE LAWS OF THE UNITED STATES OR OF ANY STATE. THE  
23 BOARD OF DIRECTORS MAY NOT INVEST MORE THAN 10% OF ITS  
24 TOTAL ASSETS IN SUCH STOCKS, NOR MORE THAN 3% OF ITS  
25 TOTAL ASSETS IN THE STOCK OF ANY ONE CORPORATION.

26 (VI) LOANS SECURED BY FIRST MORTGAGES OR DEEDS OF  
27 TRUST ON OTHERWISE UNENCUMBERED FREE SIMPLE REAL ESTATE OR  
28 IMPROVED LEASEHOLD PROPERTY IN THIS COMMONWEALTH,  
29 PROVIDED THESE LOANS ARE PURCHASED FROM A MEMBER  
30 ASSOCIATION.

1 (VII) GROUND RENTS IN THIS COMMONWEALTH.

2 (VIII) COLLATERAL LOANS SECURED BY PLEDGE OF ANY  
3 SECURITY HEREINABOVE NAMED.

4 (IX) DIRECT LOANS TO MEMBER ASSOCIATIONS UNDER THE  
5 TERMS AND CONDITIONS ESTABLISHED THEREFOR BY THE BOARD OF  
6 DIRECTORS.

7 (7) TO EXERCISE ALL OTHER CORPORATE POWERS GRANTED BY  
8 GENERAL LAW TO CORPORATIONS IN THIS COMMONWEALTH WHICH ARE  
9 NOT INCONSISTENT HERewith AND WHICH ARE NECESSARY OR  
10 APPROPRIATE TO THE PURPOSES HEREOF.

11 (C) ACCUMULATED EARNINGS.--THE EARNINGS SHALL BE ACCUMULATED  
12 BY THE CORPORATION AND NO PART THEREOF SHALL BE RETURNED TO THE  
13 MEMBER ASSOCIATION. THE PROVISIONS OF THIS SUBSECTION SHALL NOT  
14 PROHIBIT THE PAYMENT OF INTEREST BY THE CORPORATION TO MEMBER  
15 ASSOCIATIONS WHICH HAVE MADE DEPOSITS, LOANS OR ADVANCES TO THE  
16 CENTRAL RESERVE FUND.

17 SECTION 4. BOARD OF DIRECTORS.

18 (A) DIRECTORS ELECTED BY MEMBER ASSOCIATIONS.--ALL OF THE  
19 CORPORATE POWERS OF THE CORPORATION SHALL BE EXERCISED BY A  
20 BOARD OF DIRECTORS, COMPOSED OF 11 MEMBERS WHO INITIALLY SHALL  
21 BE APPOINTED BY THE GOVERNOR WITHIN 60 DAYS OF THE EFFECTIVE  
22 DATE OF THIS ACT WITH THE ADVICE OF THE SECRETARY OF BANKING,  
23 AND WHO SHALL SERVE UNTIL THE FIRST ANNUAL MEETING. AFTER A  
24 MINIMUM OF 25 ASSOCIATIONS HAVE BECOME MEMBERS OF THE  
25 CORPORATION, THE FIRST ANNUAL MEETING OF THE CORPORATION SHALL  
26 BE HELD, AND THE MEMBER ASSOCIATIONS OF THE CORPORATION SHALL  
27 ELECT EIGHT DIRECTORS, EACH OF WHOM SHALL BE A REGISTERED VOTER  
28 OF AND SHALL RESIDE IN THIS COMMONWEALTH. OF THE DIRECTORS  
29 ELECTED AT THE FIRST ANNUAL MEETING, THREE SHALL BE ELECTED FOR  
30 TERMS OF TWO YEARS EACH, THREE SHALL BE ELECTED FOR TERMS OF



1 THREE YEARS EACH AND TWO SHALL BE ELECTED FOR TERMS OF FOUR  
2 YEARS EACH; AND THEREAFTER ALL TERMS SHALL BE FOR FOUR YEARS  
3 EACH.

4 (B) DIRECTORS APPOINTED BY GOVERNOR.--IN ADDITION TO THE  
5 EIGHT DIRECTORS ELECTED BY THE MEMBER ASSOCIATIONS AS PROVIDED  
6 IN SUBSECTION (A), THE GOVERNOR SHALL, WITH THE ADVICE OF THE  
7 SECRETARY OF BANKING, APPOINT THREE DIRECTORS OF THE CORPORATION  
8 FOR A TERM OF FOUR YEARS, WHOSE TERMS SHALL COMMENCE ON THE DATE  
9 OF THE FIRST ANNUAL MEETING OF THE CORPORATION; AND THEREAFTER  
10 THE GOVERNOR, WITH THE ADVICE OF THE SECRETARY OF BANKING, SHALL  
11 APPOINT DIRECTORS FROM TIME TO TIME TO FILL THESE OFFICES OF  
12 DIRECTOR WHENEVER THEY BECOME VACANT. ANY DIRECTOR SO APPOINTED  
13 SHALL BE A REGISTERED VOTER OF AND SHALL RESIDE IN THIS  
14 COMMONWEALTH.

15 (C) VACANCIES.--IF ANY VACANCY OCCURS IN THE MEMBERSHIP OF  
16 ANY DIRECTOR ELECTED BY THE MEMBERS OF THE CORPORATION, THROUGH  
17 DEATH, RESIGNATION OR OTHERWISE, THE REMAINING DIRECTORS SHALL  
18 WITHIN 60 DAYS ELECT A PERSON TO FILL THE VACANCY OF THE  
19 UNEXPIRED TERM. ANY VACANCY OCCURRING IN THE TERM OF DIRECTOR  
20 APPOINTED BY THE GOVERNOR SHALL BE FILLED BY THE GOVERNOR WITHIN  
21 60 DAYS, WITH THE ADVICE OF THE SECRETARY OF BANKING, FOR THE  
22 UNEXPIRED TERM. UPON THE EXPIRATION OF THE TERM OF ANY DIRECTOR,  
23 HE SHALL CONTINUE AS SUCH UNTIL HIS SUCCESSOR HAS BEEN ELECTED  
24 OR APPOINTED AND HAS QUALIFIED.

25 (D) GENERAL POWERS.--THE BOARD OF DIRECTORS SHALL ELECT ONE  
26 OF ITS MEMBERS AS CHAIRMAN OF SUCH BOARD, SHALL ADOPT BYLAWS,  
27 RULES AND REGULATIONS FOR THE CORPORATION AND MAY APPOINT SUCH  
28 OFFICERS AND EMPLOYEES AS IT DEEMS ADVISABLE.

29 (E) QUORUM.--SIX MEMBERS OF THE BOARD OF DIRECTORS ARE A  
30 QUORUM AT ANY MEETING THEREOF.

1 (F) VOTING.--IN THE ELECTION OF DIRECTORS AND IN VOTING ON  
2 ANY OTHER MATTER LEGALLY TO COME BEFORE A MEETING OF THE  
3 CORPORATION, EACH MEMBER ASSOCIATION OF THE CORPORATION HAS ONE  
4 VOTE, TO BE CAST BY A DELEGATE AUTHORIZED TO ACT BY THAT  
5 ASSOCIATION. A DELEGATE MAY NOT VOTE ON BEHALF OF MORE THAN ONE  
6 MEMBER ASSOCIATION. A MAJORITY OF THE VOTES SO CAST SHALL ELECT  
7 DIRECTORS OR DETERMINE ANY QUESTION PUT TO A VOTE.

8 (G) SERVICE AS DIRECTOR OR OFFICER OF MEMBER ASSOCIATION.--  
9 NOT MORE THAN THREE DIRECTORS OF THE CORPORATION, AT ANY ONE  
10 TIME, MAY BE DIRECTORS OR OFFICERS OF MEMBER ASSOCIATIONS WHICH  
11 ARE INSURED INSTITUTIONS OF THE FEDERAL SAVINGS AND LOAN  
12 INSURANCE CORPORATION. IF AT ANY TIME A DIRECTOR OF THIS  
13 CORPORATION IS ALSO A DIRECTOR OR OFFICER OF AN ASSOCIATION, AND  
14 SAID ASSOCIATION BECOMES AN INSURED INSTITUTION OF THE FEDERAL  
15 SAVINGS AND LOAN INSURANCE CORPORATION, AND SUCH OCCURRENCE  
16 INCREASES THE NUMBER OF DIRECTORS, OF THIS CORPORATION, ALLOWED  
17 FROM ASSOCIATIONS WHICH ARE INSURED INSTITUTIONS OF THE FEDERAL  
18 SAVINGS AND LOAN INSURANCE CORPORATION TO MORE THAN THREE, THE  
19 TERM OF SUCH DIRECTOR SHALL BECOME VACANT, AND THE VACANCY SHALL  
20 BE FILLED AS PROVIDED IN SUBSECTION (C).

21 (H) COMPENSATION.--THE DIRECTORS OF THE CORPORATION MAY  
22 RECEIVE SUCH REASONABLE COMPENSATION AS MAY BE DETERMINED BY THE  
23 BOARD OF DIRECTORS.

24 (I) SURETY BONDS OF OFFICERS AND EMPLOYEES.--THE DIRECTORS  
25 OF THE CORPORATION SHALL FIX THE AMOUNT OF THE SURETY BONDS OF  
26 THE OFFICERS AND EMPLOYEES OF THE CORPORATION CONDITIONED UPON  
27 THE FAITHFUL PERFORMANCE OF THEIR DUTIES, AS PROVIDED IN THE  
28 BYLAWS OF THE CORPORATION.

29 SECTION 5. QUALIFICATIONS FOR MEMBERSHIP IN CORPORATION.

30 (A) GENERAL RULE.--THE MEMBERSHIP OF THE CORPORATION

1 CONSISTS OF THOSE ASSOCIATIONS THE QUALITY AND SOUNDNESS OF  
2 WHOSE FINANCIAL AFFAIRS, SOLVENCY, MANAGEMENT AND DIRECTORSHIP  
3 HAVE BEEN CERTIFIED TO THE CORPORATION IN AN EXPEDITIOUS MANNER,  
4 AS APPROVED FOR INSURANCE OF SAVINGS ACCOUNTS, BY THE SECRETARY  
5 OF BANKING AND WHICH HAVE THEREUPON FILED AN APPLICATION FOR  
6 MEMBERSHIP ACCEPTED BY THE BOARD OF DIRECTORS, WHICH ACCEPTANCE  
7 SHALL NOT BE DENIED EXCEPT FOR GOOD CAUSE SHOWN REGARDING THE  
8 QUALITY AND SOUNDNESS OF THEIR FINANCIAL AFFAIRS, SOLVENCY,  
9 MANAGEMENT OR DIRECTORSHIP. EVERY SAVINGS AND LOAN ASSOCIATION  
10 OF THIS COMMONWEALTH MAY BECOME A MEMBER OF THE CORPORATION AND  
11 MAY INVEST IN AND PAY SUCH ASSESSMENTS, PREMIUMS AND OTHER  
12 CHARGES AS MAY BE REQUIRED FOR PARTICIPATION IN THE CORPORATION.  
13 MEMBERSHIP IN THE CORPORATION IS FOR THE LIFE OF THE  
14 CORPORATION, SUBJECT TO THE BYLAWS, RULES AND REGULATIONS OF THE  
15 CORPORATION.

16 (B) WITHDRAWAL.--ANY MEMBER MAY WITHDRAW FROM THE  
17 CORPORATION UPON WRITTEN NOTICE GIVEN ONE YEAR IN ADVANCE OF THE  
18 INTENDED DATE OF WITHDRAWAL AND UPON COMPLYING WITH THE BYLAWS,  
19 RULES AND REGULATIONS OF THE CORPORATION.

20 SECTION 6. EXCHANGE OF INFORMATION.

21 THE LAWS OF THIS COMMONWEALTH, INCLUDING BUT NOT LIMITED TO  
22 THE ACT OF MAY 15, 1933 (P.L.565, NO.111), KNOWN AS THE  
23 "DEPARTMENT OF BANKING CODE," SHALL BE CONSTRUED AND APPLIED SO  
24 AS NOT TO PREVENT AN EXCHANGE OF INFORMATION RELATING TO  
25 ASSOCIATIONS AND THEIR BUSINESS, BETWEEN THE SECRETARY OF  
26 BANKING AND REPRESENTATIVES OF THE CORPORATION.

27 SECTION 7. FAITH OR CREDIT OF COMMONWEALTH NOT PLEDGED.

28 UNDER NO CIRCUMSTANCES IS THE FAITH OR CREDIT OF THE  
29 COMMONWEALTH OF PENNSYLVANIA PLEDGED HEREIN.

30 SECTION 8. BYLAWS, RULES AND REGULATIONS.

1        WITHIN 60 DAYS OF ITS APPOINTMENT AND BEFORE THE ACCEPTANCE  
2        OF THE MEMBERSHIP OF ANY ASSOCIATIONS, THE BOARD OF DIRECTORS  
3        SHALL PROMULGATE SUCH BYLAWS, RULES AND REGULATIONS AS MAY BE  
4        NECESSARY AND PROPER TO CARRY OUT THE PROVISIONS OF THIS ACT AND  
5        AS ARE NOT INCONSISTENT WITH THIS ACT. THEREAFTER, THE BYLAWS,  
6        RULES AND REGULATIONS SO ADOPTED MAY BE AMENDED OR REVOKED BY  
7        THE BOARD OF DIRECTORS AND WILL BECOME EFFECTIVE UPON THEIR  
8        ADOPTION. THE RULES AND REGULATIONS SHALL ESTABLISH A LIMIT ON  
9        THE AMOUNT OF INSURANCE WHICH MAY BE PROVIDED FOR EACH SEPARATE  
10       SAVINGS ACCOUNT OF AN ASSOCIATION; AND THIS LIMIT SHALL BE THE  
11       AMOUNT OF PREVAILING INSURANCE AVAILABLE FROM THE FEDERAL  
12       SAVINGS AND LOAN INSURANCE CORPORATION OR ITS SUCCESSOR  
13       INSTRUMENTALITY FROM TIME TO TIME.

14       SECTION 9.    CORPORATION OR MEMBER ASSOCIATIONS NOT SUBJECT TO  
15                        INSURANCE LAWS.

16       NEITHER THE CORPORATION, THE MEMBER ASSOCIATIONS, NOR THOSE  
17       PERSONS OWNING SAVINGS ACCOUNTS THEREIN ARE SUBJECT TO THE  
18       PROVISIONS OF ANY LAWS OF THIS COMMONWEALTH CONCERNING INSURANCE  
19       BY REASON OF PARTICIPATION HEREIN.

20       SECTION 10.   LIABILITY OF OFFICER OR DIRECTOR UPON CONTRACTS.

21       NO OFFICER OR DIRECTOR OF THE CORPORATION, WHETHER APPOINTED  
22       OR ELECTED, IS PERSONALLY LIABLE UPON ANY OF ITS CONTRACTS  
23       LEGALLY ENTERED INTO ON BEHALF OF THE CORPORATION UNLESS THE  
24       SAME BY ITS TERMS SHALL EXPRESSLY OBLIGATE HIM OR THEM.

25       SECTION 11.   PERPETUAL LIFE OF CORPORATION.

26       THE LIFE OF THE CORPORATION IS PERPETUAL.

27       SECTION 12.   EXEMPTION FROM TAXATION.

28       THE CORPORATION IS EXEMPT FROM ALL SPECIAL AND ORDINARY TAXES  
29       AND FROM DOCUMENTARY STAMP AND TRANSFER TAXES IMPOSED BY THIS  
30       COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF.

1 SECTION 13. APPLICATION FOR MEMBERSHIP.

2 ALL APPLICATIONS FROM ASSOCIATIONS FOR MEMBERSHIP RECEIVED BY  
3 THE CORPORATION PRIOR TO APPOINTMENT AND ORGANIZATION OF THE  
4 BOARD OF DIRECTORS SHALL BE REFERRED TO THE SECRETARY OF  
5 BANKING. THE SECRETARY OF BANKING SHALL EXAMINE THE AFFAIRS OF  
6 ALL SUCH APPLICANTS AND AS A RESULT THEREOF IF HE FINDS THE  
7 APPLICANTS TO MEET THE QUALIFICATIONS FOR MEMBERSHIP IN THE  
8 CORPORATION SET FORTH HEREIN UNDER SECTION 5, HE SHALL SO  
9 CERTIFY THEM. THE CORPORATION SHALL NOT EXTEND THE BENEFITS TO  
10 BE ACCORDED TO MEMBER ASSOCIATIONS TO ANY APPLICANT UNTIL:

11 (1) IT HAS RECEIVED THE REPORT AND RECOMMENDATION AS  
12 PROVIDED HEREIN FROM THE SECRETARY OF BANKING AS TO EACH SUCH  
13 APPLICATION SO FILED PRIOR TO APPOINTMENT AND ORGANIZATION OF  
14 THE BOARD OF DIRECTORS AND HAS ACTED THEREON; AND

15 (2) IT HAS ACCEPTED FOR MEMBERSHIP A MINIMUM OF 25  
16 ASSOCIATIONS HAVING SAVINGS ACCOUNTS IN THE AGGREGATE TOTAL  
17 OF AT LEAST \$25,000,000.

18 SECTION 14. FILING CERTIFICATE OF COMMENCEMENT OF BUSINESS.

19 AFTER THE FIRST MEETING OF THE BOARD OF DIRECTORS, A  
20 CERTIFICATE SHALL BE FILED BY THE BOARD OF DIRECTORS WITH THE  
21 DEPARTMENT OF STATE CERTIFYING THAT THE CORPORATION HAS  
22 COMMENCED BUSINESS AS PROVIDED IN THIS ACT. SUCH CERTIFICATE  
23 SHALL BE CONCLUSIVE EVIDENCE THAT BUSINESS WAS BEGUN.

24 SECTION 15. TERMINATION OF EXISTENCE OF CORPORATION.

25 IF THE CORPORATION FAILS TO INSURE SAVINGS ACCOUNTS BY  
26 JANUARY 1, 1981, ITS EXISTENCE TERMINATES AT THAT TIME WITHOUT  
27 FURTHER ACTION BY THE GENERAL ASSEMBLY AND THE GOVERNOR, THE  
28 PROVISIONS OF THIS ACT THEN ARE NULL AND VOID AND SHALL EXPIRE  
29 ON JANUARY 1, 1981.

30 SECTION 16. EFFECTIVE DATE.

1 THIS ACT SHALL TAKE EFFECT IN 60 DAYS.

2 ARTICLE II

3 SECTION 21. SECTION 1513 OF TITLE 42 (JUDICIARY AND JUDICIAL  
4 PROCEDURE) OF THE PENNSYLVANIA CONSOLIDATED STATUTES IS AMENDED  
5 TO READ:

6 § 1513. POWERS OF DISTRICT JUSTICES.

7 EVERY DISTRICT JUSTICE SHALL HAVE POWER TO ISSUE EVERY LAWFUL  
8 PROCESS TO OR TO BE SERVED OR ENFORCED BY SYSTEM AND RELATED  
9 PERSONNEL AND TO MAKE SUCH LAWFUL ORDERS AS HIS OFFICIAL  
10 BUSINESS MAY REQUIRE INCLUDING THE POWER TO INFLICT SUMMARY  
11 PUNISHMENTS FOR CONTEMPTS OF COURT AS PROVIDED IN SUBCHAPTER C  
12 OF CHAPTER 41 (RELATING TO CONTEMPT OF COURT). A DISTRICT  
13 JUSTICE MAY TAKE AFFIDAVITS AND ACKNOWLEDGMENTS OUTSIDE HIS  
14 MAGISTERIAL DISTRICT BUT WITHIN THIS COMMONWEALTH.

15 SECTION 22. SECTION 3502 OF TITLE 51 (MILITARY AFFAIRS) OF  
16 THE PENNSYLVANIA CONSOLIDATED STATUTES IS AMENDED AND A SECTION  
17 IS ADDED TO READ:

18 § 3502. DECEASED SOLDIER'S DEPENDENTS' PENSION.

19 (A) AMOUNT AND PERSONS ENTITLED.--A PENSION MAY BE PAID TO  
20 EITHER THE WIDOW OR WIDOWER OR MINOR CHILDREN OR DEPENDENT  
21 PARENT OF ANY MEMBER OF THE PENNSYLVANIA NATIONAL GUARD, WHO MAY  
22 DIE FROM INJURIES RECEIVED, OR WHO MAY BE KILLED WHILE IN ACTIVE  
23 SERVICE, UNDER ORDERS OF THE GOVERNOR, WHICH ACTIVE SERVICE  
24 SHALL INCLUDE PARTICIPATION IN ARMORY ASSEMBLIES OR  
25 PARTICIPATION IN AERIAL FLIGHTS INCIDENTAL TO TRAINING. SUCH  
26 PENSION SHALL BE COMPUTED ON THE FOLLOWING BASIS AND DISTRIBUTED  
27 TO THE FOLLOWING PERSONS MONTHLY:

28 (1) TO EACH MINOR CHILD, IF THERE IS NO WIDOW OR WIDOWER  
29 ENTITLED TO COMPENSATION, [\$50] \$75, WITH [\$25] \$50 FOR EACH  
30 CHILD IN EXCESS OF TWO, WITH A MAXIMUM OF [\$150] \$200 TO BE

1 PAID TO THEIR GUARDIAN.

2 (2) TO THE WIDOW OR WIDOWER, IF THERE ARE NO CHILDREN,  
3 [\$50] \$100.

4 (3) TO THE WIDOW OR WIDOWER, IF THERE IS ONE CHILD,  
5 [\$75] \$150.

6 (4) TO THE WIDOW OR WIDOWER, IF THERE ARE TWO CHILDREN,  
7 [\$100] \$200.

8 (5) TO THE WIDOW OR WIDOWER, IF THERE ARE THREE  
9 CHILDREN, [\$125] \$250.

10 (6) TO THE WIDOW OR WIDOWER, IF THERE ARE FOUR OR MORE  
11 CHILDREN, [\$150] \$300.

12 (7) TO THE FATHER AND MOTHER, IF THERE IS NO WIDOW,  
13 WIDOWER, OR CHILDREN, IF DEPENDENT TO ANY EXTENT UPON THE  
14 MEMBER FOR SUPPORT AT THE TIME OF HIS DEATH, [\$50] \$100.

15 (B) WORKMEN'S COMPENSATION.--SUCH PENSION SHALL BE IN  
16 ADDITION TO ANY RELIEF IN THE FORM OF COMPENSATION DETERMINED  
17 UNDER THE WORKMEN'S COMPENSATION LAW OF PENNSYLVANIA AS  
18 AUTHORIZED BY SECTION 3501 (RELATING TO RELIEF FOR DISABILITY  
19 INCURRED IN ACTIVE STATE SERVICE).

20 (C) CLAIMS.--ALL CLAIMS FOR PENSION UNDER THIS SECTION SHALL  
21 BE MADE TO THE DEPARTMENT, WHICH SHALL ESTABLISH RULES GOVERNING  
22 THE FILING OF SUCH CLAIMS. THE DEPARTMENT SHALL INVESTIGATE ALL  
23 CIRCUMSTANCES CONNECTED WITH THE DEATH OF THE PERSON AND MAKE A  
24 RECOMMENDATION TO THE ADJUTANT GENERAL AS TO THE GRANTING OF A  
25 PENSION. IF A PENSION IS GRANTED, IT SHALL BE PAID QUARTERLY IN  
26 THE MANNER PROVIDED BY LAW.

27 (D) TERM AND REMOVAL.--NO PENSION GRANTED UNDER THIS SECTION  
28 SHALL BE GRANTED FOR A LONGER PERIOD THAN [FIVE] TEN YEARS; BUT  
29 [MAY BE RENEWED, FOR A FURTHER PERIOD OF FIVE YEARS, UPON  
30 SATISFACTORY EVIDENCE OF THE DEPENDENCY OF THE PENSIONER BEING

1 SUBMITTED OR OBTAINED BY THE DEPARTMENT] IN THE CASE OF A WIDOW  
2 OR WIDOWER, THE PENSION SHALL CONTINUE UNTIL THE DEATH OR  
3 REMARRIAGE OF THE WIDOW OR WIDOWER. IN THE CASE OF MINOR  
4 CHILDREN OF A DECEASED MEMBER, THE PENSION SHALL BE PAID UNTIL  
5 THE MINOR CHILD REACHES 18 YEARS OF AGE. IN THE CASE OF A PARENT  
6 OR PARENTS OF A DECEASED MEMBER, THE PENSION SHALL BE PAID UNTIL  
7 THE DEATH OF THE PARENT OR BOTH PARENTS.

8 (E) REVOCATION.--THE DEPARTMENT SHALL HAVE POWER TO REVOKE  
9 ANY PENSION GRANTED UNDER THIS SECTION WHEN IT SHALL BE SHOWN TO  
10 THE SATISFACTION OF THE DEPARTMENT THAT THE PENSIONER IS NO  
11 LONGER IN A STATE OF DEPENDENCY.

12 (F) EXEMPTION.--THE PROVISIONS OF THIS SECTION SHALL NOT  
13 APPLY TO ANY MEMBER OF THE PENNSYLVANIA NATIONAL GUARD WHILE IN  
14 THE SERVICE OF THE UNITED STATES, IN CASE OF WAR, OR UNDER THE  
15 ORDERS OF THE PRESIDENT OF THE UNITED STATES.

16 (G) APPROPRIATION.--THE NECESSARY APPROPRIATION TO PAY ANY  
17 PENSIONS GRANTED UNDER THIS SECTION SHALL, AT EACH REGULAR  
18 SESSION OF THE GENERAL ASSEMBLY, BE INCLUDED IN THE ITEMS  
19 PERTAINING TO THE DEPARTMENT, IN THE ACT OF ASSEMBLY PROVIDING  
20 FOR THE ORDINARY EXPENSES OF THE EXECUTIVE, JUDICIAL, AND  
21 LEGISLATIVE DEPARTMENTS OF THE COMMONWEALTH.

22 § 3503. TUITION CREDIT.

23 (A) CHILDREN ENTITLED TO TUITION CREDIT.--THE CHILDREN OF  
24 MEMBERS OF THE PENNSYLVANIA NATIONAL GUARD WHO WERE KILLED OR  
25 DIE AS A RESULT OF INJURIES RECEIVED WHILE IN STATE ACTIVE DUTY  
26 SHALL BE ENTITLED TO A 50% TUITION CREDIT AT ALL STATE-OWNED  
27 COLLEGES OR UNIVERSITIES OR APPROVED TRADE SCHOOLS FOR A PERIOD  
28 NOT EXCEEDING EIGHT SEMESTERS OR FOUR YEARS.

29 (B) DEPARTMENT TO CONTROL PROGRAM.--THE DEPARTMENT SHALL  
30 ADOPT RULES AND REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS



1 SECTION AND SHALL ADMINISTER THE TUITION CREDIT PROGRAM.

2 SECTION 23. SECTION 21 SHALL TAKE EFFECT IN 60 DAYS. SECTION  
3 22 SHALL TAKE EFFECT IMMEDIATELY AND SHALL APPLY RETROACTIVELY  
4 TO THE FISCAL YEAR JULY 1, 1977 AND EACH FISCAL YEAR THEREAFTER.