

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1186 Session of  
1980

INTRODUCED BY LEWIS, ORLANDO, STAUFFER, CORMAN AND STOUT,  
JANUARY 28, 1980

REFERRED TO LOCAL GOVERNMENT, JANUARY 28, 1980

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," providing for the investment of township funds.

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

7 Section 1. Section 902.1, act of May 1, 1933 (P.L.103,  
8 No.69), known as "The Second Class Township Code," reenacted and  
9 amended July 10, 1947 (P.L.1481, No.567), section 902.1 added  
10 July 17, 1959 (P.L.537, No.155), is amended to read:

11 Section 902.1. [Temporary] Investment of Township Funds.--

12 (a) The supervisors shall have the power to [provide for the  
13 temporary investment of moneys in the general township fund or  
14 in special funds in United States treasury bills, and for the  
15 disposal of such securities when the moneys may be needed, or to  
16 place such funds in savings accounts or share accounts of  
17 institutions insured by the Federal Deposit Insurance  
18 Corporation or the Federal Savings and Loan Insurance

Corporation to the extent that such accounts are so insured.]

(1) make investment of township sinking funds as authorized by the act of July 12, 1972 (P.L.781, No.185), known as the "Local Government Unit Debt Act";

(2) make investment of moneys in the General Fund and in special funds of the township other than the sinking funds as authorized by Article IX; and

(3) liquidate any such investment, in whole or in part, by disposing of securities or withdrawing funds on deposit. Any action taken to make or to liquidate any investment shall be made by the officers designated by action of the supervisors.

(b) The supervisors shall invest township funds consistent with sound business practice.

(c) The supervisors shall provide for an investment program subject to restrictions contained in this act and in any other applicable statute and any rules and regulations adopted by the supervisors.

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

(1) United States Treasury bills.

(2) Short-term obligations of the United States Government or its agencies or instrumentalities.

(3) Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or the National Credit Union Share Insurance Fund to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.

1     (4) Obligations of the United States of America or any of  
2 its agencies or instrumentalities backed by the full faith and  
3 credit of the United States of America, the Commonwealth of  
4 Pennsylvania or any of its agencies or instrumentalities backed  
5 by the full faith and credit of the Commonwealth, or of any  
6 political subdivision of the Commonwealth of Pennsylvania or any  
7 of its agencies or instrumentalities backed by the full faith  
8 and credit of the political subdivision.

9     (5) Shares of an investment company registered under the  
10 Investment Company Act of 1940, whose shares are registered  
11 under the Securities Act of 1933, provided that the only  
12 investments of that company are in the authorized investments  
13 for township funds listed in (1) through (4).

14     (e) In making investments of township funds, the supervisors  
15 shall have authority:

16     (1) To permit assets pledged as collateral under subsection  
17 (d)(3), to be pooled in accordance with the act of August 6,  
18 1971 (P.L.281, No.72), relating to pledges of assets to secure  
19 deposits of public funds.

20     (2) To combine moneys from more than one fund under township  
21 control for the purchase of a single investment, provided that  
22 each of the funds combined for the purpose shall be accounted  
23 for separately in all respects and that the earnings from the  
24 investment are separately and individually computed and  
25 recorded, and credited to the accounts from which the investment  
26 was purchased.

27     (3) To join with one or more other political subdivisions  
28 and municipal authorities in accordance with the act of July 12,  
29 1972 (P.L.762, No.180), entitled "An act relating to  
30 intergovernmental cooperation," in the purchase of a single

1 investment, provided that the requirements of clause (2) on  
2 separate accounting of individual funds and separate  
3 computation, recording and crediting of the earnings therefrom  
4 are adhered to.

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