

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2161 Session of
2003

INTRODUCED BY TRAVAGLIO, BROWNE, CRAHALLA, CURRY, FABRIZIO,
HARHAI, HORSEY, JAMES, JOSEPHS, LEWIS, MANN, SCAVELLO,
SHANER, WASHINGTON AND YOUNGBLOOD, NOVEMBER 18, 2003

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, NOVEMBER 18, 2003

AN ACT

1 Amending the act of August 9, 1955 (P.L.323, No.130), entitled,
2 as amended, "An act relating to counties of the first, third,
3 fourth, fifth, sixth, seventh and eighth classes; amending,
4 revising, consolidating and changing the laws relating
5 thereto; relating to imposition of excise taxes by counties,
6 including authorizing imposition of an excise tax on the
7 rental of motor vehicles by counties of the first class; and
8 providing for regional renaissance initiatives," further
9 providing for investment of funds and for depositories.

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

12 Section 1. Sections 1706(a) and 1762 of the act of August 9,
13 1955 (P.L.323, No.130), known as The County Code, amended
14 December 13, 1982 (P.L.1131, No.258), are amended to read:

15 Section 1706. Investment of Funds.--(a) The county
16 commissioners (or any individual other than the commissioners
17 who serves in an elective county office, as to such moneys not
18 otherwise required by law to be invested that his office is
19 required to collect, administer or disburse) shall invest such
20 moneys consistent with sound business practice, subject,
21 however, to the exercise of that degree of judgment, skill and

1 care under the circumstances then prevailing which persons of
2 prudence, discretion and intelligence, who are familiar with
3 such matters, exercise in the management of their own affairs
4 not in regard to speculation, but in regard to the permanent
5 disposition of the funds, considering the probable income to be
6 derived therefrom as well as the probable safety of their
7 capital. This includes money collected by the county and turned
8 over to the Commonwealth, while it is in the possession of the
9 county; investment earnings on this money are the property of
10 the Commonwealth and shall be remitted at the same time as the
11 principal.

12 * * *

13 Section 1762. Depositories.--(a) The county commissioners
14 together with the county treasurer shall, from time to time,
15 designate, by resolution, a depository or depositories for all
16 county and Commonwealth funds to be deposited. Such depository
17 or depositories shall be banks, banking institutions or trust
18 companies, located in the Commonwealth.

19 (b) Depositories so designated shall, upon receipt of notice
20 of their selection as a depository of county and Commonwealth
21 funds, furnish a bond to secure payment of deposits and any
22 interest to the county, secured by a surety company, or by the
23 depositing in escrow of securities to be approved by the county
24 commissioners. The parties may, by agreement, provide for
25 substitution of securities so held in escrow, the securities in
26 every case to be approved by the commissioners. Such bonds shall
27 be in a sum to be fixed by resolution of the county
28 commissioners. The depository shall not be required to furnish a
29 bond or deposit securities in escrow to secure payment of
30 deposits and interest insured by the Federal Deposit Insurance

1 Corporation.

2 (c) The county treasurer shall, upon the designation of such
3 depository or depositories, immediately, transfer thereto all
4 county and Commonwealth funds to be deposited, and shall,
5 thereafter, keep such deposits solely in such depository or
6 depositories in the name of the county, designating which funds
7 the county is holding as an agent of the Commonwealth.

8 Withdrawals from such depository shall be only drawn by the
9 treasurer, upon properly authorized checks or by other
10 commercially accepted methods of electronic funds transfer which
11 have been specifically approved by the board of commissioners.

12 (d) Neither county commissioners nor treasurer complying
13 with the provisions of this section, nor their surety or
14 sureties, shall be chargeable with losses of county or
15 Commonwealth funds caused by the failure or negligence of such
16 depository or depositories.

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