
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1207 Session of
2013

INTRODUCED BY PILEGGI, VULAKOVICH, GREENLEAF, RAFFERTY, WAUGH,
BROWNE, ERICKSON, ALLOWAY, COSTA AND SOLOBAY,
DECEMBER 9, 2013

REFERRED TO LOCAL GOVERNMENT, DECEMBER 9, 2013

AN ACT

1 Amending the act of July 25, 1973 (P.L.217, No.53), entitled "An
2 act authorizing cities of the first class and second class to
3 invest all funds received and deposited with the city
4 treasurer in certain commercial paper under certain terms and
5 conditions," providing for investment of public corporation
6 or authority funds.

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

9 Section 1. The act of July 25, 1973 (P.L.217, No.53),
10 entitled "An act authorizing cities of the first class and
11 second class to invest all funds received and deposited with the
12 city treasurer in certain commercial paper under certain terms
13 and conditions," is amended by adding a section to read:

14 Section 1.1. (a) A public corporation or municipal
15 authority shall have the power to invest and reinvest money of
16 the public corporation or municipal authority in any of the
17 following financial products, in addition to products and in a
18 manner as permitted by law:

19 (1) Obligations, participations or other instruments of

1 any Federal agency, instrumentality or United States
2 government-sponsored enterprise, including those issued or
3 fully guaranteed as the the principal and interest by Federal
4 agencies, instrumentalities or United States government-
5 sponsored enterprises, if the debt obligations are rated at
6 least "A" or its equivalent by at least two nationally
7 recognized statistical ratings organizations.

8 (2) Repurchase agreements with respect to United States
9 Treasury bills or obligations, participations or other
10 instruments of or guaranteed by the United States or any
11 Federal agency, instrumentality or United States government-
12 sponsored enterprise.

13 (3) Negotiable certificates of deposit or other
14 evidences of deposit, with a remaining maturity of three
15 years or less, issued by a nationally or State-chartered bank
16 or a Federal or State savings and loan association or by a
17 State-licensed branch of a foreign bank, except that for
18 obligations with a maturity of one year or less, the debt
19 obligations of the issuing institution or its parent are
20 rated in the top short-term rating category by at least two
21 nationally recognized statistical ratings organizations and
22 for obligations with a maturity in excess of one year, the
23 senior debt obligations of the issuing institution or its
24 parent are rated at least "A" or its equivalent by at least
25 two nationally recognized statistical ratings organizations.

26 (4) Bills of exchange or time drafts drawn on and
27 accepted by a commercial bank, otherwise known as bankers'
28 acceptances, if the bankers' acceptances do not exceed 180
29 days' maturity and the accepting bank is rated in the top
30 short-term category by at least two nationally recognized

1 statistical ratings organizations.

2 (5) Commercial paper issued by corporations or other
3 business entities organized in accordance with Federal or
4 State law, with a maturity not to exceed 270 days, if the
5 issuing corporation or entity is rated in the top short-term
6 category by at least two nationally recognized statistical
7 ratings organizations.

8 (6) Debt obligations, with a remaining maturity of three
9 years or less, issued by corporations organized and operating
10 within the United States or by depository institutions
11 licensed by the United States or any state, if the debt
12 obligations are rated at least "A" or the equivalent by at
13 least two nationally recognized statistical ratings
14 organizations.

15 (7) Shares of an investment company registered under the
16 Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. §
17 80a-1 et seq.) whose shares are registered under the
18 Securities Act of 1933 (48 Stat. 74, 15 U.S.C. § 77a et
19 seq.), if all of the following conditions are met:

20 (i) The investments of the company are the
21 authorized investments under this subsection or
22 authorized by law.

23 (ii) The investment company is managed in accordance
24 with 17 CFR 270.2a-7 (relating to money market funds).

25 (iii) The investment company is rated in the highest
26 category by a nationally recognized rating agency.

27 (b) Other investment powers.--Nothing in subsection (a)
28 shall be construed to supersede or preempt other investment
29 powers of public corporations or municipal authorities as
30 authorized by law.

1 (c) Definition.--As used in this section, the term "public
2 corporation" shall have the same meaning as given to it in
3 section 1 of the act of May 16, 1929 (P.L.1773, No.581),
4 entitled, "An act to supplement an act approved the twentieth
5 day of April, one thousand eight hundred and seventy-four
6 (Pamphlet Laws, sixty-five), entitled 'An act to regulate the
7 manner of increasing the indebtedness of municipalities; to
8 provide for the redemption of the same; and to impose penalties
9 for illegal increase thereof,' by authorizing the sale of
10 property purchased by a public corporation out of funds provided
11 by increase of indebtedness of such corporation; and providing
12 for the disposition of the funds realized from such sale."

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