

payments, depreciation, but excluding extraordinary non-recurring items of income or expenses; and the term "fixed charges" shall include principal, both maturity and sinking fund, and interest on bonded debt. In computing such income available for fixed charges for the purposes of this section, the income so available of any corporation acquired by any municipality authority may be included, such income to be calculated as though such corporation had been operated by a municipality authority and an equivalent amount of bonded debt were outstanding.

The eligibility for investment purposes of obligations of each project of a municipality authority shall be separately considered hereunder [, and if the project of a municipality authority is a public school building, no earning record shall be required as a condition of eligibility for investment by fiduciaries].

APPROVED—The 29th day of May, A. D. 1956.

GEORGE M. LEADER

No. 607

AN ACT

Amending the act of May five, one thousand nine hundred thirty-three (Pamphlet Laws 289), entitled "An act relating to nonprofit corporations; defining and providing for the organization, merger, consolidation, and dissolution of such corporations; conferring certain rights, powers, duties, and immunities upon them and their officers and members; prescribing the conditions on which such corporations may exercise their powers; providing for the inclusion of certain existing corporations of the first class within the provisions of this act; prescribing the terms and conditions upon which foreign nonprofit corporations may be admitted or may continue to do business within the Commonwealth; conferring powers and imposing duties on the courts of common pleas, prothonotaries of such courts, recorders of deeds, and certain State departments, commissions, and officers; authorizing certain local public officers and State departments to collect fees for services required to be rendered by this act; imposing penalties; and repealing certain acts and parts of acts relating to corporations," authorizing keeping of investments in the name of the corporation or a nominee.

Nonprofit
Corporation Law.

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

Section 306, act
of May 5, 1933,
P. L. 289,
amended July 17,
1953, P. L. 468,
further amended.

Section 1. Section 306, act of May five, one thousand nine hundred thirty-three (Pamphlet Laws 289), known as the "Nonprofit Corporation Law," amended July seventeen, one thousand nine hundred fifty-three (Pamphlet Laws 468), is amended to read:

Section 306. Authority to Take and Hold Trust Property; Investments.—Subject to any limitations or restrictions contained in its articles, every nonprofit corporation formed for religious, educational, scientific, or charitable purposes, may, without limitations as to value, take, receive and hold such real and personal property, including the principal or interest of any money or other fund, as may be given, granted, conveyed, bequeathed, devised to, or otherwise vested in, such corporation in trust for the purpose or purposes set forth in its articles. Such real and personal property shall be faithfully and specifically used for or applied to the purpose or purposes for which it was given in trust to the corporation. The directors of the corporation shall, as trustees of such property, be held to the same degree of responsibility and accountability as if not incorporated, unless a less degree or a particular degree of responsibility and accountability is prescribed in the trust instrument, or unless the directors remain under the control of the members of the corporation or third persons who retain the right to direct, and do direct, the actions of the directors as to the use of the trust property from time to time. Unless otherwise specifically directed in the trust instrument by which any real or personal property, money or other funds, are given, granted, conveyed, bequeathed, devised to, or otherwise vested in, corporations formed for religious, educational, scientific, or other charitable purposes, the directors thereof shall have power to invest the funds thus received, or the proceeds of any property thus received, in such investments as in the honest exercise of their judgment they may, after investigation, determine to be safe and proper investments, and to retain any investments heretofore so made. The directors of the corporation shall keep accurate accounts of all trust funds, separate and apart from the other funds of the corporation, and shall, unless the terms of the particular trust instrument provide otherwise, make an annual report, signed by the treasurer, to the members of the corporation concerning the trust funds held under this section and the use made of such funds and of the income thereof.

Any such nonprofit corporation may, by appropriate action of its board of directors or trustees, transfer any such real or personal property to a corporate trustee, which shall be a bank and trust company or a trust company incorporated under the laws of the Commonwealth of Pennsylvania or a national banking association having fiduciary powers and having its principal office in this Commonwealth, as trustee and with like investment restrictions, said transfers to be either revocable

or irrevocable; and upon the transfer of any such property, any such nonprofit corporation shall be relieved of all liability for the investment and reinvestment thereof. Such corporate trustee shall pay, at least semi-annually or at more frequent intervals if so agreed, the net income from such property to such nonprofit corporation, for use and application to the purpose or purposes for which it was given in trust to such nonprofit corporation. *Any such nonprofit corporation may, by appropriate action of its board of directors or trustees, keep any such investments or fractional interests in any such investments, held by it or made by it, in the name of the corporation or in the name of a nominee of the corporation.*

Subsection F, section 318, act of May 5, 1933, P. L. 289, added May 9, 1947, P. L. 196, amended.

Section 2. Subsection F of section 318 of the act, added May nine, one thousand nine hundred forty-seven (Pamphlet Laws 196), is amended to read:

Section 318. Common Trust Funds.—

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F. The corporation shall designate clearly upon its records the names of the trusts or funds on behalf of which such corporation, as fiduciary or otherwise, owns a participation in any such common trust fund and the extent of the interest of the trust or fund therein. No such trust or fund shall be deemed to have individual ownership of any asset in such common trust fund, but shall be deemed to have the proportionate undivided interest in the common trust fund. The ownership of the individual assets comprising any such common trust fund shall be solely in the corporation as fiduciary or otherwise. *Any such nonprofit corporation may, by appropriate action of its board of directors or trustees, keep investments in any such common trust fund established and maintained by it in the name of the corporation or in the name of a nominee of the corporation.*

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APPROVED—The 29th day of May, A. D. 1956.

GEORGE M. LEADER

No. 608

AN ACT

Amending the act of May one, one thousand nine hundred twenty-nine (Pamphlet Laws 1005), entitled, as amended, "An act relating to and regulating tractors and their operation; providing for their registration by the Department of Revenue upon payment of prescribed fees; prescribing and limiting the powers of local authorities to deal with the subject matter of