

AN ACT

Amending the act of April 9, 1929 (P. L. 343), entitled "An act relating to the finances of the State government; providing for the settlement, assessment, collection, and lien of taxes, bonus, and all other accounts due the Commonwealth, the collection and recovery of fees and other money or property due or belonging to the Commonwealth, or any agency thereof, including escheated property and the proceeds of its sale, the custody and disbursement or other disposition of funds and securities belonging to or in the possession of the Commonwealth, and the settlement of claims against the Commonwealth, the resettlement of accounts and appeals to the courts, refunds of moneys erroneously paid to the Commonwealth, auditing the accounts of the Commonwealth and all agencies thereof, of all public officers collecting moneys payable to the Commonwealth or any agency thereof, and all receipts of appropriations from the Commonwealth and imposing penalties; affecting every department, board, commission, and officer of the State government, every political subdivision of the State, and certain officers of such subdivisions, every person, association, and corporation required to pay, assess, or collect taxes, or to make returns or report under the laws imposing taxes for State purposes, or to pay license fees or other moneys to the Commonwealth, or any agency thereof, every State depository and every debtor or creditor of the Commonwealth," authorizing the Treasury Department to invest certain moneys of the Commonwealth in certain types of prime commercial paper.

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

Section 301, act of April 9, 1929, P. L. 343, amended July 27, 1955, P. L. 285, further amended.

Section 1. Section 301, act of April 9, 1929 (P. L. 343), known as "The Fiscal Code," amended July 27, 1955 (P. L. 285), is amended to read:

Section 301. Deposit of Moneys.—The Treasury Department shall deposit all moneys of the Commonwealth received by it, including moneys not belonging to the Commonwealth but of which the Treasury Department or the State Treasurer is custodian, in State depositories approved by the Board of Finance and Revenue. The Treasury Department shall not be required to deposit or to keep on deposit moneys of the Commonwealth segregated by funds in State depositories.

The Treasury Department shall not, at any time have in all active depositories more than an aggregate of such total sum as the Board of Finance and Revenue shall, by resolution, have prescribed, and shall not deposit in any one inactive depository an amount in excess of twenty-five per centum of its paid-in capital and surplus, nor in excess of five hundred thousand dollars: Provided, however, That in the case of any particular depository, these limitations may be waived by the Board of Finance and Revenue, so as to permit the State Treasurer to deposit State moneys, not in excess of one million dollars,

in any bank, banking institution, or trust company designated as an inactive depository.

All departments, boards or commissions, having in their possession any moneys belonging to the Commonwealth, shall deposit them in State depositories approved by the Board of Finance and Revenue. In all such cases the depositing department, board or commission shall forthwith, upon opening the account, notify the Department of the Auditor General and the Treasury Department of the name of the depository and the nature of the funds to be deposited in the account.

[The Treasury Department may from time to time invest in direct short-term obligations of the United States government, such amounts of the moneys of the Commonwealth, with the exception of moneys in any fund authorized by law to be invested by any board, commission or State officer, on deposit from time to time in State depositories, as shall have accumulated beyond the ordinary needs of various funds. The Treasury Department shall from time to time, as necessary, sell such short-term obligations and deposit the proceeds in State depositories as provided by this act. The Treasury Department shall not at any one time have invested in short-term obligations of the United States government more than an aggregate of such total sum as the Board of Finance and Revenue shall by resolution with the Governor's approval have prescribed.]

Section 2. The act is amended by adding, after section 301, a new section to read:

Act amended by
adding a new
section 301.1.

Section 301.1. Investment of Moneys.—(a) The Treasury Department may, from time to time, invest in direct short-term obligations of the United States government such amounts of the moneys of the Commonwealth, with the exception of moneys in any fund authorized by law to be invested by any board, commission or State officer, on deposit from time to time in State depositories, as shall have accumulated beyond the ordinary needs of various funds. The Treasury Department shall, from time to time as necessary, sell such short-term obligations and deposit the proceeds in State depositories as provided by this act. The Treasury Department shall not, at any one time, have invested in short-term obligations of the United States government more than an aggregate of such total sum as the Board of Finance and Revenue shall, by resolution, with the Governor's approval, have prescribed.

*(b) The Treasury Department may, from time to time, subject to the hereinafter stated conditions and limitations, invest and reinvest the moneys of any fund as shall have accumulated beyond the ordinary needs of the various funds, and which * are not authorized by*

* "by law" in original.

law to be invested by any board, commission or State officer in prime rated commercial paper.

As used herein, "commercial paper" shall mean unsecured promissory notes issued at a discount from par by any industrial or finance company, and

"Prime commercial paper" shall mean notes issued by corporations whose credit has been approved by the National Credit Office, Inc., New York, or its successor.

The Treasury Department shall have obtained the following, prior to any commitment to purchase commercial paper:

(1) A certification or other evidence that such commercial paper is rated prime by the National Credit Office, Inc.;

(2) A certification or other evidence that the paper proposed to be delivered is not subordinated to any other debt of the issuer;

(3) A certification or other evidence that there is no litigation pending or threatened affecting said paper;

(4) A certification or other evidence that the issuer is not in default as to the payment of principal or interest upon any of its outstanding obligations; and

(5) A certification or other evidence that the issuer was incorporated within the United States, is transacting business within the United States, and has assets of one billion dollars or more.

The Treasury Department shall not, at any time, have invested in prime commercial paper more than an aggregate of such total sum as the Board of Finance and Revenue shall, by resolution, with the Governor's approval, have prescribed.

Act effective immediately.

Section 3. This act shall take effect immediately.

APPROVED—The 19th day of June, A. D. 1961.

DAVID L. LAWRENCE

No. 236

AN ACT

Amending the act of March 10, 1949 (P. L. 30), entitled "An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto," providing for annual estimates of expenses.

Public School Code of 1949.

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