

Section 2. At the next municipal election in November, 1965, the qualified electors of the thirty-eighth judicial district shall elect, in the same manner prescribed by law for the election of the president judge of the court of common pleas of the district, one competent person learned in the law to serve as additional law judge of the court of common pleas of the thirty-eighth judicial district from the first Monday in January, 1966, for a term of ten years. Vacancies in the offices hereby created whether caused by death, resignation, expiration of term or otherwise shall be filled in the same manner as is required by law in case of similar vacancies in the office of president judge of the court.

Election and term.

Section 3. The Governor may appoint one competent person, learned in the law, as additional law judge of the court of common pleas of the thirty-eighth judicial district to serve until the first Monday of January, 1966.

Appointment.

Section 4. This act shall take effect November 15, 1963.

Effective date.

APPROVED—The 6th day of August, A. D. 1963.

WILLIAM W. SCRANTON

No. 290

AN ACT

Creating the Pennsylvania Higher Education Assistance Agency; defining its powers and duties; conferring powers and imposing duties on the Governor, President Pro Tempore of the Senate, Speaker of the House of Representatives, Superintendent of Public Instruction and the Department of Banking; and making appropriations.

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

Pennsylvania
Higher Education
Assistance
Agency.

Section 1. Establishment.—There is hereby created a body corporate and politic constituting a public corporation and government instrumentality which shall be known as the “Pennsylvania Higher Education Assistance Agency.”

Section 2. Purpose.—The purpose of such agency shall be to improve the higher educational opportunities of persons who are residents of this State and who are attending approved institutions of higher education, in this State or elsewhere, requiring for admission high school graduation or its equivalence, by lending funds to such persons to assist them in meeting their expenses of higher education in accordance with the provisions of this act.

Section 3. Governing Bodies.—(a) Such agency shall be governed and all of its corporate powers exercised by a board of directors which shall consist of ten members, nine of whom shall be appointed as hereinafter provided, and the Superintendent of Public Instruction. Three members shall be appointed by the Governor, three shall be appointed by the President Pro Tempore of the Senate, and three shall be appointed by the Speaker of the House of Representatives. All members shall be of full age, citizens of the United States and residents of the State, and shall be appointed for terms of six years each, except that of the members first appointed by the Governor, one shall be appointed for a term which shall expire on June 30, 1965, one for a term which shall expire on June 30, 1967, and one for a term which shall expire on June 30, 1969, and of the members first appointed by the President Pro Tempore of the Senate, one shall be appointed for a term which shall expire on June 30, 1965, one for a term which shall expire on June 30, 1967, and one for a term which shall expire on June 30, 1969, and of the members first appointed by the Speaker of the House of Representatives, one shall be appointed for a term which shall expire on June 30, 1965, one for a term which shall expire on June 30, 1967, and one for a term which shall expire on June 30, 1969. The board of directors shall elect from its own members each year a chairman and vice chairman who shall serve for terms of one year and who shall be eligible for reelection for successive terms. No person shall serve as a director longer than, until and including the last day of December in the year in which he shall be seventy years of age. Vacancies shall be filled for the unexpired terms in the same manner as original appointments. Directors shall receive no compensation for their services, but shall be reimbursed for their expenses actually and necessarily incurred by them in the performance of their duties under this act.

(b) The board of directors shall provide for the holding of regular and special meetings. Six directors attending shall constitute a quorum for the transaction of any business and, unless a greater number is required by the by-laws of the agency, the act of a majority of the directors present at any meeting shall be deemed the act of the board.

(c) The board of directors shall adopt by-laws for the *agency and may appoint such officers and employes as it deems advisable and may fix their compensation and prescribe their duties.

(d) The board of directors may elect an executive committee of not less than five members who, in intervals

* "authority" in original.

between meetings of the board, may transact such business of the agency as the board may from time to time authorize. Unless otherwise provided by the by-laws, a majority of the whole of such committee attending shall constitute a quorum for the transaction of any business and the act of a majority of the members of the executive committee present at any meeting thereof shall be the act of such committee.

Section 4. Powers and Duties.—In furtherance of the purposes set forth in this act, the board of directors shall have the following powers:

(1) To lend money upon such terms and conditions as the board may prescribe within the limitations contained herein, and at a uniform rate of interest to be determined by the agency, to persons who are residents of this State and who are attending any approved institution of higher education eligible under this act in this State or elsewhere, and have satisfactorily completed one year of post secondary work, to assist them in meeting their expenses of higher education. No such person shall receive any loan or loans in excess of one thousand dollars (\$1000) for any academic year and no such person shall receive a total of more than five thousand dollars (\$5000). Such loans shall become due and payable six months after the person to whom the loan was made, or for whom it was guaranteed, leaves the institution, and the board shall have the power to extend this time for a period not to exceed five years.

(2) To provide for monthly payments during this extended period and to guarantee the loans of money upon such terms and conditions as the board may prescribe to persons who are residents of the State and who are attending approved institutions of higher education in this State or elsewhere, to assist them in meeting their expenses of higher education: Provided, however, That no loan to such a person shall be guaranteed to an amount in excess of one thousand dollars (\$1000) for any academic year and that the total loan to such person shall not be guaranteed in an amount of more than five thousand dollars (\$5000).

(3) To take, hold and administer on behalf of the agency and for any of its purposes, real property, personal property and moneys or any interest therein and the income therefrom either absolutely or in trust. The board may acquire property or moneys for such purpose by purchase or lease and by the acceptance of gifts, grants, bequests, devises or loans, but no obligation of the agency shall be a debt of the State and it shall have no power to pledge the credit or taxing power of the State nor to make its debts payable out of any moneys except those of the corporation.

(4) To enter into contracts with approved institutions of higher education upon such terms as may be agreed upon between the board and any such institution, to provide for the administration by such institutions of any loan or guarantee of a loan made by the agency including applications therefor and repayment thereof.

(5) To establish and from time to time revise and publish a list of approved institutions of higher education.

(6) To adopt rules and regulations not inconsistent with law governing the application for and the granting, administration and repayment of loans made by the agency and governing any other matters relating to its activities.

(7) To perform such other acts as may be necessary or appropriate to carry out effectively the objects and purposes of the agency as specified in this act.

Section 5. Capacity of Minors.—Any person otherwise qualifying for a loan from the agency, or qualifying for a loan guaranteed by the agency, shall not be disqualified by reason of his being under the age of twenty-one years and, for the purpose of applying for, receiving and repaying such loan, any such person shall be deemed to have full legal capacity to act and shall have all the rights, powers, privileges and obligations of a person of full age with respect thereto.

Section 6. Contributions to Agency; Tax Deduction Thereof.—Notwithstanding the provisions of any general or special law or the provisions of any certificate of incorporation, charter or other article of organization, any person and all corporations or associations, organized for the purpose of carrying on business in this State or authorized to do business in this State, are hereby authorized to make contributions to the Pennsylvania Higher Education Assistance Agency and such contributions shall be allowed as deductions in computing the net taxable income of any such person, corporation or association for purposes of any income tax imposed by the State of Pennsylvania.

Section 7. Tax Exemption of Corporation.—The property, income and activities of the Pennsylvania Higher Education Assistance Agency shall be exempt from all taxes and assessments.

Section 8. Supervision and Reports.—The Pennsylvania Higher Education Assistance Agency shall be subject to the supervision and examination of the Department of Banking, but shall not be deemed to be a banking organization nor required to pay a fee for any such supervision or examination. It shall make an an-

nual report of its condition to the Governor, the Legislature and the Department of Banking on or before June 1 of each year.

Section 9. Dissolution.—Upon the dissolution of the Pennsylvania Higher Education Assistance Agency or the cessation of its activities, all the property and moneys of such corporation in excess of its obligations shall become the property of the Commonwealth.

Section 10. Funds; Appropriations.—(a) The sum of four hundred twenty-five thousand dollars (\$425,000) is hereby specifically appropriated to the authority to be deposited in the Higher Education Assistance Fund, hereby created, which shall be held as a reserve to guarantee payment of possible losses for loans guaranteed under the provisions of this act.

(b) The sum of seventy-five thousand dollars (\$75,000) is hereby appropriated to the agency for the payment of expenses in carrying out the provisions of this act. Annually on September 1, all sums in the fund in excess of five hundred thousand dollars (\$500,000) shall be transferred to the General Fund until the total sum of seventy-five thousand dollars (\$75,000) is transferred thereto.

Section 11. The Pennsylvania Higher Education Assistance Agency shall not be subject to any provisions of the act of May 15, 1933 (P. L. 624), known as the "Banking Code."

Not subject to
Banking Code.

Section 12. This act shall take effect immediately upon the adoption by the electorate of an amendment to the Constitution of Pennsylvania authorizing grants or loans for higher educational purposes.

Effective upon
condition of
adoption of
constitutional
amendment.

APPROVED—The 7th day of August, A. D. 1963.

WILLIAM W. SCRANTON

No. 291

AN ACT

Amending the act of May 22, 1933 (P. L. 853), entitled "An act relating to taxation; designating the subjects, property and persons subject to and exempt from taxation for all local purposes; providing for and regulating the assessment and valuation of persons, property and subjects of taxation for county purposes, and for the use of those municipal and quasi-municipal corporations which levy their taxes on county assessments and valuations; amending, revising and consolidating the law relating thereto; and repealing existing laws," providing that cities of the second class and school districts of the first class A in second class counties shall not be required to segregate a portion of the amount of certain taxes paid.