

No. 175

AN ACT

To further amend the act, approved the fifth day of May, one thousand nine hundred thirty-three (Pamphlet Laws 457), entitled "An act relating to the business of building and loan associations; providing for the organization and voluntary dissolution of such associations; defining the rights, powers, duties, liabilities, and immunities of such associations, and of their officers, directors, shareholders, solicitors, and other employes; prohibiting the transaction of business in this Commonwealth by foreign building and loan associations; conferring powers and imposing duties upon the courts, recorders of deeds, and certain State departments, commissions, and officers; establishing limitations of actions; imposing penalties; and repealing certain acts and parts of acts," by further defining and limiting the rights and powers of such associations with respect to agency and branch office operations, and conferring additional powers and imposing additional duties upon certain State departments and the Building and Loan Board.

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

Section 1. Section 203 of the act, approved the fifth day of May, one thousand nine hundred thirty-three (Pamphlet Laws 457), entitled "An act relating to the business of building and loan associations; providing for the organization and voluntary dissolution of such associations; defining the rights, powers, duties, liabilities, and immunities of such associations, and of their officers, directors, shareholders, solicitors, and other employes; prohibiting the transaction of business in this Commonwealth by foreign building and loan associations; conferring powers and imposing duties upon the courts, recorders of deeds, and certain State departments, commissions, and officers; establishing limitations of actions; imposing penalties; and repealing certain acts and parts of acts," as last amended by the act, approved the fifteenth day of May, one thousand nine hundred forty-five (Pamphlet Laws 485), is hereby further amended to read as follows:

Section 203. Place of Business.—An association shall not hold any of the regular meetings of its directors, grant any loans, or transact any business, except at [the] a place of business designated in its by-laws; but the [collection of dues, interest, premiums, and fines by any corporation or person authorized by the association to make such collection at any place other than the place of business of the association, and the] holding of shareholders' meetings, shall not be construed to be the transaction of business within the meaning of this section. *Any association which, prior to the first day of January, one thousand nine hundred fifty-four, had authorized any corporation or person to collect dues, interest, pre-*

"Building and Loan Code."

Section 203, act of May 5, 1933, P. L. 457, as last amended by act of May 15, 1945, P. L. 485, further amended.

miiums and fines in any city, borough or township in the Commonwealth, other than a place of business of the association permitted by the act which this act amends, may continue to collect dues, interest, premiums and fines in any such communities through any such corporations or persons and may appoint successors in their stead in any city, borough or township in the Commonwealth. In the event that [the] a place of business designated in the by-laws becomes unavailable, the directors may specify another place, within the same city, borough, or township, as a temporary place of business.

Section 204,
said act, as
amended by act
of July 2, 1935,
P. L. 574,
further amended.

Section 2. Section 204 of said act, as amended by the act, approved the second day of July, one thousand nine hundred thirty-five (Pamphlet Laws 574), is hereby further amended to read as follows:

Section 204. Branch Offices and Sub-Agencies.—[An] A. *Except as may otherwise be permitted by this act, an association shall not establish, maintain, or operate, either directly or indirectly, any branch association, branch office, agency, sub-office, sub-agency, or branch place of business within this Commonwealth, for the holding of the regular meetings of its directors, the granting of any loans, or the transaction of any part of its business, but all of the business of such association shall be carried on solely and exclusively at its principal place of business, [The collection of dues, interest, premiums, and fines by any corporation or person authorized by the association to make such collection at any place other than the place of business of the association, and] but the holding of shareholders' meetings, shall not be construed to be the transaction of business within the meaning of this section.*

B. *Any association which, prior to the first day of January, one thousand nine hundred fifty-four, had authorized any corporation or person to collect dues, interest, premiums and fines in any city, borough or township in the Commonwealth, other than a place of business of the association permitted by the act which this act amends, may continue to collect dues, interest, premiums and fines in any such communities through any such corporations or persons and may appoint successors in their stead in any city, borough or township in the Commonwealth.*

C. *Any association may, in the manner provided in this act for an amendment to its articles of incorporation or in pursuance of a plan of merger or consolidation in accordance with the provisions of Article X of this act, establish a branch office within the corporate limits of the city, borough or township in which its principal place of business is located. It may also, in the same manner, establish a branch office in any other community*

within the county in which its principal place of business is located or in any place within any county contiguous to the county in which its principal place of business is located, if the community in which such branch is to be established is without adequate savings and loan facilities or, in the case of a merger or consolidation, is without adequate savings and loan facilities other than an association which is a party to the plan of merger or consolidation: Provided, That no branch shall be established under the provisions of this subsection without the approval of the Department of Banking and the Building and Loan Board: And provided further, That no such branch shall be established unless the association or the resulting association after a merger or consolidation has aggregate assets of at least one million dollars and aggregate reserves and undivided profits equal to at least five per centum thereof.

D. Articles of amendment, of merger or of consolidation, as the case may be, the effect of which is to establish a branch, shall be subject to all of the requirements prescribed by this act for articles of the same kind generally, except that:

(1) If the proposed branch is to be established in a county contiguous to the county in which the association's principal place of business is located,

(a) Written notice of the intention to file such articles with the Department of State shall be given at least ten days prior to the day on which the articles are to be presented to the Department of State to every association which has its principal place of business in the county in which the proposed branch is to be located, such notice to contain all of the statements which are required by this act to be set forth in the advertisement of intention to file articles of the particular kind with the Department of State;

(b) The advertisement of intention to file such articles with the Department of State shall appear at least ten days prior to the day on which the articles are to be presented to the Department of State and shall also be inserted one time in a newspaper of general circulation in the county and community in which the proposed branch is to be located and one time in a legal newspaper published in the county in which the proposed branch is to be located; and

(c) The advertisement shall set forth a statement that written notice of the intention to file articles with the Department of State has been given to every association which has its principal place of business in the county in which the proposed branch is to be located.

(2) In the case of articles of amendment, of merger or of consolidation, as the case may be, the effect of which

is to establish a branch, the Department of Banking shall, within sixty days after the receipt of the articles from the Department of State, upon the basis of the facts disclosed by the investigation or hearing provided for by this act, either approve or disapprove such articles. The Department of Banking may, in its sole discretion, disapprove articles, the effect of which is to establish a branch in a county contiguous to the county in which the principal place of business of the association is located, if it shall appear as a result of the investigation or hearing provided for by this act that an association having its principal place of business in the county in which the proposed branch is to be located has in good faith notified the Department of Banking of its intention to establish a branch in accordance with the provisions of this act in the same city, borough or township in which such proposed branch is to be located.

If the Department of Banking shall approve such articles, it shall forward them to the Building and Loan Board for review. The Building and Loan Board shall, after such investigation or hearing as it may deem advisable, either approve or disapprove the action of the Department of Banking and shall return the articles to the Department of Banking with notice of its decision and, in the case of disapproval, with a statement in detail of its reasons for doing so. The decision of the Building and Loan Board shall be binding upon the Department of Banking.

Immediately upon receipt of the articles from the Building and Loan Board, the Department of Banking shall, on the basis of the decision of the Building and Loan Board, either approve or disapprove them in the same manner as is provided for by this act in the case of articles of the same kind generally.

APPROVED—The 27th day of July, A. D. 1953.

JOHN S. FINE

No. 176

AN ACT

To further amend the act, approved the tenth day of March, one thousand nine hundred forty-nine (Pamphlet Laws 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," by changing the provisions relating to filling of vacancies.