

No. 606

AN ACT

Amending the act of May twenty-six, one thousand nine hundred forty-nine (Pamphlet Laws 1828), entitled "An act concerning the investment powers and duties of guardians, committees, trustees, and other fiduciaries, except personal representatives, and prescribing the nature and kind of investments which may be made and retained by such fiduciaries," further prescribing the eligibility for authorized investments of the obligations of municipality authorities.

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

Fiduciaries.
Investment Act
of 1949.

Section 1. Clause (3) of section five, act of May twenty-six, one thousand nine hundred forty-nine (Pamphlet Laws 1828), known as the "Fiduciaries Investment Act of 1949," amended August nineteen, one thousand nine hundred fifty-three (Pamphlet Laws 1154), is amended to read:

Clause (3),
section 5, act of
May 26, 1949,
P. L. 1828,
amended August
19, 1953, P. L.
1154, further
amended.

Section 5. Obligations of Pennsylvania Governmental Organizations.—Obligations of the following Pennsylvania governmental organizations shall be authorized investments:

* * * * *

(3) Municipality Authorities. Obligations of any municipality authority issued pursuant to the laws of the Commonwealth relating to the creation or operation of municipality authorities, if the obligations are not in default and if *the project for which the obligations were issued is under lease to a school district or school districts, or if the obligations are not in default and if the project for which the obligations were issued is under lease to a municipality or municipalities or subject to a service contract with a municipality or municipalities, pursuant to which the authority will receive lease rentals or service charges available for fixed charges on the obligations, which will average not less than one and one-fifth times the average annual fixed charges of such obligations over the life thereof, or if the obligations are not in default and if for the period of five fiscal years next preceding the date of acquisition, the income of such authority available for fixed charges has averaged not less than one and one-fifth times its average annual fixed charges of such obligations over the life of such obligations.* As used in this clause, the term "income available for fixed charges" shall mean income after deducting operating and maintenance expenses, and, unless the obligations are payable in serial, annual maturities, or are supported by annual sinking fund

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: