

No. 86

AN ACT

Amending the act of June 23, 1931 (P. L. 932), entitled "An act relating to cities of the third class; and amending, revising, and consolidating the law relating thereto," providing for the creation of capital reserve funds for capital expenditures.

The Third Class City Code.

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

Section 2403, act of June 23, 1931, P. L. 932, reenacted and amended June 28, 1951, P. L. 662, amended by adding a new clause 1.1.

Section 1. Section 2403, act of June 23, 1931 (P. L. 932), known as "The Third Class City Code," reenacted and amended June 28, 1951 (P. L. 662), is amended by adding, after clause 1, a new clause to read:

Section 2403. Specific Powers.—In addition to other powers granted by this act, the council of each city shall have power, by ordinance:

* * * * *

1.1. Creation of Capital Reserve Fund for Anticipated Capital Expenditures.—To create and maintain a separate capital reserve fund for any anticipated legal capital expenditures, which fund shall be designated for a specific purpose or purposes at the time of its creation. The money in the fund shall be used, from time to time, for the construction, purchase or replacement of or addition to municipal buildings, equipment, machinery, motor vehicles or other capital assets of the city as specified at the time of the creation of the fund and for no other purpose: Provided, That it may be used for capital expenditure other than the purpose or purposes specified at the time it was created, if city council by a four-fifths vote shall declare that the original purpose or purposes have become impracticable, inadvisable or impossible, or that conditions have arisen in the city which make other capital expenditures more urgent than those for which the fund was created.

The council may appropriate moneys from the general city funds to be paid into the capital reserve fund, or place in the fund any moneys received from the sale, lease or other disposition of any city property or from any other source unless received or acquired for a particular purpose. The fund shall be controlled, invested, reinvested and administered and the moneys therein and income from such moneys expended for the specific purpose or purposes for which the fund is created in such manner as may be determined by the council. The money in the fund, when invested, shall be invested in securities designated by law as legal investments for sinking funds of municipalities.

APPROVED—The 20th day of May, A. D. 1957.

GEORGE M. LEADER