

## No. 198

## AN ACT

Amending the act of May 1, 1933 (P. L. 103), entitled "An act concerning townships of the second class; and amending, revising, consolidating, and changing the law relating thereto," authorizing townships to make appropriations to industrial development agencies.

The Second Class Township Code.

Section 702, act of May 1, 1933, P. L. 103, reenacted and amended July 10, 1947, P. L. 1481, amended by adding a new clause LVI.

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

Section 1. Section 702, act of May 1, 1933 (P. L. 103), known as "The Second Class Township Code," reenacted and amended July 10, 1947 (P. L. 1481), is amended by adding, at the end thereof, a new clause to read:

Section 702. Supervisors to Exercise Powers.—The corporate powers of townships of the second class shall be exercised by the township supervisors. Where no specific authority is given for the expenditures incident to the exercise of any power hereinafter conferred, or where no specific fund is designated from which such expenditures shall be made, appropriations for such expenditures shall be made only from the general township fund. In addition to the duties imposed upon them by section 516 hereof, they shall have power—

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\*LVI. Contributions for Industrial Promotion.—To make appropriations to an industrial development agency, as defined in section 3, act of May 31, 1956 (P. L. 1911), known as the "Industrial Development Assistance Law," when the township is located within the area for which the agency has been authorized to make application to, and receive grants from, the Department of Commerce for the purposes specified in the "Industrial Development Assistance Law." Such appropriations by any township shall not exceed, in any one year, ten cents (10c) for each inhabitant of the township.

Act effective immediately.

Section 2. This act shall take effect immediately.

APPROVED—The 21st day of June, A. D. 1957.

GEORGE M. LEADER

## No. 199

## AN ACT

Concerning gifts of securities or money to minors; providing for custodians of such gifts and their powers and duties; defining

\* "LV." in original.

the effect of the gifts on guardians of minors or their estates; conferring jurisdiction on orphans' courts, and absolving agents dealing with securities or money from certain responsibilities.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows: Gifts to minors.

Section 1. Short Title.—This act shall be known and may be cited as the “Pennsylvania Uniform Gifts to Minors Act.” Pennsylvania Uniform Gifts to Minors Act.

Section 2. Definitions.—The following words, terms and phrases when used in this act shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning: Definitions.

(1) An “adult” is a person who has attained the age of twenty-one years.

(2) A “bank” is a bank, bank and trust company, trust company, savings and loan association, building and loan association, national banking association or institution, or savings bank.

(3) A “broker” is a person lawfully engaged in the business of effecting transactions in securities for the account of others. The term includes a bank which effects such transactions. The term also includes a person lawfully engaged in buying and selling securities, for his own account, through a broker or otherwise as a part of a regular business.

(4) “Court” means the orphans' court having jurisdiction over the minor or the property.

(5) “The custodial property” includes—

(i) All securities and money under the supervision of the same custodian for the same minor as a consequence of a gift or gifts made to the minor in a manner prescribed in this act;

(ii) The income from the custodial property; and

(iii) The proceeds, immediate and remote, from the sale, exchange, conversion, investment, reinvestment or other disposition of such securities, money and income.

(6) A “custodian” is a person so designated in a manner prescribed in this act.

(7) A “guardian” of a minor includes the general guardian, guardian, tutor or curator of his property, estate or person.

(8) An “issuer” is a person who places or authorizes the placing of his name on a security (other than as a transfer agent) to evidence that it represents a share, participation or other interest in his property or in an

enterprise, or to evidence his duty or undertaking to perform an obligation evidenced by the security, or who becomes responsible for or in place of any such person.

(9) A "legal representative" of a person is his executor \*or the administrator, general guardian, guardian, committee, conservator, tutor or curator of his property or estate.

(10) A "member" of a "minor's family" means any of the minor's parents, grandparents, brothers, \*\*sisters, uncles and aunts, whether of the whole blood or the half blood, or by or through legal adoption.

(11) A "minor" is a person who has not attained the age of twenty-one years.

(12) A "security" includes any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in an oil, gas or mining title or lease, or in payments out of production under such title or lease, collateral trust certificate, transferable share, voting trust certificate, or, in general, any interest or instrument commonly known as a security, or any certificate of interest or participation in any temporary or interim certificate, receipt or certificate of deposit for or any warrant or right to subscribe to or purchase any of the foregoing. The term does not include a security of which the donor is the issuer. A security is in "registered form" when it specifies a person entitled to it, or to the rights it evidences, and its transfer may be registered upon books maintained for that purpose by or on behalf of the issuer.

(13) A "transfer agent" is a person who acts as authenticating trustee, transfer agent, registrar or other agent for an issuer in the registration of transfers of its securities or in the issue of new securities or in the cancellation of \*\*\*surrendered securities.

(14) A "trust company" is any corporation authorized under the laws of this Commonwealth to act as a fiduciary.

Section 3. Manner of Making Gift.—(a) An adult person may, during his lifetime, make a gift of a security or money to a person who is a minor on the date of the gift:

(1) If the subject of the gift is a security in registered form, by registering it in the name of the

\* "of" in original.

\*\* "sister" in original.

\*\*\* "surrender" in original.

donor, another adult person, or a trust company, followed in substance by the words "as custodian for ..... under the Pennsylvania Uniform Gifts to Minors Act."  
 (name of minor)

(2) If the subject of the gift is a security not in registered form, by delivering it to a guardian of the minor or a trust company, accompanied by a statement of gift in the following form in substance, signed by the donor and the person designated as custodian.

"Gift under the Pennsylvania  
 Uniform Gifts to Minors Act

I ..... hereby deliver to .....  
 (name of donor) (name of  
 ..... as custodian for ..... un-  
 custodian) (name of minor)  
 der the Pennsylvania Uniform Gifts to Minors Act, the following security(ies): (insert an appropriate description of the security or securities delivered sufficient to identify it or them).

.....  
 (signature of donor)

..... hereby acknowledges receipt  
 (name of custodian)  
 of the above described security(ies) as custodian for the above minor under the Pennsylvania Uniform Gifts to Minors Act.

Dated .....  
 (signature of custodian)."

(3) If the subject of the gift is money, by paying or delivering it to a broker or a bank, for credit to an account in the name of the donor, another adult person, an adult member of the minor's family, a guardian of the minor, or a bank with trust powers, followed in substance by the words "as custodian for .....  
 (name of minor)  
 under the Pennsylvania Uniform Gifts to Minors Act."

(b) Any gift made in a manner prescribed in subsection (a) may be made to only one minor and only one person may be the custodian.

(c) A donor who makes a gift to a minor in a manner prescribed in subsection (a) shall promptly do all things within his power to put the subject of the gift in the possession and control of the custodian, but neither the donor's failure to comply with this subsection nor his designation of an ineligible person as custodian, nor renunciation by the person designated as custodian affects the consummation of the gift.

**Section 4. Effect of Gift.**—(a) A gift made in a manner prescribed in this act is irrevocable, and conveys to

the minor indefeasibly vested legal title to the security or money given, but no guardian of the minor has any right, power, duty or authority with respect to the custodial property, except as provided in this act.

(b) By making a gift in a manner prescribed in this act, the donor incorporates in his gift all the provisions of this act and grants to the custodian and to any issuer, transfer agent, bank, broker, or third person, dealing with a person designated as custodian, the respective powers, rights and \*immunities provided in this act.

Section 5. Duties and Powers of Custodian.—(a) The custodian shall collect, hold, manage, invest and reinvest the custodial property.

(b) The custodian shall pay over to the minor for expenditure by him or expend for the minor's benefit so much of or all the custodial property as the custodian deems advisable for the support, maintenance, education and benefit of the minor, in the manner, at the time or times, and to the extent that the custodian, in his discretion, deems suitable and proper, with or without court order, with or without regard to the duty of himself or of any other person to support the minor, or his ability to do so, and with or without regard to any other income or property of the minor, which may be applicable or available for any such purpose.

(c) The court on the petition of a parent or guardian of the minor, or of the minor if he has attained the age of fourteen years, may order the custodian to pay over to the minor for expenditure by him or to expend so much of or all the custodial property as is necessary for the minor's support, maintenance or education.

(d) To the extent that the custodial property is not so expended, the custodian shall deliver or pay it over to the minor on his attaining the age of twenty-one years, or if the minor dies before attaining the age of twenty-one years, he shall thereupon deliver or pay it over to the estate of the minor.

(e) The custodian, notwithstanding statutes restricting investments by fiduciaries, shall invest and reinvest the custodial property as would a prudent man of discretion and intelligence who is seeking a reasonable income and the preservation of his capital, except that he may, in his discretion and without liability to the minor or his estate, retain a security given to the minor in a manner prescribed in this act.

(f) The custodian may sell, exchange, convert or otherwise dispose of custodial property, in the manner, at the time or times, for the price or prices, and upon

\* "Immunities" in original.

the terms he deems advisable. He may vote in person, or by general or limited proxy, a security which is custodial property. He may consent, directly or through a committee or other agent, to the reorganization, consolidation, merger, dissolution or liquidation of an issuer, a security which is custodial property, and to the sale, lease, pledge or mortgage of any property by or to such an issuer, and to any other action by such an issuer. He may execute and deliver any and all instruments in writing, which he deems advisable to carry out any of his powers as custodian.

(g) The custodian shall register each security which is custodial property, and in registered form in the name of the custodian followed in substance by the words "as custodian for ..... under  
(name of minor)

the Pennsylvania Uniform Gifts to Minors Act." The custodian shall hold all money which is custodial property in an account with a broker or in a bank in the name of the custodian, followed in substance by the words "as custodian for ..... under  
(name of minor)

the Pennsylvania Uniform Gifts to Minors Act." The custodian shall keep all other custodial property separate and distinct from his own property in a manner to identify it clearly as custodial property.

(h) The custodian shall keep records of all transactions with respect to the custodial property, and make them available for inspection at reasonable intervals by a parent or legal representative of the minor or by the minor if he has attained the age of fourteen years.

(i) A custodian has, with respect to the custodial property in addition to the rights and powers provided in this act, all the rights and powers which a guardian has with respect to property not held as custodial property.

Section 6. Custodian's Expenses, Compensation, Bond and Liabilities.—(a) A custodian is entitled to reimbursement from the custodial property for his reasonable expenses incurred in the performance of his duties.

(b) A custodian may act without compensation for his services.

(c) Unless he is a donor, a custodian may receive from the custodial property reasonable compensation for his services, which may be specified by the donor when the gift is made.

(d) Except as otherwise provided in this act, a custodian shall not be required to give a bond for the performance of his duties.

(e) A custodian not compensated for his services is not liable for losses to the custodial property, unless they result from his bad faith, intentional wrong-doing or gross negligence, or from his failure to maintain the standard of prudence in investing the custodial property \*provided in this act.

Section 7. Exemption of Third \*\*Persons from Liability.—No issuer, transfer agent, bank, broker or other person, acting on the instructions of or otherwise dealing with any person purporting to act as a donor or in the capacity of a custodian, is responsible for determining whether the person designated by the purported donor, or purporting to act as a custodian, has been duly designated, or whether any purchase, sale or transfer to or by or any other act of any person purporting to act in the capacity of custodian is in accordance with or authorized by this act, or is obliged to inquire into the validity or propriety under this act of any instrument or instructions executed or given by a person purporting to act as a donor or in the capacity of a custodian, or is bound to see to the application by any person purporting to act in the capacity of a custodian of any money or other property paid or delivered to him.

Section 8. Resignation, Death or Removal of Custodian Bond; Appointment of Successor Custodian.—

(a) Only an adult member of the minor's family, a guardian of the minor or a trust company is eligible to become successor custodian. A successor custodian has all the rights, powers, duties and immunities of a custodian designated in a manner prescribed by this act.

(b) A custodian, other than the donor, may resign and designate his successor by—

(1) Executing an instrument of resignation designating the successor custodian, and

(2) Causing each security which is custodial property and in registered form, to be registered in the name of the successor custodian, followed in substance by the words "as custodian for ..... under  
(name of minor)

the Pennsylvania Uniform Gifts to Minors Act," and

(3) Delivering to the successor custodian the instrument of resignation. Each security \*\*\*registered in the name of the successor custodian and all other custodial property, together with any additional instruments required for the transfer thereof.

(c) A custodian, whether or not a donor, may peti-

\* "provided" omitted in original.  
 \*\* "Person" in original.  
 \*\*\* "reigstered" in original.

tion the court for permission to resign and for the designation of a successor custodian.

(d) If the person designated as custodian is not eligible, renounces or dies before the minor attains the age of twenty-one years, the guardian of the minor shall be successor custodian. If the minor has no guardian, a donor, his legal representative, the legal representative of the custodian, an adult member of the minor's family, or the minor if he has attained the age of fourteen years, may petition the court for the designation of a successor custodian.

(e) A donor, the legal representative of a donor, an adult member of the minor's family, a guardian of the minor or the minor if he has attained the age of fourteen years, may petition the court that, for cause shown in the petition, the custodian be removed and a successor custodian be designated, or, in the alternative, that the custodian be required to give bond for the performance of his duties.

(f) Upon the filing of a petition as provided in this section, the court shall grant an order, directed to the persons and returnable on such notice as the court may require, to show cause why the relief prayed for in the petition should not be granted, and in due course grant such relief as the court finds to be in the best interests of the minor.

Section 9. Accounting by Custodian.—(a) The minor if he has attained the age of fourteen years, or the legal representative of the minor, an adult member of the minor's family or a donor or his legal representative, may petition the court for an accounting by the custodian or his legal representative.

(b) The court in a proceeding under this act or otherwise may require or permit the custodian or his legal representative to account and if the custodian is removed, shall so require and order, delivery of all custodial property to the successor custodian and the execution of all instruments required for the transfer thereof.

Section 10. Construction.—(a) This act shall be so construed as to effectuate its general purpose, to make uniform the law of those states which enact it. Construction.

(b) This act shall not be construed as providing an exclusive method for making gifts to minors.

Section 11. Severability.—If any provision of this act or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable. Severability.



Act effective  
immediately.

Section 12. Effective date.—This act shall take effect immediately.

APPROVED—The 21st day of June, A. D. 1957.

GEORGE M. LEADER

No. 200

AN ACT

Amending the act of May 5, 1933 (P. L. 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," further defining and limiting the rights, powers, duties, liabilities, and immunities of such associations and of their officers, directors, shareholders, and employes, and establishing additional limitations of actions.

Building and  
Loan Code.

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

Subsections B,  
C and D, section  
607, act of May  
5, 1933, P. L.  
457, amended  
July 13, 1953,  
P. L. 421, fur-  
ther amended.

Section 1. Subsections B, C and D of section 607, act of May 5, 1933 (P. L. 457), known as the "Building and Loan Code," amended July 13, 1953 (P. L. 421), are amended to read:

Section 607. Share Certificates; Issuance and Preservation.—

\* \* \* \* \*

B. Every association shall make available to each holder of record of a full-paid share a copy of the by-laws of the association and of all amendments thereto, and furnish him with *either* a *passbook* or share certificate, [upon which the name of the association shall be printed, and which shall state:

(1) That the association is incorporated under the laws of this Commonwealth.

(2) The name of the registered holder of the shares represented thereby.

(3) The date of issuance of the shares.

(4) The type of shares which the certificate represents.

(5) The number of shares which the certificate represents.

(6) The par value of each share represented thereby.] *setting forth the name of the registered holder of the*