

certain State and local taxes and authorizing amendments, extensions and supplements to the ordinances and resolutions relating thereto; and providing penalties," fixing minimum compensation for recorders of deeds acting as agents for the sale of stamps.

The Realty Transfer Tax Act.

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

Section 6, act of December 27, 1951, P. L. 1742, reenacted and amended June 1, 1959, P. L. 322, further amended.

Section 1. Section 6, act of December 27, 1951 (P. L. 1742), known as "The Realty Transfer Tax Act," reenacted and amended June 1, 1959 (P. L. 322), is amended to read:

Department of Revenue to furnish stamps.

Section 6. The department shall prescribe, prepare and furnish stamps, of such denominations and quantities as may be necessary, for the payment of the tax imposed and assessed by this act. The department shall make provisions for the sale of such stamps in such places as it may deem necessary.

Appointment of agent to sell stamps.

The department shall appoint the recorder of deeds in each county and other persons within or without the Commonwealth, as agents, in accordance with the provisions of The Fiscal Code, the act of April nine, one thousand nine hundred twenty-nine (Pamphlet Laws 343), as amended, for the sale of stamps to be used in paying the tax herein imposed upon documents, and may allow a commission to said agents of one per cent of the *face value of the stamps: *Provided, That any recorder of deeds acting as agent shall receive a minimum compensation of two hundred fifty dollars (\$250) per year.* The department shall pay the premium or premiums on any bond or bonds required by law to be procured by any agent for the performance of his duties under this act. This section shall not be construed to require any recorder of deeds to accept appointment or serve as such agent.

Proviso.

Bond premium.

Disposition of all proceeds.

All moneys paid into the State Treasury during the effective period of this act shall be credited to the General Fund.

Act effective immediately.

Section 2. This act shall take effect immediately.

APPROVED—The 16th day of September, A. D. 1961.

DAVID L. LAWRENCE

No. 604

AN ACT

Amending the act of May 17, 1921 (P. L. 682), entitled "An act relating to insurance; amending, revising, and consolidating the law providing for the incorporation of insurance companies, and

* "fact" in original.

the regulation, supervision, and protection of home and foreign insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and fire insurance rating bureaus, and the regulation and supervision of insurance carried by such companies, associations, and exchanges, including insurance carried by the State Workmen's Insurance Fund; providing penalties; and repealing existing laws," clarifying the provisions relating to the merger or consolidation of certain domestic insurance companies and making editorial changes.

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

The Insurance Company Law of 1921.

Section 1. Section 332, act of May 17, 1921 (P. L. 682), known as "The Insurance Company Law of 1921," amended June 23, 1931 (P. L. 915), is amended to read:

Section 332, act of May 17, 1921, P. L. 682, amended June 23, 1931, P. L. 915, further amended.

Section 332. Power to Merge [and] or Consolidate.— [It shall be lawful for any domestic stock or mutual insurance company or companies to merge its or their corporate rights, franchises, powers, and privileges with and into those of any other company transacting the same or a similar line of business, so that by virtue thereof such companies may consolidate, and so that all the property, rights, franchises, and privileges, then by law vested in any of such companies, so merged, shall be transferred to and vested in the company into which such merger shall be made.] *Any two or more domestic stock insurance companies and any two or more domestic mutual insurance companies transacting the same or similar class or classes of insurance may, in the manner hereinafter provided, be merged into one of such domestic companies, hereinafter designated as the surviving company, or consolidated into a new company to be formed as provided in the consolidation agreement which shall include all of the statements required by this act to be set forth in original articles of incorporation in the case of the formation of a new insurance company, so that, all the property, rights, franchises and privileges then by law vested in any of such companies so merged or consolidated shall be transferred to and vested in the surviving or new company. Nothing in this section shall permit the merging or consolidating of a stock insurance company with a mutual insurance company.*

Section 2. Section 333 of the act, subsection (b) amended and subsection (c), added September 2, 1959 (P. L. 796), is amended to read:

Section 333 of the act, subsection (b) amended, and subsection (c), added September 2, 1959, P. L. 796, further amended.

Section 333. Proceedings To Merge [and] or Consolidate.—Such merger or consolidation shall be made under the conditions, provisions, and restrictions, and with the powers herein set forth, to wit:

(a) The directors or trustees of each company shall enter into a joint agreement, under the corporate seal

of each company, for the merger [and] *or* consolidation of said companies, prescribing the terms and conditions thereof, the mode of carrying the same into effect, the name of the *surviving or* new company, the number and names of the directors or trustees and other officers thereof, and who shall be the [first] directors or trustees and officers, and their places of residence, the number of shares of the capital stock, if any, the amount of par value of each share, and the manner of converting the capital stock of each of said companies into the stock of the *surviving or* new company, and how and when directors or trustees and officers shall be chosen, with such other details as they shall deem necessary to perfect the said [consolidation and] merger *or consolidation*. Said agreement shall not be effective unless the same shall be approved by the stockholders or members of said companies, in the manner hereinafter provided.

(b) Said agreement shall be submitted to the stockholders of each of said stock companies, at separate special meetings or at any annual meetings, of the time, place, and object of which respective meetings due notice shall be given by publication, once a week for three consecutive weeks, in at least two newspapers in the county or in each of the counties in which the principal office of the respective companies shall be situate. At said meetings the said agreement of the directors or trustees shall be considered, and a vote of the stockholders, in person or by proxy, shall be taken, by ballot, for the adoption or rejection of the same. If a majority in amount of the entire capital stock of each of said companies shall vote in favor of said agreement *of merger [and] or consolidation*, then that fact shall be certified by the secretary of each company, under the corporate seal thereof, and said certificates, together with the said agreement or a copy thereof, shall be filed in the office of the Insurance Commissioner. The Insurance Commissioner shall examine the proceedings, and, if he finds the same to be in accordance with law and not injurious to the interests of the policyholders and creditors, shall endorse his approval thereon, and forthwith present the same to the Governor for his approval. When approved by the Governor, the said agreement shall be deemed and taken to be the act of *merger or consolidation* of [said] *the surviving or new* company.

(c) Said agreement shall be submitted to the members of each of said mutual companies, at separate special meetings or at any annual meetings, of the time, place, and object of which respective meeting due notice shall be given by publication, once a week for three consecutive weeks, in at least two newspapers in the county or in each of the counties in which the principal office of

the respective companies shall *be* situate. Additional thirty days notice of the time, place, and object of such meetings shall be given by first class mail to all members of the respective companies, requesting them to vote *in person or by proxy* on the said agreement [in person or by proxy] *of merger or consolidation*. Said notice shall be mailed by said companies to the last known address of said members on the records of said companies.

At said meetings the said agreement of the directors or trustees shall be considered, and a vote of the members, in person or by proxy, shall be taken, by ballot, for the adoption or rejection of the same. If two-thirds in amount of the members of each of the said companies, who are present at said meetings in person or by proxy, shall vote in favor of said agreement *of merger [and] or consolidation*, then that fact shall be certified by the secretary of each company, under the corporate seal thereof, and said certificate, together with the said agreement or a copy thereof, shall be filed in the office of the Insurance Commissioner. The Insurance Commissioner shall examine the proceedings, and, if he finds the same to be in accordance with law and not injurious to the interests of the policyholders and creditors, shall endorse his approval thereon, and forthwith present the same to the Governor for his approval. When approved by the Governor, the said agreement shall be deemed and taken to be the act of *merger or consolidation of [said] the surviving or new company*.

Section 3. Sections 334, 335 and 336 of the act are amended to read:

Sections 334,
335 and 336 of
the act, amended.

Section 334. Filing, Approval, and Recording of Certificates and Agreement for Merger [and] *or Consolidation*; Letters Patent [; Bonus].—The Governor, upon the approval of said certificates and agreement, shall cause letters patent to issue, which, together with the certificates and agreement or copy of the agreement, shall be filed and recorded in the office of the Secretary of the Commonwealth. Upon the issuing of [new] *such* letters patent [thereon] by the Governor, the entire proceeding shall also be recorded in the office of the recorder of deeds of the proper county, and, when so recorded, the said *merger or consolidation* shall be deemed to have taken place, and the said companies to be one company under the name adopted in and by said agreement, possessing all the rights, privileges, and franchises, theretofore vested in each of them. All the estate and property, real and personal, and rights of action of each said companies shall be deemed and taken to be transferred to and vested in the [said] *surviving or new company* without any further act or deed. All rights of creditors and all liens upon the property of

each of said companies shall continue unimpaired, limited in lien to the property affected by such liens at the time of the creation of the same, and the respective constituent companies may be deemed to be in existence to preserve the same. All debts not of record, duties, and liabilities of each of said constituent companies shall thenceforth attach to the *surviving or* new company, and may be enforced against it to the same extent, and by the same process, as if said debts, duties, and liabilities had been contracted by it. [But such merger and consolidation shall not be complete, and no such consolidated company shall do any business of any kind, until it shall have paid to the State Treasurer a bonus, as prescribed by law, upon all its capital stock in excess of the amount of capital stock of the several companies so consolidating, upon which the bonus required by law has been theretofore paid. New letters patent of such consolidated corporation shall not be issued by the Governor of the Commonwealth until each company entering into and forming the consolidated company shall have filed with the Secretary of the Commonwealth a certificate from the Auditor General, setting forth that all reports required by the Auditor General have been duly filed to the date of the proposed merger, and that all taxes due the Commonwealth of Pennsylvania have been paid up to and including said date.]

Section 335. Certified Copies of Proceedings To Merge [and] *or* Consolidate To Be Evidence.—A certified copy of said certificates and agreement or copy of agreement, so filed in the office of the Secretary of the Commonwealth, shall be evidence of the lawful holding and action of such meetings, and of the merger [and] *or* consolidation of said companies.

Section 336. Ascertainment of Value of Stock or Interest of Dissatisfied Stockholders and Members in Merger [and] *or* Consolidation Proceedings.—If any stockholder or member of any insurance company which shall become a party to an agreement of merger [and] *or* consolidation hereunder, shall be dissatisfied with or object to such *merger or* consolidation, and shall have voted against the same at the stockholders' or members' meeting, it shall be lawful for any such stockholder or member, within thirty (30) days after the adoption of said agreement of merger [and] *or* consolidation, and upon reasonable notice to the company, to apply by petition to any court of common pleas of the county in which the chief office of such company may be situate, or to a judge of said court in vacation, to appoint three disinterested persons to estimate and appraise the damages, if any, done to such stockholder or member by said *merger or* consolidation. Upon such petition, it

shall be the duty of said court or judge to make such appointment, and the award of the persons so appointed, or of a majority of them, when confirmed by the said court, shall be final and conclusive; and the persons so appointed shall also appraise the share or shares of said stockholders or the interest of such members in the company at the full market value thereof without regard to any appreciation or depreciation in consequence of the said *merger or consolidation*, which appraisalment, when confirmed by the court, shall be final and conclusive. The company may, at its election, either pay to the said stockholder or members the amount of damages so found and awarded, if any, or the value of the stock or interest so ascertained. Upon the payment of the value of the stock as aforesaid, the said stockholder shall transfer the stock so held by him to the said company, to be disposed of by the directors thereof or to be retained for the benefit of the other stockholders. Upon the payment of the value of any interest of any member, the interest of such member in such company shall cease. In case the value of said stock or interest as aforesaid shall not be so paid within thirty (30) days after the said award shall have been confirmed by said court, the damages so found and confirmed shall be a judgment against the company, and may be collected as other judgments in said court are by law recoverable.

Section 4. The provisions of the foregoing amendments being intended as a clarification of existing law shall apply to all mergers or consolidations heretofore completed as well as to those hereafter completed. The provisions of this section shall not affect any matter heretofore finally adjudicated by any court of this Commonwealth.

Intent to clarify.

Section 5. This act shall take effect immediately.

Act effective immediately.

APPROVED—The 16th day of September, A. D. 1961.

DAVID L. LAWRENCE

No. 605

AN ACT

Amending the act of April 6, 1956 (P. L. 1414), entitled, as amended, "An act to promote the welfare of the people of this Commonwealth; creating Port Authorities to function in counties of the second class as bodies corporate and politic, with power to plan, acquire, construct, maintain and operate facilities and projects for the improvement and development of the port district and to borrow money and issue bonds therefor; providing for the payment of such bonds and prescribing the rights of the holders thereof; conferring the right of eminent