

No. 113

AN ACT

HB 783

Amending the act of June 24, 1931 (P. L. 1206), entitled "An act concerning townships of the first class; amending, revising, consolidating, and changing the law relating thereto," authorizing appropriations to nonprofit associations or corporations organized for the purpose of acquiring and maintaining historical properties and limiting the use of the appropriation.

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

Section 1. Section 1502, act of June 24, 1931 (P. L. 1206), known as "The First Class Township Code," reenacted and amended May 27, 1949 (P. L. 1955), is amended by adding after clause LXI, a new clause to read:

Section 1502. The corporate power of a township of the first class shall be vested in the board of township commissioners. The board shall have power—

* * *

LXII. Appropriating Money for Historical Properties. To appropriate moneys to nonprofit associations or corporations organized for the purpose of acquiring and maintaining historical properties. Such appropriations shall only be used by the association or corporation for the acquisition, restoration and maintenance of the historical properties.

APPROVED—The 24th day of June, A. D. 1968.

RAYMOND P. SHAFER

No. 114

AN ACT

HB 1235

Amending the act of June 21, 1957 (P. L. 358), entitled "An act concerning gifts of securities or money to minors; providing for custodians of such gifts and their powers and duties; defining 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," further providing for the effect of a gift and for the powers and duties of custodians and for successor custodians.

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

Section 1. Clause (6) of section 2, act of June 21, 1957 (P. L. 358), known as the "Pennsylvania Uniform Gifts to Minors Act," is amended to read:

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:

* * *

(6) A "custodian" is a person so designated in a manner prescribed in this act; the term includes a successor custodian.

* * *

Section 2. Section 4 of the act, amended September 2, 1965 (P. L. 478), is amended to read:

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 custodial property 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, life insurance company, broker, or third person, dealing with a person designated as custodian, the respective powers, rights and immunities provided in this act.

Section 3. Subsection (e) of section 5 of the act is amended to read:

Section 5. Duties and Powers of Custodian.—* * *

(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 or hold money so given in an account in the financial institution to which it was paid or delivered by the donor.

* * *

Section 4. Section 7 of the act, amended September 2, 1965 (P. L. 478), is amended to read:

Section 7. Exemption of Third Persons from Liability.—No issuer, transfer agent, bank, life insurance company, fraternal benefit society, 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 as custodian by the purported donor or by the custodian, 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. No issuer, transfer agent, bank, life insurance company, fraternal benefit society, broker or other person acting on any instrument of designation of a successor custodian, executed as provided in subsection (a) of section 8 of this act by a minor to whom a gift has been made in a manner prescribed in this act and who has attained the age of fourteen years, is responsible for determining whether the person designated by the minor as successor custodian has been duly designated, or is obliged to inquire into the validity or propriety under this act of the instrument of designation.

Section 5. Section 8 of the act is amended to read:

Section 8. Resignation, Death or Removal of Custodian Bond; [Appointment] Designation 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 custodian may designate his successor by executing and dating an instrument of designation before a subscribing witness other than the successor; the instrument of designation may but need not contain the resignation of the custodian. If the custodian does not so designate his successor before he dies or becomes legally incapacitated, and the minor has no guardian and has attained the age of fourteen years, the minor may designate a successor custodian by executing an instrument of designation before a subscribing witness other than the successor. 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] The designation of a successor custodian as provided in subsection (a) takes effect as to each item of the custodial property when the custodian resigns, dies or becomes legally incapacitated and the custodian or his legal representative—

(1) Causes the item, if it is a security in registered form or a life insurance policy or annuity contract, to be registered, with the issuing insurance company in the case of a life insurance policy or annuity contract, in the name of the successor custodian followed, in substance, by the words: “as custodian for under the
(name of minor)
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]

(2) Delivers or causes to be delivered to the successor custodian any other item of the custodial property, together with the instrument of designation of the successor custodian or a true copy thereof and any additional instruments required for the transfer thereof to the successor custodian.

(c) [A custodian, whether or not a donor, may petition the court for permission to resign and for the designation of a successor custodian.] A custodian who executes an instrument of designation of his successor containing the custodian's resignation as provided in subsection (a) shall promptly do all things within his power to put each item of the custodial property in the possession and control of the successor custodian named in the instrument. The legal representative of a custodian who dies or becomes legally incapacitated shall promptly do all things within his power to put each item of the custodial property in the possession and control of the successor custodian named in an instrument of designation executed as provided in subsection (a) by the custodian or, if none, by the minor if he has no guardian and has attained the age of fourteen years, or in the

possession and control of the guardian of the minor if he has a guardian. If the custodian has executed as provided in subsection (a) more than one instrument of designation, his legal representative shall treat the instrument dated on an earlier date as having been revoked by the instrument dated on a later date.

(d) If [the] a person designated as custodian or as successor custodian by the custodian as provided in subsection (a) is not eligible, [renounces or] dies or becomes legally incapacitated before the minor attains the age of twenty-one years and if the minor has a guardian, the guardian of the minor shall be successor custodian. If the minor has no guardian and if no successor custodian who is eligible and has not died or become legally incapacitated has been designated as provided in subsection (a), a donor, his legal representative, the legal representative of the custodian, or 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, a successor custodian, 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 6. This act shall take effect immediately.

APPROVED—The 24th day of June, A. D. 1968.

RAYMOND P. SHAFER