

## No. 53

## AN ACT

## HB 283

Authorizing cities of the first class and second class to invest all funds received and deposited with the city treasurer in certain commercial paper under certain terms and conditions.

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

Section 1. (a) The city treasurer of any city of the first class or second class shall have the power subject to the hereinafter stated conditions and limitations to invest and reinvest all moneys of the General Fund and other funds as shall be deposited and accumulated, beyond the ordinary needs of said funds and which are not authorized by law to be invested by any board, commission, or city officer, in commercial paper.

(b) As used herein commercial paper shall mean unsecured promissory notes issued at a discount from par or on an interest bearing basis by an industrial, common carrier, public utility or finance company, a real estate investment trust, a commercial bank holding company, or a corporation whose credit shall have been approved by the Moody's Investors Service, Incorporated, New York, or Standard and Poor's Corporation, New York, or Fitch Investors Service, Incorporated, New York, or their successors.

(c) Prior to any commitment to purchase commercial paper the city treasurer of any city of the first class or second class shall determine:

(1) That said commercial paper is rated Prime 1 or Prime 1-LOC or Prime 2 by Moody's Investors Service, Incorporated, or A-1 or A-2 by Standard and Poor's Corporation or Fitch 1 by Fitch Investors Service, Incorporated.

(2) That the paper proposed to be delivered is not subordinated by any senior unsecured debt of the issuer.

(3) That there is no litigation pending or threatened which will affect such paper.

(4) That the issuer is not in default as to the payment of principal and interest upon any of its outstanding obligations.

(5) That the issuer was incorporated within the United States, is transacting business within the United States and has assets of one billion dollars (\$1,000,000,000) or more or is a wholly owned subsidiary of any corporation which was incorporated within the United States, which is transacting business within the United States and which has assets of one billion dollars (\$1,000,000,000) or more.

Section 2. The authority provided by this act to the city treasurer of any city of the first class or second class to invest or reinvest moneys of the General Fund and other funds in commercial paper shall be in addition

to but not exclusive of other investment powers of the city treasurer as to moneys of first class or second class cities.

Section 3. This act shall take effect immediately.

APPROVED—The 25th day of July, A. D. 1973.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly No. 53.

A handwritten signature in black ink, reading "C. McLaughlin Tucker". The signature is written in a cursive, flowing style.

*Secretary of the Commonwealth.*