

No. 1980-115

AN ACT

SB 419

Amending the act of April 9, 1929 (P.L.343, No.176), entitled "An act relating to the finances of the State government; providing for the settlement, assessment, collection, and lien of taxes, bonus, and all other accounts due the Commonwealth, the collection and recovery of fees and other money or property due or belonging to the Commonwealth, or any agency thereof, including escheated property and the proceeds of its sale, the custody and disbursement or other disposition of funds and securities belonging to or in the possession of the Commonwealth, and the settlement of claims against the Commonwealth, the resettlement of accounts and appeals to the courts, refunds of moneys erroneously paid to the Commonwealth, auditing the accounts of the Commonwealth and all agencies thereof, of all public officers collecting moneys payable to the Commonwealth, or any agency thereof, and all receipts of appropriations from the Commonwealth and imposing penalties; affecting every department, board, commission, and officer of the State government, every political subdivision of the State, and certain officers of such subdivisions, every person, association, and corporation required to pay, assess, or collect taxes, or to make returns or reports under the laws imposing taxes for State purposes, or to pay license fees or other moneys to the Commonwealth, or any agency thereof, every State depository and every debtor or creditor of the Commonwealth," further providing for investment of funds by the Treasury Department, and permitting savings and loan associations to be designated as inactive depositories.

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

Section 1. Section 301.1, act of April 9, 1929 (P.L.343, No.176), known as "The Fiscal Code," is amended by adding a subsection to read:

Section 301.1. Investment of Moneys.—* * *

(c) The Treasury Department may, from time to time pursuant to regulations adopted by the Board of Finance and Revenue invest and reinvest such moneys of any fund as shall be accumulated beyond the ordinary needs of the various funds and which are not authorized by law to be invested by any other board or commission or State officer by purchasing certificates of deposit from commercial banks domiciled in this Commonwealth up to the level equal to twenty per centum of such bank's total capital and surplus. Certificates of deposit may likewise be purchased from savings and loan associations domiciled in the Commonwealth up to a level equal to twenty per centum of such association's assets minus liabilities. Such certificates of deposit need not be collateralized. In applying the proceeding limitation on investments in certificates of deposit, the Treasury Department must include the similar investments of the State Employees' Retirement Board and the Public School Employees' Retirement Board. The Treasury Department shall not at anytime have invested in uncollateralized

certificates of deposit more than the total amount authorized by resolution of the Board of Finance and Revenue and approved by the Governor. The Treasury Department shall purchase certificates of deposit under this subsection pursuant to procedures established in regulations by the Board of Finance and Revenue and shall take into account the differences, if any, in competitive bids, the financial strength of each of the bidders and the services provided to or at the request of the Commonwealth and any of its departments, agencies or bureaus by each of the bidders.

Section 2. The introductory paragraph of subsection (a) and subsection (d) of section 505 of the act, amended June 28, 1951 (P.L.601, No.152), are amended to read:

Section 505. State Depositories.—The Board of Finance and Revenue shall have the power, and its duty shall be,

(a) To select and designate, as depositories for the State moneys, banks, banking institutions, [or] trust companies *or savings and loan associations*, which are subject to national or State supervision, *and the accounts of which are insured by a corporation organized under the Laws of the Commonwealth, or by an instrumentality of the Federal Government*, and each of which,

* * *

(d) To see that no bank, banking institution, [or] trust company *or savings and loan association*, except those designated as active depositories, shall receive a deposit of State moneys in excess of twenty-five per centum of its paid-in capital and surplus, or have, at any one time, an aggregate of deposits in excess of five hundred thousand dollars: Provided, however, That, in the case of any particular depository, these limitations may be waived, by the Board of Finance and Revenue, so as to permit the State Treasurer to deposit State moneys not in excess of one million dollars in any bank, banking institution, [or] trust company *or savings and loan association*, designated as an inactive depository.

* * *

Section 3. This act shall take effect in 60 days.

APPROVED—The 11th day of July, A. D. 1980.

DICK THORNBURGH