

No. 1982-261

AN ACT

HB 1532

Amending the act of February 1, 1966 (1965 P.L.1656, No.581), entitled "An act concerning boroughs, and revising, amending and consolidating the law relating to boroughs," further providing for the removal and imposition of limitations on certain deposits and further providing for authorizing investments.

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

Section 1. Clause (iii) of subsection (c) of section 1316, act of February 1, 1966 (1965 P.L.1656, No.581), known as "The Borough Code," added November 2, 1979 (P.L.458, No.94), is amended and subsection (c) is amended by adding clauses to read:

Section 1316. Investment of Funds.—***

(c) Authorized types of investments for borough funds shall be:

(iii) Deposits in savings accounts or time deposits, *other than certificates of deposit*, or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or the National Credit Union Share Insurance Fund or the *Pennsylvania Deposit Insurance Corporation or the Pennsylvania Savings Association Insurance Corporation* to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.

(vi) *Certificates of deposit purchased from institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or the National Credit Union Share Insurance Fund or the Pennsylvania Deposit Insurance Corporation or the Pennsylvania Savings Association Insurance Corporation to the extent that such accounts are so insured. However, for any amounts above the insured maximum, such certificates of deposit shall be collateralized by a pledge or assignment of assets of the institution, and such collateral may include loans (including interest in pools of loans) secured by first mortgage liens on real property. Certificates of deposit purchased from commercial banks shall be limited to an amount equal to twenty percent of a bank's total capital and surplus. Certificates of deposit purchased from savings and loan associations or savings banks shall be limited to an amount equal to twenty percent of an institution's assets minus liabilities.*

(vii) Any investment authorized by 20 Pa.C.S. Ch. 73 (relating to fiduciaries investments) shall be an authorized investment for any pension or retirement fund.

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Section 2. The amendments affecting section 1316(c)(iii) and (vi) shall take effect in 60 days. The amendment affecting section 1316(c)(vii) shall take effect immediately and shall be retroactive to January 1, 1980.

APPROVED—The 13th day of December, A. D. 1982.

DICK THORNBURGH