

No. 1986-45

AN ACT

HB 1671

Amending the act of April 9, 1929 (P.L.343, No.176), entitled, as amended, "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, authorizing the Commonwealth to issue tax anticipation notes to defray current expenses, implementing the provisions of section 7(a) of Article VIII of the Constitution of Pennsylvania authorizing and restricting the incurring of certain debt 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 the deposit and investment of moneys and the issuance of replacement checks, bonds or certificates; and eliminating special provisions for certain payments relating to public assistance.

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

Section 1. Section 301 of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, amended June 19, 1961 (P.L.468, No.235), is amended to read:

Section 301. Deposit of Moneys.—The Treasury Department shall deposit all moneys of the Commonwealth received by it, including moneys not belonging to the Commonwealth but of which the Treasury Department or the State Treasurer is custodian, in State depositories approved by the Board of Finance and Revenue. The Treasury Department shall not be required to deposit or to keep on deposit moneys of the Commonwealth segregated by funds in State depositories.

The Treasury Department shall not, at any time have in all active depositories more than an aggregate of such total sum as the Board of Finance and Revenue shall, by resolution, have prescribed, and shall not deposit in any one inactive depository an amount in excess of twenty-five per centum of its paid-in capital and surplus, nor 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 designated as an inactive depository.

All departments, boards or commissions, having in their possession any moneys belonging to the Commonwealth, shall deposit them in State depositories approved by the Board of Finance and Revenue *in a manner and with such frequency as shall be prescribed by the State Treasurer*. In all such cases the depositing department, board or commission shall forthwith, upon opening the account, notify the Department of the Auditor General and the Treasury Department of the name of the depository and the nature of the funds to be deposited in the account.

Section 2. Section 301.1(h) of the act, amended May 7, 1982 (P.L.390, No.113), is amended to read:

Section 301.1. Investment of Moneys.—* * *

(h) All investments allowed under this section must be made with the exercise of that degree of judgment and care under the circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs not in regard to speculation, but in regard to the permanent disposition of the funds, considering the probable income to be derived therefrom as well as the probable safety of their capital. *The exercise of such degree of judgment and care shall include, but shall not be limited to:*

(1) *The daily investment of available investable funds necessary to maintain maximum effectiveness of the Treasury Department investment portfolio at all times.*

(2) *The maintenance of a portfolio reporting system.*

(3) *The adherence to Moody's Credit Service "Prime One Rating" or the equivalent of Standard and Poor's or Fitch's Rating Service for institutions with whom investments are transacted pursuant to subsection-(g).*

(4) *At least quarter-annual bank performance ranking according to maximum efficiency in cash management.*

Section 3. Section 309(a) of the act, added June 30, 1972 (P.L.717, No.165), is amended to read:

Section 309. Replacement Checks.—(a) Upon presentation for payment of any check to the Treasury Department which is more than one year and not more than seven years old, the Treasury Department shall requisition and issue a replacement check to the person entitled thereto which shall be paid from [the appropriation] *an executive authorization by the Governor* made to the Treasury Department for such purpose from each of the various funds.

* * *

Section 4. The act is amended by adding a section to read:

Section 310. Replacement Bonds or Certificates in Case of Loss or Destruction of Old Bonds or Certificates.—It shall and may be lawful for the State Treasurer to issue, or cause to be issued, a replacement bond or certificate of debt of this Commonwealth, in lieu of any bond or certificate of such debt lost or destroyed, on satisfactory proof being made of such loss or

destruction and on such indemnity being given as he shall require, such replacement bond or certificate being of the same tenor with the one alleged to be lost or destroyed and specifying that it is in lieu thereof, which replacement certificate shall be signed in the manner heretofore provided by law.

Section 5. Section 1503(a) and (b) of the act, amended March 18, 1971 (P.L.109, No.4) and November 17, 1982 (P.L.684, No.195), are amended to read:

Section 1503. Payments.—(a) All payments out of the several funds in the State Treasury shall be made by a commercially accepted method of payment from the Treasury Department. **[Except as otherwise provided in subsection (b) of this section, the]** *The* State Treasurer shall determine the form and method of issuing such payments.

[(b) All payments out of the several funds in the State Treasury appropriated for public assistance shall be made by check of a form prescribed and furnished by the Treasury Department, but filled in as to name of payee and amount by the Department of Public Assistance. As soon after the effective date of this act as practicable but not later than sixty (60) days after such date, the Department of Public Assistance shall requisition the Treasury Department for supplies of serially numbered blank checks upon which to prepare disbursements for public assistance grants, and shall give its receipt to the Treasury Department for such blank checks, provided the Department of Public Assistance shall thereupon enter the name and address of the payee and the amount of payment and such other information as shall be necessary, after which it shall prepare a requisition on the State Treasurer in the total amount of such checks, and the Treasury Department shall issue its warrant in the total amount thereof, and shall sign and mail the checks to the payees designated thereon. This procedure shall be followed in Harrisburg and at such points outside the City of Harrisburg as the Governor shall determine.]

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Section 6. The act of April 7, 1840 (P.L.244, No.112), entitled “An act to authorize the issuing of new certificates of State stock, in lieu of certificates lost or destroyed,” is repealed.

Section 7. This act shall take effect immediately.

APPROVED—The 2nd day of May, A. D. 1986.

DICK THORNBURGH