

No. 1998-53

AN ACT

HB 439

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 investment of moneys of the Commonwealth.

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

Section 1. Section 301.1 of the 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.—* * *

(i) (1) Notwithstanding subsections (a) through (h), the Treasury Department shall have the exclusive management and full power to invest and reinvest the 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 board, commission or State officer, subject, however, to the exercise of that degree of judgment and care under the circumstances then prevailing which persons of prudence, discretion and intelligence who are familiar with such matters 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 Treasury Department shall have the power to hold, purchase, sell, assign, transfer and dispose of any securities and investments in any such fund as well as the proceeds of such investments and of the money belonging to any

such fund. The Treasury Department shall, through the Governor, submit to the General Assembly annually, at the same time the Treasury Department submits its budget covering administrative expenses, a report identifying the nature and amount of all existing investments made pursuant to this section.

(2) The authority to invest or reinvest the moneys of any fund pursuant to this subsection shall expire December 31, 2000. The Treasury Department may maintain investments pursuant to this subsection which are in existence on the expiration date in this paragraph for not more than two (2) years following such expiration date.

Section 2. This act shall take effect immediately.

APPROVED—The 7th day of May, A.D. 1998.

THOMAS J. RIDGE