
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. **749** Session of
1961

INTRODUCED BY MESSRS. STEVENSON AND HALUSKA,
JUNE 7, 1961.

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT,
JUNE 7, 1961.

AN ACT

Amending the act of May 26 1949 (P L 1828) entitled "An act concern-
ing the investment powers and duties of guardians committees
trustees and other fiduciaries except personal representatives and
prescribing the nature and kind of investments which may be made
and retained by such fiduciaries" making certain non-debt revenue
bonds issued by municipalities authorized investments

The General Assembly of the Commonwealth of Pennsylvania here-
by enacts as follows

EXPLANATION—CAPITAL LETTERS indicate new matter added to bill. Matter stricken through
is to be omitted from bill.
Underscoring indicates new matter added to existing law. [Brackets] indicate matter
stricken from existing law.

1 Section 1 Section 3 act of May 26 1949 (P L. 1828) known as the
2 "Fiduciaries Investment Act of 1949" is amended by adding at the end
3 thereof a new clause to read

4 Section 3 Government Obligations Obligations of the following gov-
5 ernmental bodies shall be authorized investments

6 * * *

7 (4) Non-debt Revenue Bonds of Municipalities Obligations of any
8 municipality issued pursuant to the laws of the Commonwealth relating
9 to the issuance of non-debt revenue bonds if such obligations are not in
10 default and if for the period of five fiscal years next preceding the
11 date of acquisition the income of the project of the municipality avail-
12 able for the fixed charges on such obligations has averaged not less than
13 one and one-fifth times the average annual fixed charges over the life
14 of such obligations As used in this clause the term "income available
15 for fixed charges" shall mean income after deducting operating and
16 maintenance expenses of the project from which such available income is
17 derived and unless the obligations are payable in serial annual maturities
18 or are supported by annual sinking fund payments depreciation but ex-
19 cluding extraordinary non-recurring items of income or expenses and the
20 term "fixed charges" shall include principal both maturity and sinking

1 fund and interest (excluding capitalized interest) on funded debt In
 2 computing such income available for fixed charges for the purposes
 3 of this section the income so available to the municipality from the
 4 project prior to the issuance of the non-debt revenue bonds or to any
 5 corporation from any project acquired by the municipality by the is-
 6 suance of such non-debt revenue bonds may be included such income to
 7 be calculated as though an equivalent amount of bonded debt were
 8 outstanding and in case of acquisition from a corporation as though such
 9 project had been operated by the municipality

10 Section 2 This act shall take effect immediately

We certify that this bill has passed the Senate and the House of Representatives.

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Chief Clerk, Senate

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President pro tempore, Senate

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Speaker, House of Representatives

Approved The day of A. D. 1961.

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Governor