

shall govern the qualification of delegates, election of officers, their designation, qualifications and duties, payment of dues and other organizational details. The association shall function under these bylaws for advancing the interest of and betterment of township government in townships of the second class.

The dues as adopted in these bylaws are legal expenditures of the townships and are to be used to pay for the services, publications and other expenses, including the rental and acquisition of real estate to be used for association purposes and activities authorized by the association or incurred in behalf of the association by its officers and executive committee.

The State Association of Township Supervisors is hereby authorized to purchase, take, receive, lease as lessee, take by gift or devise, or otherwise acquire, and to own, hold, use and otherwise deal with any real estate, or any interest therein in its own name for association purposes and activities authorized by the association and to mortgage, sell and convey, lease as lessor, and otherwise dispose of all or any part of said real estate in such manner as may be provided in the bylaws of the association.

APPROVED—The 2nd day of September, A. D. 1965.

WILLIAM W. SCRANTON

No. 242

AN ACT

HB 763

Amending the act of June 21, 1957 (P. L. 358), entitled "An act concerning gifts of securities or money to minors; providing for custodians of such gifts and their powers and duties; defining the effect of the gifts on guardians of minors or their estates; conferring jurisdiction on orphans' courts, and absolving agents dealing with securities or money from certain responsibilities," including life or endowment insurance policies and annuity contracts within the definition of custodial property.

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

Section 1. Clause (5) of section 2, act of June 21, 1957 (P. L. 358), known as the "Pennsylvania Uniform Gifts to Minors Act," is amended to read:

Section 2. Definitions.—The following words, terms and phrases when used in this act shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

\* \* \*

(5) "The custodial property" includes—

(i) All securities [and], money, life or endowment insurance policies and annuity contracts under the supervision of the same custodian for the same minor as a consequence of a gift or gifts made to the minor in a manner prescribed in this act;

(ii) The income from the <sup>1</sup> custodial property; and

(iii) The proceeds, immediate and remote, from the sale, exchange, conversion, investment, reinvestment or other disposition of such securities, money, life or endowment insurance policies and annuity contracts and income.

\* \* \*

Section 2. Section 2 of the act is amended by adding at the end thereof a new clause to read:

Section 2. Definitions.—The following words, terms and phrases when used in this act shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

\* \* \*

(15) "Life or endowment insurance policies and annuity contracts" means only life or endowment insurance policies and annuity contracts on the life of an individual in whose life the minor has an insurable interest.

Section 3. The introductory paragraph of subsection (a) of section 3 is amended to read:

Section 3. Manner of Making Gift.—(a) An adult person may, during his lifetime, make a gift of a security [or], money, a life or endowment insurance policy or an annuity contract to a person who is a minor on the date of the gift:

\* \* \*

Section 4. Subsection (a) of section 3 is amended by adding at the end thereof a new clause to read:

Section 3. Manner of Making Gift.—(a) \* \* \*

(4) If the subject of the gift is a life or endowment insurance policy

<sup>1</sup> "custodian" in original.

or an annuity contract the donor shall cause the ownership of such policy or contract to be recorded on a form satisfactory to the insurance company or fraternal benefit society in the name of the donor, another adult person, a guardian of the minor, or a bank with trust powers, followed in substance by the words, "as custodian for . . . . ."

(Name of minor)

under the Pennsylvania Uniform Gifts to Minors Act," and such policy or contract shall be delivered to the person in whose name it is thus registered as custodian.

Section 5. Section 4 of the act is amended to read:

Section 4. Effect of Gift.—(a) A gift made in a manner prescribed in this act is irrevocable, and conveys to the minor indefeasibly vested legal title to the [security or money] custodial property given, but no guardian of the minor has any right, power, duty or authority with respect to the custodial property, except as provided in this act.

(b) By making a gift in a manner prescribed in this act, the donor incorporates in his gift all the provisions of this act and grants to the custodian and to any issuer, transfer agent, bank, broker, or third person, dealing with a person designated as custodian, the respective powers, rights and immunities provided in this act.

Section 6. Section 5 of the act is amended by adding after subsection (g), a new subsection to read:

Section 5. Duties and Powers of Custodian.—\* \* \*

(g.1) If the subject of the gift is a life or endowment insurance policy or annuity contract the custodian shall have all the incidents of ownership in such policy or contract which he may hold as custodian to the same extent as if he were the owner thereof, except that the designated beneficiary of any policy or contract held by a custodian shall always be the minor or in the event of his death the minor's estate.

\* \* \*

Section 7. Section 7 of the act is amended to read:

Section 7. Exemption of Third Persons from Liability.—No issuer, transfer agent, bank, life insurance company, fraternal benefit society, broker or other person, acting on the instructions of or otherwise dealing with any person purporting to act as a donor or in the

capacity of a custodian, is responsible for determining whether the person designated by the purported donor, or purporting to act as a custodian, has been duly designated, or whether any purchase, sale or transfer to or by or any other act of any person purporting to act in the capacity of custodian is in accordance with or authorized by this act, or is obliged to inquire into the validity or propriety under this act of any instrument or instructions executed or given by a person purporting to act as a donor or in the capacity of a custodian, or is bound to see to the application by any person purporting to act in the capacity of a custodian of any money or other property paid or delivered to him.

Section 8. This act shall take effect immediately.

APPROVED—The 2nd day of September, A. D. 1965.

WILLIAM W. SCRANTON

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No. 243

AN ACT

HB 865

Amending the act of May 1, 1933 (P. L. 103), entitled "An act concerning townships of the second class; and amending, revising, consolidating and changing the law relating thereto," specifically providing that a majority vote of the entire board of supervisors shall be necessary in order to transact any business.

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

Section 1. Section 512, act of May 1, 1933 (P. L. 103), known as "The Second Class Township Code," reenacted and amended July 10, 1947 (P. L. 1481), and amended April 23, 1963 (P. L. 19), is amended to read:

Section 512. Monthly Meetings; Quorum, Rent and Expenses.—The township supervisors shall meet for the transaction of business at least once each month, at a time and place to be fixed by the board, but they shall not be paid for more than sixteen meetings in any one year, except in any township where, on account of the exercise of governmental functions other than those relating to roads, more meetings are necessary, in which case, the number of meetings for which the supervisors may be paid may be increased to any number, not exceeding twenty-four in any year, in townships having a population of five thousand or less, and in townships having more than five thousand population not exceeding fifty meetings in any year. Two members of any board of supervisors consisting of three members shall constitute