of squadron, group, or higher commands within the Pennsylvania National Guard, through the Department of Military Affairs to the Governor.

APPROVED-The 10th day of November, A. D. 1965.

WILLIAM W. SCRANTON

No. 355

### AN ACT

## **HB 1522**

Providing for the establishment and operation of Temple University as an instrumentality of the Commonwealth to serve as a State-related university in the higher education system of the Commonwealth; providing for change of name; providing for the composition of the board of trustees; terms of trustees, and the power and duties of such trustees; providing for preference to Pennsylvania residents in tuition; providing for public support and capital improvements; authorizing appropriations in amounts to be fixed annually by the General Assembly; providing for the auditing of accounts of expenditures from said appropriations; authorizing the issuance of bonds exempt from taxation within the Commonwealth; requiring the President to make an annual report of the operations of Temple University.

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

- Section 1. Short Title.—This act shall be known and may be cited as the "Temple University—Commonwealth Act."
- Section 2. Legislative Findings; Declaration of Policy.—It is hereby determined and declared as a matter of legislative finding:
- (1) That the Temple College of Philadelphia was created a corporation with perpetual existence under the laws of the Commonwealth of Pennsylvania under an act of the General Assembly of the Commonwealth of Pennsylvania entitled "An act to provide for the incorporation and regulation of certain corporations," approved the twenty-ninth day of April, 1874, and its supplements, and its charter approved by the Court of Common Pleas No. 1 for the County of Philadelphia, of March Term, 1888, No. 346, on the twelfth day of May, 1888;
- (2) That the original Charter of Incorporation was amended in the Court of Common Pleas No. 1, for the County of Philadelphia on the eighth day of April, 1891 and on the twelfth day of December, 1907;
- (3) That the name of the Temple College of Philadelphia was changed to Temple University by amendment of the original Charter of Incorporation on the twelfth of December, 1907;

- (4) That the original Charter of Incorporation was amended by merging and consolidating "The Samaritan Hospital" and "The Garretson Hospital" into and with Temple University on the twenty-first day of January, 1910, and merging the "Pennsylvania School of Horticulture for Women" with Temple University on the sixteenth day of June, 1958;
- (5) That the Northwestern General Hospital of Philadelphia was merged into Temple University on the twenty-seventh of February, 1964, and the Northern Dispensary of Philadelphia was merged into Temple University on the twenty-ninth of July, 1964;
- (6) That Temple University owns and maintains land, buildings, and other facilities which are used, together with land and buildings owned by the Commonwealth of Pennsylvania, for higher education, which land, buildings and other facilities are under the entire control and management of the board of trustees;
- (7) That the Commonwealth of Pennsylvania recognizes Temple University as an integral part of a system of higher education in Pennsylvania, and that it is desirable and in the public interest to perpetuate and extend the relationship between the Commonwealth of Pennsylvania and Temple University for the purpose of improving and strengthening higher education by designating Temple University as a State-related university;

Therefore, it is hereby declared to be the purpose of this act to extend Commonwealth opportunities for higher education by establishing Temple University as an instrumentality of the Commonwealth to serve as a State-related institution in the Commonwealth system of higher education.

- Section 3. Change of Name.—The Charter of Temple University shall be amended by changing the name of Temple University to "Temple University—Of The Commonwealth System of Higher Education," hereinafter referred to as "the University" and, as such, shall continue as a corporation for the same purposes as, and with all rights and privileges heretofore granted to, Temple University, unless hereinafter modified or changed.
- Section 4. Board of Trustees; Composition; Commonwealth Trustees; Terms.—(a) The Board of Trustees of the University shall consist of thirty-six voting members, together with the Governor of the State, the Superintendent of the Department of Public Instruction, and the Mayor of the City of Philadelphia, all of whom shall be members of the board of trustees, ex officio. The elective and appointive members, except as hereinafter provided, shall serve for four year terms.

- (b) Twelve of the trustees shall be designated Commonwealth trustees and four shall be appointed by the Governor, with the advice and consent of two-thirds of all of the members of the Senate, four by the President pro tempore of the Senate, and four by the Speaker of the House of Representatives. One appointment shall be made by each of the appointing authorities for a term of four years, one for a term of three years, one for a term of two years, and one for a term of one year commencing in October, 1965, and annually thereafter, one appointment shall be made by each of the three Commonwealth appointing authorities for a term of four years.
- (c) Within six months after the effective date of this act the by-laws shall be amended to provide for twenty-four trustees, in addition to the twelve Commonwealth trustees, and to establish a procedure whereby annually six of such trustees will be elected for four year terms.
- Section 5. Powers and Duties of Board of Trustees.—The entire management, control and conduct of the instructional, administrative, and financial affairs of the university is hereby vested in the board of trustees. The board may exercise all the powers and franchises of the university and make by-laws for their own government, as well as for the university.
- Section 6. Public Support, Tuition.—The university shall maintain such tuition and fee schedules for Pennsylvania resident and non-Pennsylvania resident full-time students as are set forth annually in the act of the General Assembly which makes appropriations to Temple University: Provided, That the amounts appropriated by said act are sufficient for the maintenance of such schedules by the university: And, provided further, That for any given year, in the event the amounts appropriated are not sufficient for the maintenance of said tuition and fee schedules, the university shall have the right to alter said schedules to the extent necessary to provide required income equal to the amount not provided by the appropriation act.
- Section 7. Capital Improvements.—The benefits of all Commonwealth or Commonwealth authority programs for capital development and improvement shall be available to the university under terms and conditions comparable to those applicable to land grant institutions of higher learning and State colleges. In accordance with legislative appropriations made as provided by law, the Commonwealth may, by agreement with the board of trustees, acquire lands, erect and equip buildings, and provide facilities for the use of the university.
- Section 8. Appropriations.—(a) The sums appropriated by the Commonwealth shall be paid to the board of trustees only upon presentation

by them of certified payrolls and vouchers showing expenditures in accordance with the appropriations. The Auditor General shall draw a warrant upon the State Treasurer for payment of approved expenditures. All expenditures made by the board of trustees in respect to such appropriations shall be subject to a post-audit by the Auditor General.

- (b) For the purpose of assuring the proper accountability on the part of Temple University for the expenditure of the amounts appropriated by the Commonwealth, Temple University shall establish a Commonwealth Appropriation Account into which only the amounts appropriated by the Commonwealth shall be credited when received. Temple University shall apply the moneys in the Commonwealth Appropriation Account only for such purposes as are permitted in the act appropriating the same and shall at all times maintain proper records showing the application of such moneys. Not later than sixty days after the close of the fiscal year to which the specific appropriation relates, Temple University shall file with the General Assembly and with the Auditor General of the Commonwealth, a statement setting forth the amounts and purposes of all expenditures made from both the Commonwealth Appropriation Account and other university accounts during said fiscal year. Such statement of expenditures shall be reviewed by the Auditor General of the Commonwealth, and he shall have the right, in respect to the Commonwealth Appropriation Account, to audit and disallow expenditures made for purposes not permitted by the appropriation act and to cause such sums to be recovered and paid by Temple University to the Treasurer of the Commonwealth. In respect to expenditures made by the university from accounts other than the Commonwealth Appropriation Account, the Auditor General shall have the right to review only and he shall file annually with the General Assembly such information concerning said expenditures as the General Assembly or any of its committees may require.
- Section 9. Issuance of Bonds Tax Exempt within the Commonwealth.—(a) The board of trustees may provide for the issuance of bonds in the name of the university for any proper purpose in the same manner as heretofore.
- (b) The university shall have no power at any time or in any manner to pledge the credit or the taxing power of the Commonwealth of Pennsylvania or any political subdivision nor shall any of its obligations be deemed to be obligations of the Commonwealth of Pennsylvania or of any of its political subdivisions, nor shall the Commonwealth of Pennsylvania or any political subdivision thereof be liable for the payment of principal of or interest on such obligations.

(c) Bonds issued by the university and loans secured by mortgages, their transfer and the income therefrom, (including any profits made on the sale thereof) shall at all times be free from taxation within the Commonwealth of Pennsylvania.

Section 10. Reports.—The President of the university shall each year, not later than the first day of October, make a report of all the activities of the university, instructional, administrative and financial, for the preceding scholastic and fiscal year, to the board of trustees, who shall transmit the same to the Governor and to the members of the General Assembly.

Section 11. Exemption.—The act of March 15, 1899 (P. L. 8), entitled "An act to regulate the manner in which appropriations to educational, penal, reformatory, charitable, benevolent, or eleemosynary institutions shall be paid," shall not apply to any appropriation made in pursuance of this act.

Section 12. Effective Date.—This act shall take effect July 1, 1965.

APPROVED-The 30th day of November, A. D. 1965.

WILLIAM W. SCRANTON

No. 356

### AN ACT

SB 665

An Act relating to and regulating the business of banking and the exercise by corporations of fiduciary powers; affecting persons engaged in the business of banking and corporations exercising fiduciary powers and affiliates of such persons; affecting the shareholders of such persons and the directors, trustees, officers, attorneys and employes of such persons and of the affiliates of such persons; affecting national banks located in the Commonwealth; affecting persons dealing with persons engaged in the business of banking, corporations exercising fiduciary powers and national banks; conferring powers and imposing duties on the Banking Board, on certain departments and officers of the Commonwealth and on courts, prothonotaries, clerks and recorders of deeds; providing penalties; and repealing certain acts and parts of acts.

### TABLE OF CONTENTS

# Chapter 1

### General Provisions

|         |      |             |   | Page |
|---------|------|-------------|---|------|
| Section | 101. | Short Title | • | 856  |
| Section | 102. | Definitions |   | 856  |