

No. 162

AN ACT

To further amend subsection B of section one thousand one hundred nine of the act, approved the fifteenth day of May, one thousand nine hundred thirty-three (Pamphlet Laws 624), entitled, as amended "An act relating to the business of banking, and to the exercise of fiduciary powers by corporations; providing for the organization of corporations with fiduciary powers, and of banking corporations, with or without fiduciary powers, including the conversion of National banks into State banks, and for the licensing of private bankers and employes' mutual banking associations; defining the rights, powers, duties, liabilities, and immunities of such corporations, of existent corporations authorized to engage in a banking business, with or without fiduciary powers, of private bankers and employes' mutual banking associations, and of the officers, directors, trustees, shareholders, attorneys, and other employes of all such corporations, employes' mutual banking associations or private bankers, or of affiliated corporations, associations, or persons; restricting the exercise of banking powers by any other corporation, association, or person, and of fiduciary powers by any other corporation; conferring powers and imposing duties upon the courts, prothonotaries, recorders of deeds, and certain State departments, commissions, and officers; imposing penalties; and repealing certain acts and parts of acts," by further providing for the powers and duties and limitation on powers of corporations authorized to engage in a banking or fiduciary business.

"Banking Code."

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

Subsection B of section 1109, act of May 15, 1933, P. L. 624, as last amended by act of June 28, 1947, P. L. 998, further amended.

Section 1. Subsection B of section one thousand one hundred nine of the act, approved the fifteenth day of May, one thousand nine hundred thirty-three (Pamphlet Laws 624), entitled, as amended "An act relating to the business of banking, and to the exercise of fiduciary powers by corporations; providing for the organization of corporations with fiduciary powers, and of banking corporations, with or without fiduciary powers, including the conversion of National banks into State banks, and for the licensing of private bankers and employes' mutual banking associations; defining the rights, powers, duties, liabilities, and immunities of such corporations, of existent corporations authorized to engage in a banking business, with or without fiduciary powers, of private bankers and employes' mutual banking associations, and of the officers, directors, trustees, shareholders, attorneys, and other employes of all such corporations, employes' mutual banking associations or private bankers, or of affiliated corporations, associations, or persons; restricting the exercise of banking powers by any other corporation, association, or person, and of fiduciary powers by any other corporation; conferring powers and imposing duties upon

the courts, prothonotaries, recorders of deeds, and certain State departments, commissions, and officers; imposing penalties; and repealing certain acts and parts of acts," as last amended by the act, approved the twenty-eighth day of June, one thousand nine hundred forty-seven (Pamphlet Laws 998), is hereby further amended to read as follows:

Section 1109. Common Trust Funds.—

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B. If the instrument under which a trust company or bank and trust company acts as fiduciary, whether such fiduciary capacity arose before or is created after this act takes effect, shall limit or restrict the investment of moneys of the estate in assets of the class authorized by law as legal investments, the trust company or bank and trust company may, in its capacity as sole fiduciary or with the consent of any person acting with it in a fiduciary capacity, invest and reinvest moneys of the estate in any such common trust fund maintained by the trust company or bank and trust company, provided, the assets composing such fund consist solely of assets of the class authorized as legal investments for funds held by fiduciaries.

If the instrument under which a trust company or bank and trust company acts as fiduciary, whether such fiduciary capacity arose before or is created after this act takes effect, shall authorize the investment of moneys of the estate in a common trust fund or in investments other than those designated by law as legal investments, or shall authorize the trust company or bank and trust company either alone or in conjunction with any person acting with it in a fiduciary capacity, to exercise its or their discretion with respect to the investment of moneys of the estate, the trust company or bank and trust company may, in its capacity as sole fiduciary or with the consent of any person acting with it in a fiduciary capacity, invest and reinvest moneys of the estate in any such common trust fund maintained by the trust company or bank and trust company. Any such common trust fund, consisting solely of moneys of estates contributed thereto by the trust company or bank and trust company pursuant to authority contained in any such instruments creating the fiduciary capacity to invest moneys of the estates in a common trust fund, or in investments other than such legal investments, or pursuant to such discretionary power with respect to the investment of moneys of the estates as contained in any such instruments creating the fiduciary capacity, may be composed of investments other than those of the class designated by law as legal investments for funds held by fiduciaries including common and preferred stocks.

Bonds secured by mortgages and securities of the class authorized by law as legal investments for fiduciaries, shall be deemed proper investments for any such common trust funds: Provided, however, That no investment for a common trust fund shall be made or maintained in bonds, secured by mortgages, which would cause the total amount of *the investment for such fund in bonds, secured by mortgages, to exceed forty per centum of the value of all the assets comprising such fund.

No moneys of any one estate in excess of [fifty] *one hundred* thousand dollars shall be invested in any one or more of such common trust funds as may be maintained by a trust company or bank and trust company. In applying this limitation, if two or more trusts are created by the same settlor or settlors, and as much as one-half of the income or principal, or both, of each trust is presently payable or applicable to the use of the same person or persons, such trusts shall be considered as one.

Act effective
immediately.

Section 2. This act shall become effective immediately upon its final enactment.

APPROVED—The 28th day of June, A. D. 1951.

JOHN S. FINE

No. 163

AN ACT

To amend the act, approved the fifteenth day of May, one thousand nine hundred thirty-three (Pamphlet Laws 624), entitled, as amended "An act relating to the business of banking, and to the exercise of fiduciary powers by corporations; providing for the organization of corporations with fiduciary powers, and of banking corporations, with or without fiduciary powers, including the conversion of National banks into State banks, and for the licensing of private bankers and employes' mutual banking associations; defining the rights, powers, duties, liabilities, and immunities of such corporations, of existent corporations authorized to engage in a banking business, with or without fiduciary powers, of private bankers and employes' mutual banking associations, and of the officers, directors, trustees, shareholders, attorneys, and other employes of all such corporations, employes' mutual banking associations or private bankers, or of affiliated corporations, associations, or persons; restricting the exercise of banking powers by any other corporation, association, or person, and of fiduciary powers by any other corporation; conferring powers and imposing duties upon the courts, prothonotaries, recorders of deeds, and certain State departments, commissions, and officers; imposing penalties; and repealing certain acts and parts of acts," by further providing for establishment of branch offices, agencies and facilities, and the approval thereof by the Department of Banking.

* "the" omitted in original.