

have given due notice thereof to the personal property assessor of the proper district.

Act effective immediately.

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

APPROVED—The 19th day of July, A. D. 1951.

JOHN S. FINE

No. 237

AN ACT

Authorizing cities to establish and maintain common trust funds for the investment and reinvestment of the moneys of charitable uses or trusts, the charge or administration of which has been committed to their care, or of the estates of minors of which they may be guardians; providing for the administration of funds so established; and prescribing the nature and kinds of investments which may be made therein.

Cities.

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

Cities authorized to establish and maintain common trust funds for investment and reinvestment of moneys of charitable uses or trusts.

Section 1. Any city of this Commonwealth, now or hereafter charged with the administration of any charitable use or trust or of the estate of any minor of which it may be guardian, may establish and maintain one or more common trust funds for the collective investment and reinvestment of the moneys of any such charitable use or trust or any such estate.

Investment of moneys of estates of minors of which city is guardian in such common trust fund.

Section 2. Such city may invest the moneys of the estate of any minor of which it is now or may hereafter become guardian in any common trust fund maintained by it, provided the assets comprising such common trust fund consist solely of assets of the class authorized by law as legal investments for funds held by fiduciaries.

Investment of property or proceeds thereof in such common trust fund where instrument by which city acquires property restricts investments to legal investments.

Section 3. If the instrument under which any real and personal property were or are given, granted, conveyed, bequeathed, devised to, or otherwise vested in, confided to, or warded to, the city upon charitable use or trust shall limit or restrict the investment of such property or the proceeds thereof to assets of the class authorized by law as legal investments, the city may invest and reinvest moneys of the use or trust in any such common trust fund maintained by the city, provided the assets composing such fund consist solely of assets of the class authorized as legal investments for funds held by fiduciaries.

Investment of property or proceeds thereof in such common trust fund where instrument by which city acquires property does not restrict investments to legal investments.

Section 4. If the instrument under which any real and personal property were or are given, granted, conveyed, bequeathed, devised to, or otherwise vested in, confided to, or awarded to, the city upon charitable use or trust shall authorize or permit the investment of such property or the proceeds thereof in assets of the class other than authorized by law as legal investments, the city may invest and reinvest moneys of the use or trust

in any such common trust fund maintained by the city composed of such investments as in the honest exercise of the judgment of the officers of the city charged with the administration of the charitable uses or trusts may, after investigation, be determined to be safe and proper investments; otherwise, such assets shall be invested and reinvested in a common trust fund consisting solely of assets of a class authorized as legal investments for funds held by fiduciaries.

Section 5. The city shall invest the moneys of any charitable use or trust or of the estate of any minor of which it may be guardian in such common trust fund by adding the same thereto and by apportioning a participation therein to such use or trust or the estate of any minor of which it may be guardian in the proportion that the moneys of the use, trust or estate added thereto bears to the aggregate value of all the assets of such common trust fund at the time of such investment, including in such assets the moneys of the use, trust or estate so added. The withdrawal of a participation from such common trust fund shall be on a basis of its proportionate interest in the aggregate value of all the assets of such common trust fund at the time of such withdrawal. The participating interest of any use, trust or estate in such common trust funds may from time to time be withdrawn in whole or in part by the city. Upon such withdrawals the city may make distribution in cash or ratably in kind, or partly in cash and partly in kind. Participations in such common trust funds shall not be sold to any other corporation or person, except a non-profit corporation organized and existing for a public charitable purpose.

Administration of such common trust fund by city.

Section 6. If a bond or other obligation for the payment of money is acquired as an investment for any such common trust fund at a cost in excess of the par or maturity value thereof, the city may during but not beyond the period that such obligation is held as an investment in such fund, amortize such excess cost out of the income on such obligation by deducting from each payment of income and adding to principal an amount equal to the sum obtained by dividing such excess cost by the number of periodic payments of income to accrue on such obligation from the date of such acquisition until its maturity date.

Where bond or other obligation for the payment of money is acquired as an investment for any such common trust fund.

Section 7. The city shall designate clearly upon its records the names of the charitable uses or trust or of the estate of a minor on behalf of which such city as fiduciary owns a participation in any such common trust fund and the extent of the interest of the charitable use, trust or minor estate therein. No such use, trust or estate shall be deemed to have individual ownership

Records to be maintained by city.

of any assets in such common trust fund but shall be deemed to have the proportionate undivided interest in the common trust fund. The ownership of the individual assets comprising any such common trust fund shall be solely in the city as fiduciary.

Limitation of authority of city in certain cases.

Section 8. Nothing contained in this act shall be construed to authorize the city to invest moneys of a charitable use or trust in any such common trust fund contrary to any specific limitation or restriction contained in the will, deed or other instrument by which any real and personal property are given, granted, conveyed, bequeathed, devised to, or otherwise vested in, the city upon charitable use or trust, nor to limit or restrict the authority conferred upon the city with respect to investments by any such instrument.

Mistakes made in good faith.

Section 9. No mistakes made in good faith and in the exercise of due care and prudence in connection with the administration of any such common trust fund shall be held to exceed any power granted to, or violate any duty imposed upon, the city, if promptly after the discovery of the mistake the city takes whatever action that may be practicable under the circumstances to remedy the mistake.

Act effective immediately.

Section 10. The provisions of this act shall become effective immediately upon final enactment.

APPROVED—The 19th day of July, A. D. 1951.

JOHN S. FINE

No. 238

AN ACT

To further amend the act, approved the second day of May, one thousand nine hundred forty-five (Pamphlet Laws 382), entitled "An act providing for the incorporation as bodies corporate and politic of "Authorities" for municipalities, counties and townships; prescribing the rights, powers and duties of such Authorities heretofore or hereafter incorporated; authorizing such Authorities to acquire, construct, improve, maintain and operate projects, and to borrow money and issue bonds therefor; providing for the payment of such bonds, and prescribing the rights of the holders thereof; conferring the right of eminent domain on such Authorities; authorizing such Authorities to enter into contracts with and to accept grants from the Federal Government or any agency thereof; and conferring exclusive jurisdiction on certain courts over rates," by empowering Authorities to acquire, by eminent domain, certain capital stock of corporations of this Commonwealth owning projects in the event the Authority already owns ninety percent or more of such stock, and by providing a procedure therefor.

"Municipality Authorities Act of 1945."

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