

Notwithstanding the foregoing, the provisions of this section shall not apply to additional shares acquired by a bank holding company in a bank in which such bank holding company owned or controlled a majority of the voting shares prior to such acquisition.

Section 4. The Secretary of Banking shall enforce the provisions of this act and, to that end, is authorized to issue such regulations and orders as may enable his department to administer and carry out the purposes of this act. He may, from time to time, examine the books, records and affairs of any company, or require reports, under oath, in order to keep informed as to whether the provisions of this act and such regulations and orders made thereunder have or are being complied with. The cost of such examination shall be assessed against and paid by such company.

**Enforcement
authorization.**

Inspections.

Costs.

Section 5. Any company which violates any provision of this act shall be guilty of a misdemeanor, and, upon conviction thereof, be sentenced to pay a fine of not more than five thousand dollars (\$5,000.00) for each day during which such violation continues. Any person who willfully participates in a violation of any of the provisions of this act shall be guilty of a misdemeanor, and, upon conviction thereof, be sentenced to pay a fine of not more than five thousand dollars (\$5,000.00) or imprisonment for not more than two years, or both.

**Violations and
penalties.**

Section 6. This act shall take effect immediately.

**Act effective
immediately.**

APPROVED—The 11th day of July, A. D. 1957.

GEORGE M. LEADER

No. 373

AN ACT

Amending the act of March 10, 1949 (P. L. 30), entitled "An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto," authorizing alienation of real property in connection with leases for school building projects, changing requirements for construction contracts, providing additional means of financing school building projects and for reimbursement by the Commonwealth in connection therewith and on account of short term obligations for school buildings and improvements.

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

**Public School
Code of 1949.**

Section 1. Section 707, act of March 10, 1949 (P. L. 30), known as the "Public School Code of 1949," is amended by adding, at the end, a new clause to read:

**Section 707, act
of March 10,
1949, P. L. 30,
amended by
adding a new
clause (9).**

Section 707. Sale of Unused and Unnecessary Lands and Buildings.—The board of school directors of any

district is hereby vested with the necessary power and authority to sell unused and unnecessary lands and buildings, by any of the following methods and subject to the following provisions:

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(9) *Notwithstanding the foregoing provisions of this section, any school district may lease, grant, assign or convey to the State Public School Building Authority, a municipality authority or any profit or nonprofit corporation, partnership, association or person, with or without consideration, in connection with any lease for a school building or project, any lands, easements or rights in lands, together with any improvements, buildings or structures therein or thereon, now owned by the school district or hereafter acquired by it, deemed necessary to carry out the project, as well as furnishings and equipment used or useful in connection therewith.*

Subsection (a), section 751 of the act, amended May 24, 1951, P. L. 897, further amended.

Section 2. Subsection (a) of section 751 of the act, amended May 24, 1951 (P. L. 397), is amended to read:

Section 751. Work to be Done Under Contract Let on Bids; Exception.—(a) All construction, reconstruction, repairs, or work of any nature, including the introduction of plumbing, heating and ventilating, or lighting systems, upon any school building or upon any school property, made by any school district, where the entire cost, value, or amount of such construction, reconstruction, repairs, or work, including labor and material, shall exceed one thousand dollars (\$1000), shall be done under [separate] a contract or contracts to be entered into by such school district with the lowest responsible bidder, upon proper terms, after due public notice has been given asking for competitive bids. *The board of school directors shall, in its discretion, have prepared by an architect, engineer or other person preparing the specifications, separate specifications for construction, plumbing, heating and ventilating, and electrical work, or specifications covering all of the work of the building or project. The school district shall advertise for proposals on plans and specifications for the project determined to be undertaken and for bids covering the plans and specifications for the facilities, repairs or improvements intended to be contracted for. The board of school directors may receive separate bids on each of the branches of work or combinations thereof or a single bid on all the work. The board of school directors shall award the contract or contracts to the lowest responsible bidder or bidders: Provided, That if due to an emergency a school plant or any part thereof becomes unusable competitive bids for repairs or replacement may be solicited from at least three respon-*

sible bidders, and upon the approval of any of these bids by the State Superintendent of Public Instruction, the board of school directors may proceed at once to make the necessary repairs or replacements in accordance with the terms of said approved bid or bids.

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Section 3. Article VII. of the act is amended by adding, at the end, a new subdivision to read:

Article VII. of the act, amended by adding a new subdivision (h).

(h) Other Means of Financing

Section 791. Grants, Conveyances, Appropriations to, Contracts with, and Leases from, Profit or Nonprofit Corporations, Partnerships, Associations, or Persons.—

(a) The board of school directors of any school district or the boards of school directors of any two or more school districts jointly may, if project conforms to county-wide plans prepared by the county board and approved by the State Council of Education for the orderly development of administrative units and attendance areas upon the written approval of the county board of school directors and the Department of Public Instruction—

(1) Enter into a lease or leases with a profit or non-profit corporation, partnership, association or persons, for the rental of necessary grounds and buildings for school purposes or buildings to be erected for school purposes whereby the school district or districts shall have the right to renew the lease or leases not to exceed forty years at a stipulated rental to be paid by the school district or districts out of current revenues and at any time during the continuance of the lease or leases purchase the grounds and buildings at a stipulated price.

(2) In connection with the execution of the lease, sell lease, land grant or convey, individually or jointly, to the corporation, partnership, association or person, with or without consideration, any lands, easements, or rights in lands, which are deemed necessary for the project together with any buildings, structures or improvements thereon erected as well as furnishings and equipment used or useful in connection therewith.

(3) Purchase or otherwise acquire additional lands or interests in lands which are deemed necessary for the project and finance the acquisition by the issuance and sale of general obligation bonds.

(4) Transfer, assign and set over to the corporation, partnership, association or person any contract which has been awarded for the project or projects .

(5) Make payments to the corporation, partnership, association or person out of its or their general funds

*or out of any other available funds including proceeds of insurance on school property, the proceeds of bonds of the school district or districts issued for building purposes and not so used and moneys set aside or otherwise available for building purposes. The proceeds of any general obligation bonds heretofore or hereafter issued by a school district shall be used by the corporation, partnership, association or person for the purpose or purposes for which the bonds were issued and if the bonds were issued pursuant to a vote of the electors the appropriation of the proceeds shall not be *deemed such a change of purpose from that for which the bonds were authorized as require the question to be again submitted to a vote of the electors under any existing law.*

(6) In case of joint leases, agree, subject to the approval of the Department of Public Instruction, on the manner of sharing between the school districts the rental or rentals and any other sums payable to the corporation, partnership, association or person and the costs and expenses of insuring, operating, maintaining and repairing the school property leased.

(7) Make all other contracts or agreements with the corporation, partnership, association or person or with other school districts deemed necessary or convenient in connection with the project.

(b) In all cases where the board of directors of any school district fails to pay or to provide for the payment of any rental or rentals due any corporation, partnership, association or person for any period in accordance with the terms of any lease entered into under the provisions of this section, the Superintendent of Public Instruction shall notify the board of its obligation and shall withhold out of any State appropriation due the school district an amount equal to the amount of rental or rentals owing by the school district to the corporation, partnership, association or person and shall pay over the amount withheld to the corporation, partnership, association or person in payment of the rental.

Subsection (a), section 2574 of the act, added March 22, 1956, P. L. 1315, amended and a new subsection (c.1) added.

Section 4. Subsection (a) of section 2574 of the act, added March 22, 1956 (P. L. 1315), is amended and a new subsection is added, after subsection (c), to read:

Section 2574. Approved Reimbursable Rental for Leases Hereafter Approved and Approved Reimbursable Sinking Fund Charges on Indebtedness.—(a) For school **building projects for which the general construction contract is awarded subsequent to [the effective date of this amending act] March 22, 1956, and for approved school building projects for which the general construction contract was awarded but for which a lease was not

* "deemd" in original.

** "buildings" in original.

approved by the Department of Public Instruction prior to [the effective date of this amending act] *March 22, 1956*, the Department of Public Instruction shall calculate an approved reimbursable rental or approved reimbursable sinking fund charges. *Reimbursable sinking fund charges may include charges for temporary indebtedness within constitutional limitations, if the indebtedness is incurred for approved permanent improvements to the school plant including the cost of acquiring a suitable site for a school building, the cost of constructing a new school building, or the cost of providing needed additions or alterations to existing buildings for which no bond issue is provided and for which an approved obligation or obligations other than bonds have been issued and the obligation or obligations are payable within five (5) years from the date of issue of the obligation in equal annual installments.*

Approved reimbursable rental or sinking fund charge shall consist of that part of the annual rental or sinking fund charge attributable to—

(1) The cost of acquiring the land upon which the school buildings are situate to the extent that the cost is deemed reasonable by the Department of Public Instruction and the interest on such cost of acquisition, and

(2) The approved building construction cost and the interest on such construction cost.

* * * * *

(c.1) If the Commonwealth makes any payment under section 2575.1 of this act on account of a preliminary payment by a school district on the approved building construction cost, the amount of the preliminary payments by the school district shall be subtracted from the amount of the approved building construction cost for the purpose of calculating the approved reimbursable rental on projects undertaken pursuant to section 791 of this act.

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Section 5. Section 2575 of the act, added March 22, 1956 (P. L. 1315), is amended to read:

Section 2575 of the act, added March 22, 1956, P. L. 1315, further amended.

Section 2575. Payments on Account of Leases Hereafter Approved and on Account of Sinking Fund Charges on Indebtedness for School Buildings Hereafter Constructed.—The Commonwealth shall pay annually to each school district erecting or sharing in the erection of a building or buildings under the provisions of the Public School Building Authority Act, the *Municipality Authority Act, [or] section 758 of the Public School Code of 1949 or section 791 of the Public

* "Municipal" in original.

School Code of 1949, on account of buildings for which the lease is approved [subsequent to the effective date of this amending act] *on or after March 22, 1956*, or through the incurring of indebtedness by the issuance of general obligation bonds on account of buildings for which the general construction contract is awarded [subsequent to the effective date of this amending act] *on or after March 22, 1956*, an amount to be determined [(1) By] *by* multiplying the district's [standard] *capital account* reimbursement fraction [by itself by fifty *one-hundredths (50/100) and adding the product to the districts standard reimbursement fraction multiplied by twenty-five one-hundredths (25/100) and multiplying the sum] by the approved reimbursable rental or approved reimbursable sinking fund charge [, or

(2) If the district's standard reimbursement fraction is greater than four thousand nine hundred ninety-nine ten-thousandths (.4999) by multiplying the district's standard reimbursement fraction by itself and by the approved reimbursable rental or approved reimbursable sinking fund charge. Standard reimbursement fraction referred to herein is that provided by section 2571 for the purpose of reimbursement on account of public school building rentals and sinking fund charges].

Act of March 10, 1949, P. L. 30, amended by adding a new section 2575.1.

Section 6. The act is amended by adding, after section 2575, a new section to read:

Section 2575.1. Payments on Account of Building Costs.—The Commonwealth shall pay to any school district making a preliminary payment on account of the approved building construction cost as authorized by clause (5) of section 791 of this act an amount determined by multiplying the district's capital account reimbursement fraction by the amount of the payment made by the school district.

The payment required by this section shall be made for the year in which the school district made its payment on account of the approved building construction cost.

Section 2576 of the act, added March 22, 1956, P. L. 1315, and amended, in part, May 24, 1956, P. L. 1669, further amended.

Section 7. Section 2576 of the act, added March 22, 1956 (P. L. 1315), and amended, in part, May 24, 1956 (P. L. 1669), is amended to read:

Section 2576. Approval of Department of Public Instruction.—(a) No payment shall be made to any school district on account of any lease entered into with the State Public School Building Authority or any municipality authority or nonprofit corporation *under section 758 of this act or any profit or nonprofit corporation, partnership, association or person under section 791 of this act* or on account of sinking fund charges on indebt-

* "one-hundredth" in original.

edness for school buildings unless such lease or sinking fund charge is approved by the Department of Public Instruction. Except as hereinafter provided, the Department of Public Instruction may give its approval to any lease heretofore or hereafter entered into and to any payments on account of sinking fund charges on indebtedness for school buildings if it shall find in the case of all school districts, except school districts of the first class, first class A and second class which are not part of a county-wide plan, that the leased project or the project for which the indebtedness is incurred, is in conformance with county-wide plans prepared by the county board of school directors and approved by the State Council of Education for the orderly development of improved attendance areas and administrative units and for the improved housing of public schools in the Commonwealth, and in the case of all school districts, that the school building will conform with standards and regulations prescribed by the department with respect to educational and architectural design, building materials, fixtures and equipment, location, usefulness for community activities, safety, comfort and convenience, and that the school district or school districts which incur the indebtedness or to which the project is to be leased will have the ability to meet from current revenues the rental or sinking fund charge or their respective shares of rental or sinking fund charge and to defray the cost of their respective shares of the cost of operation and maintenance of the project.

(b) The department shall have the right to disapprove or approve with reservation a lease because of any failure on the part of the authority or school district to comply with the provisions of the laws of the Commonwealth relating to such authority or *nonprofit corporation or profit or nonprofit *corporation, partnership, association or person* or school district only to such extent as will prevent the school district from paying a greater sum as rental because of such noncompliance with law. For that purpose, the department may require a modification of the lease if not at that time executed or may approve the lease with the reservation that the department will pay the reimbursement on that amount only which would have been determined by reason of the lower rental.

(c) The Department of Public Instruction shall not approve any project for which Commonwealth reimbursement is sought unless an inspection has been made by the department of the location and adequacy of existing school facilities and the determination made that existing facilities are inadequate in terms of prevailing educational standards.

* "corporatin" in original.

Subsection (a),
section 2577,
and sections
2578, 2579 and
2580 of the act,
added March 22,
1956, P. L. 1315,
further amended.

Section 8. Subsection (a) of section 2577 and sections 2578, 2579 and 2580 of the act, added March 22, 1956 (P. L. 1315), are amended to read:

Section 2577. Limitations on Approval of Projects for Reimbursement Purposes.—(a) The Superintendent of Public Instruction shall not give his approval for reimbursement purposes to any phase of any project or any project to be undertaken by the State Public School Building Authority or by any municipality authority or nonprofit corporation *under section 758 of this act or any profit or nonprofit corporation, partnership, association or person under section 791 of this act* or by any school district, that would cause the approved reimbursable costs of projects to exceed six hundred and twenty-five million dollars (\$625,000,000) during the school year 1955-1956, seven hundred and twenty-five million dollars (\$725,000,000) during the school year 1956-1957, eight hundred and twenty-five million dollars (\$825,000,000) during the school year 1957-1958, and nine hundred and twenty-five million dollars (\$925,000,000) during the school year 1958-1959 in the aggregate for all the authorities, nonprofit corporations, *profit or nonprofit corporations, partnerships, associations or persons* and school districts combined for projects already undertaken and to be undertaken.

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Section 2578. Payments.—(a) Payments to a school district shall be determined and approved by the Department of Public Instruction. The amount so approved shall be included in and be payable from any future appropriations made to the Department of Public Instruction.

(b) All payments due school districts by the Commonwealth on account of obligations to the State Public School Building Authority, sinking fund charges, or rentals under leases with municipality authorities, *nonprofit corporations or profit or nonprofit corporations, partnerships, associations or persons* for building or educational equipment for area technical schools, shall be paid to the county board of school directors operating the school. School districts not originally parties to an agreement with the State Public School Building Authority or a lease with a municipality authority, *a nonprofit corporation or a profit or nonprofit corporation, partnership, association or person* for buildings or educational equipment for an area technical school but later electing to participate in the operation of the school and agreeing to pay a part of the annual payments due under the agreement or lease shall be entitled to payments by the Commonwealth to the same extent as

though they had originally been parties to the agreement or lease. The amount thereof shall be paid to the county board of school directors. No payments shall be made on account of obligations or rentals for buildings or educational equipment for area technical schools unless the schools conform to county-wide plans prepared by the county board of school directors and approved by the State Board of Vocational Education.

Section 2579. Inspection of Projects by Department of Public Instruction.—The Department of Public Instruction shall inspect, during construction, the work performed by or under contract with a municipality authority, nonprofit corporation, *profit or nonprofit corporation, partnership, association or person* or school *district, on all projects for the rental or sinking fund charge of which the Commonwealth will make reimbursement, and shall compel compliance with approved plans.

Section 2580. Changes in the Amount of Lease Rentals.—Reimbursements to school districts on account of rental payments in excess of the amount specified in the lease between the school districts and the State Public School Building Authority or any municipality authority or nonprofit corporation or *profit or nonprofit corporation, partnership, association or person* or in the case of refinancing on account of rental payments provided by a renegotiated lease shall be calculated in the same manner as the specified lease rental.

Section 9. This act shall take effect immediately.

Act effective immediately.

APPROVED—The 11th day of July, A. D. 1957.

GEORGE M. LEADER

No. 374

AN ACT

Making it unlawful for any corporation to carry on any business under an assumed or fictitious name, style or designation other than its proper corporate name, unless an application is filed with the Secretary of the Commonwealth and the prothonotary; providing for the amendment of such application; fixing the fees of the Secretary of the Commonwealth and the prothonotary; providing penalties; and providing for the cancellation of such application by the registrant or the Secretary of the Commonwealth under certain circumstances.

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

Fictitious Corporate Name Act.

Section 1. Short Title.—This act shall be known and may be cited as the "Fictitious Corporate Name Act."

* "district" in original.