

district or territory of the United States: Provided, That no such loan shall exceed two-thirds ($2/3$) of the value of the leasehold at the date of investment, unless

(1) Such loan is guaranteed or insured by, or for which a commitment to guarantee or insure such loan has been made by, the Federal Housing Administrator or Commissioner, pursuant to the provisions of the Federal National Housing Act, as heretofore or hereafter amended:

(2) *Such leasehold is of improved real estate and such loan provides for amortization by repayments of principal at least once in each year in amounts sufficient to repay the loan within a period of four-fifths ($4/5$) of the unexpired term of the leasehold, but within a period of not more than thirty years, and does not exceed three-fourths ($3/4$) of the value of the leasehold at the date of investment.*

(3) *Such real estate is under lease to a corporation or business trust, incorporated or existing under the laws of the United States or any state, district or territory thereof, whose income is available for fixed charges for the period of five fiscal years next preceding the date of investment shall have averaged not less than one and one-half ($1\frac{1}{2}$) times its average annual fixed charges applicable to such period, if there is pledged and assigned as additional security for the loan and for application thereon sufficient of the rentals payable under such lease to provide for repayment of the loan within the unexpired term of the lease:*

Provided, further, That the terms of any such loan shall require repayments of principal at least once in each year in amounts sufficient to repay the loan within the term of the leasehold, unexpired at the date of investment, *unless a shorter period is required under subparagraph (2).*

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Section 3. This act shall take effect immediately.

APPROVED—The 18th day of December, A. D. 1959.

DAVID L. LAWRENCE

Act effective
immediately.

No. 707

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," further providing for the operation of classes or schools for institutionalized children in counties of the second class the cost thereof to be paid by the Commonwealth.

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

Public School Code of 1949.

Section 1. Section 925, act of March 10, 1949 (P. L. 30), known as the "Public School Code of 1949," is amended by adding, after subsection (b), a new subsection to read:

Section 925, act of March 10, 1949, P. L. 30, amended by adding a new subsection (c).

Section 925. Powers and Duties.— * * *

(c) In counties of the second class, the county board of school directors in respect to children who are inmates of any orphan asylum, home for friendless children or other institutions for the care or training of orphans or other children located within the county and are permitted to attend classes under the provisions of section 1306 of this act, shall, on petition of the board of school directors of the district wherein each institution is located or on petition of each aforementioned institution and with the approval of the district board of school directors and the approval of the Superintendent of Public Instruction, have power and its duty shall be—

(1) To provide, maintain, administer, supervise and operate classes or schools for institutionalized children. Such classes and schools may include classes for mentally retarded, for normal or educationally retarded, for vocational training and on-the-job training or maintenance courses.

(2) To estimate and file with the Department of Public Instruction, on or before the first day of July of each year, the cost of operating and administering such classes and schools, including the cost of necessary fiscal controls for institutionalized children.

(3) To employ temporary professional and professional employes, supervisors and teachers, and to employ all other persons necessary to carry on education and training for institutionalized children, and to determine the salaries to be paid. All employes shall have the same right of membership in the Public School Employes Retirement Association as employes of school districts.

Section 2. Section 2509.1 of the act, amended March 29, 1956 (P. L. 1356) and June 1, 1956 (P. L. 2013), is amended to read:

Section 2509.1 of the act, amended March 29, 1956, P. L. 1356, and June 1, 1956, P. L. 2013, further amended.

Section 2509.1. Payment on Account of Transportation, Classes and Schools for Handicapped and Institutionalized Children.—Annually, before the first day of July, every county board of school directors shall submit, for prior review and approval by the Department of Public Instruction, an estimate of the cost of operating and administering classes or schools for handicapped and institutionalized children, including the cost of such fiscal controls as auditing and necessary treasurer's and secre-

tary's bonds to be operated by the county board during the ensuing school year, and for transportation of pupils to and from classes and schools for handicapped children, whether or not conducted by the county board. On or before the first day of August, the Commonwealth shall pay to the county board of school directors a sum equal to one-half of the approved estimated annual cost of operation *and administration* of classes and schools for *handicapped and institutionalized children* and transportation for handicapped children and, on or before the first day of January, shall pay an equal sum, or a lesser sum as may be shown to be necessary by an adjusted budget based upon expenditures during the first half of the school term. At the end of each school year all unexpended funds shall be credited to Commonwealth. Payments due for the succeeding school year on account of the operation of such classes or upon direction of the Superintendent of Public Instruction shall be returned to the Commonwealth. All such funds returned are hereby specifically appropriated to the Department of Public Instruction for support of schools and classes, and transportation for handicapped children. For each child enrolled in any special class or school for handicapped children operated by a county board of school directors, the school district in which the child is resident shall pay to the Commonwealth a sum equal to the "tuition charge per elementary pupil" or the "tuition charge per high school pupil," as determined for the schools operated by the district or by a joint board of which the district is a member, based upon the costs of the preceding school term as provided for in section two thousand five hundred sixty-one of the act to which this is an amendment. In the event that any school district has not established such "tuition charge per elementary pupil" or "tuition charge per high school pupil," the Superintendent of Public Instruction shall fix a reasonable charge for such district for the year in question. In addition, the district shall pay on account of transportation by the county board of pupils to and from classes and schools for handicapped children, whether or not conducted by the county board, an amount to be determined by subtracting from the cost of transportation per pupil the reimbursement due the district on account of such transportation in order to facilitate such payments by the several school districts. The Superintendent of Public Instruction shall withhold from any moneys due to such district out of any state appropriation, except from reimbursements due on account of rentals as provided in section two thousand five hundred eleven point one of the act to which this is an amendment, the amounts due by such school districts to the Commonwealth. All amounts so withheld are hereby specifically appropriated to the De-

partment of Public Instruction for the support of public schools. *The cost of operating and administering classes and schools for institutionalized children, including the cost of necessary fiscal controls, shall be paid by the Commonwealth.*

APPROVED—The 18th day of December, A. D. 1959.

DAVID L. LAWRENCE

No. 708

AN ACT

Amending the act of June 24, 1939 (P. L. 872), entitled "An act to consolidate, amend and revise the penal laws of the Commonwealth," prohibiting the offering of any policy of insurance free of cost as an inducement of any person to purchase any real or personal property.

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

The Penal Code.

Section 1. The act of June 24, 1939 (P. L. 872), known as "The Penal Code," is amended by adding, after section *699.10 a new section to read:

Act of June 24, 1939, P. L. 872, amended by adding a new section 699.11.

Section 699.11. Furnishing Free Insurance as Inducement for Purchases.—Whoever, being a manufacturer, broker, wholesaler, retailer or agent of any manufacturer, broker, wholesaler or retailer, offers any policy of insurance free of cost as an inducement to any person to purchase any real or personal property is guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine not exceeding five hundred dollars (\$500) or to undergo imprisonment not exceeding one year.

The provisions of this section shall not affect the right of any person who, in connection with a sale of property or services or any credit transaction, shall have, retain or acquire an insurable interest in any subject of insurance related to such sale or transaction, including person or property or risk pertaining thereto, to procure and maintain insurance embracing any or all insurable interests in such subject, or to agree to do so, and neither such insurance nor the procurement or maintaining thereof or agreement to procure or maintain the same shall be construed to be an inducement to purchase.

Section 2. This act shall take effect immediately.

Act effective immediately.

APPROVED—The 18th day of December, A. D. 1959.

DAVID L. LAWRENCE

* "699.9" in original.