

No. 233

AN ACT

Amending the act of July 3, 1947 (P. L. 1283), entitled "An act concerning the ascertainment of principal and income; and the apportionment of receipts and expenses among tenants and remaindermen," clarifying certain stock dividends and providing for the disposition of capital gain dividends.

Principal and
Income Act
of 1947.

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

Title, subsection
(1), section 3
and subsection
(1), section 5,
act of July 3,
1947, P. L. 1283,
amended.

Section 1. The title, subsection (1) of section 3 and subsection (1) of section 5, act of July 3, 1947 (P. L. 1283), known as the "Principal and Income Act of 1947," are amended to read:

AN ACT

New title.

Concerning the ascertainment of principal and income; and the apportionment, *distribution and payment* of receipts and expenses among tenants and remaindermen.

Section 3. Income and Principal; Disposition.—

(1) All receipts of money or other property, paid or delivered as rent of realty, or hire of personalty, [or dividends on corporate shares, payable other than in shares of the corporation itself of the same kind and rank as the shares on which such dividend is paid,] *or corporate distributions deemed to be income under section 5*, or interest on money loaned, or interest on or the rental or use value of property wrongfully withheld or tortiously damaged, or otherwise in return for the use of principal, shall be deemed income, unless otherwise expressly provided in this act.

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Section 5. Corporate Dividends and Share Rights.—

(1) [All dividends on shares of a corporation, forming a part of the principal, which are payable in the shares of the corporation itself of the same kind and rank as the shares on which such dividend is paid shall be deemed principal. Subject to the provisions] *Corporate distributions made to a trustee in the shares of the distributing corporation, however described or designated by the distributing corporation, shall be deemed principal but if the number of shares of any class distributed to shareholders of such class is six percent (6%) or less of the number of shares of that class outstanding on the record date for such distribution, the shares so distributed shall be deemed income. Except as provided above and in other subsections of this section* all dividends payable otherwise than in [such] shares of the *distributing* corporation [itself], including ordi-

nary and extraordinary *cash* dividends and dividends payable in shares or other securities or obligations of corporations other than the [declaring] *distributing* corporation, shall be deemed income. Where the trustee shall have the option of receiving a dividend, either in cash or in the shares of the [declaring] *distributing* corporation, it shall be considered as a cash dividend and deemed income, irrespective of the choice made by the trustee.

Section 2. Section 5 of the act is amended by adding, at the end thereof, a new subsection to read:

Section 5 of act amended by adding a new subsection (7).

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Section 5. Corporate Dividends and Share Rights.—

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(7) The trustee in his discretion may either distribute in kind any whole or fractional shares of stock or rights to subscribe which are deemed income under this section, or may sell such shares or rights and distribute the net proceeds.

Section 3. The provisions of this amending act shall not apply to corporate dividends accruing prior to the effective date hereof.

Applicability.

APPROVED—The 1st day of August, A. D. 1963.

WILLIAM W. SCRANTON

No. 234

AN ACT

Amending the act of June 3, 1937 (P. L. 1225), entitled "An act concerning game and other wild birds and wild animals; and amending, revising, consolidating, and changing the law relating thereto," further regulating closed periods for fox hunting and the use of dogs for hunting wild birds, wild animals and foxes.

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

The Game Law.

Section *1. Section 719, act of June 3, 1937 (P. L. 1225), known as "The Game Law," amended July 19, 1951 (P. L. 1073), is amended to read:

Section 719, act of June 3, 1937, P. L. 1225, amended July 19, 1951, P. L. 1073, further amended.

Section 719. Training of Dogs on Certain Game; Exception for Fox Hunting.—Except as otherwise provided in this act, or in defense of person or property, it is unlawful for the owner of any dog or a dog under his control, to permit such dog to chase, pursue, or follow upon the track of any wild bird or wild animal either

* "719" in original.