

No. 124

AN ACT

HB 1070

Amending the act of July 28, 1953 (P.L.723), entitled, as amended, "An act relating to counties of the second class and second class A; amending, revising, consolidating and changing the laws relating thereto," providing for investment of county moneys.

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

Section 1. The subdivision heading of subdivision (d) of Article XIX, act of July 28, 1953 (P.L.723), known as the "Second Class County Code," is amended to read:

Article XIX  
Fiscal Affairs

\* \* \*

(d) County Treasury, [and] County Depositories  
*and Investment of Moneys*

\* \* \*

Section 2. The act is amended by adding a section to read:

*Section 1964. Investment of Moneys.—(a) The county treasurer shall have the power, subject to the hereinafter stated conditions and limitations, to invest and reinvest the moneys of the general fund and special funds as shall have accumulated beyond the ordinary needs of said various funds, and which are not authorized by law to be invested by any board, commission or county officer, in the following type investments:*

*(1) In any and all obligations of the United States, of this Commonwealth, or of any municipality or other political subdivision of this Commonwealth, registered or otherwise as to principal and interest.*

*(2) Savings accounts or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation to the extent that such accounts are so insured.*

*(3) In one or more banks or bank and trust companies in one or more special accounts, and each of such special accounts to the extent the same is not insured shall be continuously secured by a pledge of direct obligations of the United States of America or of the Commonwealth or of any of its political subdivisions having an aggregate market value, exclusive of accrued interest, at all times at least equal to the balance on deposit in such account.*

*(b) As used herein "commercial paper" shall mean unsecured promissory notes issued at a discount from par by any industrial,*

*common carrier, public utility or finance company and "prime commercial paper" shall mean notes issued by corporations whose credit has been approved by the National Credit Office, Incorporated, New York, or its successor. The treasurer shall have obtained the following prior to any commitment to purchase commercial paper:*

*(1) A certification or other evidence that such commercial paper is rated prime by the National Credit Office, Incorporated;*

*(2) A certification or other evidence that the paper proposed to be delivered is not subordinate to any other debt of the issuer;*

*(3) A certificate or other evidence that there is no litigation pending or threatened affecting said paper;*

*(4) A certificate or other evidence that the issuer is not in default as to the payment of principal and interest upon any of its outstanding obligations; and*

*(5) A certificate or other evidence that the issuer was incorporated within the United States, is transacting business within the United States, and has assets of one billion dollars (\$1,000,000,000) or more, or is a wholly owned subsidiary of a Pennsylvania corporation having assets of one billion dollars (\$1,000,000,000) or more.*

*(c) A Board of Investment is hereby created. Said board shall be composed of three members, to wit: the treasurer, who shall act as chairman of the board; the chairman of the county commissioners; and the controller. The treasurer shall not, at any time, have invested in prime commercial paper more than an aggregate of such total sum as the board shall have prescribed. Two members of the board shall be sufficient for a quorum, provided reasonable notice of the meeting has been given to all board members.*

*(d) All income earned on any of the aforesaid investments shall inure to the benefit of the county and shall be placed in the general fund.*

APPROVED—The 5th day of November, A. D. 1971.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly No. 124.



Secretary of the Commonwealth.