

No. 1980-102

AN ACT

SB 1186

Amending the act of May 1, 1933 (P.L.103, No.69), entitled "An act concerning townships of the second class; and amending, revising, consolidating, and changing the law relating thereto," authorizing expenditures for certain recreational purposes and providing for the investment of township funds.

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

Section 1. Section 702, act of May 1, 1933 (P.L.103, No.69), known as "The Second Class Township Code," reenacted and amended July 10, 1947 (P.L.1481, No.567), is amended by adding a clause to read:

Section 702. Supervisors to Exercise Powers.—The corporate powers of townships of the second class shall be exercised by the township supervisors. Where no specific authority is given for the expenditures incident to the exercise of any power hereinafter conferred, or where no specific fund is designated from which such expenditures shall be made, appropriations for such expenditures shall be made only from the general township fund. In addition to the duties imposed upon them by section 516 hereof, they shall have power—

* * *

LXXIV. Recreational Programs.—In addition to the other purposes for which funds may be expended pursuant to the act of December 10, 1974 (P.L.865, No.292), the funds may be expended for recreational programs not directly sponsored by the township.

Section 2. Section 902.1 of the act, added July 17, 1959 (P.L.537, No.155), is amended to read:

Section 902.1. [Temporary] Investment of Township Funds.—
(a) The supervisors shall have the power to: [provide for the temporary investment of moneys in the general township fund or in special funds in United States treasury bills, and for the disposal of such securities when the moneys may be needed, or to place such funds in 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.]

(1) *make investment of township sinking funds as authorized by the act of July 12, 1972 (P.L.781, No.185), known as the "Local Government Unit Debt Act";*

(2) *make investment of moneys in the General Fund and in special funds of the township other than the sinking funds as authorized by Article IX; and*

(3) liquidate any such investment, in whole or in part, by disposing of securities or withdrawing funds on deposit. Any action taken to make or to liquidate any investment shall be made by the officers designated by action of the supervisors.

(b) The supervisors shall invest township funds consistent with sound business practice.

(c) The supervisors shall provide for an investment program subject to restrictions contained in this act and in any other applicable statute and any rules and regulations adopted by the supervisors.

(d) Authorized types of investments for township funds shall be:

(1) United States Treasury bills.

(2) Short-term obligations of the United States Government or its agencies or instrumentalities.

(3) Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or the National Credit Union Share Insurance Fund to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.

(4) Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

(5) Shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, provided that the only investments of that company are in the authorized investments for township funds listed in (1) through (4).

(e) In making investments of township funds, the supervisors shall have authority:

(1) To permit assets pledged as collateral under subsection (d)(3), to be pooled in accordance with the act of August 6, 1971 (P.L.281, No.72), relating to pledges of assets to secure deposits of public funds.

(2) To combine moneys from more than one fund under township control for the purchase of a single investment, provided that each of the funds combined for the purpose shall be accounted for separately in all respects and that the earnings from the investment are separately and individually computed and recorded, and credited to the accounts from which the investment was purchased.

(3) To join with one or more other political subdivisions and municipal authorities in accordance with the act of July 12, 1972 (P.L.762, No.180), entitled "An act relating to intergovernmental cooperation," in the purchase of a single investment, provided that

the requirements of clause (2) on separate accounting of individual funds and separate computation, recording and crediting of the earnings therefrom are adhered to.

Section 3. This act shall take effect in 60 days.

APPROVED—The 10th day of July, A. D. 1980.

DICK THORNBURGH