

No. 1982-264

AN ACT

HB 1535

Amending the act of July 3, 1980 (P.L.372, No.93), entitled "An act authorizing the town council of incorporated towns to make investments of town funds and providing for the regulation of such investments," removing and imposing certain limitations on certain deposits and further providing for authorized investments.

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

Section 1. Paragraph (3) of subsection (d) of section 1, act of July 3, 1980 (P.L.372, No.93), entitled "An act authorizing the town council of incorporated towns to make investments of town funds and providing for the regulation of such investments," is amended and paragraphs are added to read:

Section 1. * * *

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

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(3) Deposits in savings accounts or time deposits, *other than certificates of deposit*, 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 *or the Pennsylvania Deposit Insurance Corporation or the Pennsylvania Savings Association Insurance Corporation* 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.

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(6) *Certificates of deposit purchased from institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or the National Credit Union Share Insurance Fund or the Pennsylvania Deposit Insurance Corporation or the Pennsylvania Savings Association Insurance Corporation to the extent that such accounts are so insured. However, for any amount above the insured maximum, such certificates of deposit shall be collateralized by a pledge or assignment of assets of the institution, and such collateral may include loans (including interest in pools of loans) secured by first mortgage liens on real property. Certificates of deposit purchased from commercial banks shall be limited to an amount equal to 20% of a bank's total capital and surplus. Certificates of deposit purchased from savings and loan associations or savings banks shall be limited to an amount equal to 20% of an institution's assets minus liabilities.*

(7) *Any investment authorized by 20 Pa.C.S. Ch. 73 (relating to fiduciaries investments) shall be an authorized investment for any*

pension or retirement fund.

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Section 2. The amendments affecting section 1(d)(3) and (6) shall take effect in 60 days and the amendment affecting section 1(d)(7) shall take effect immediately and shall be retroactive to September 3, 1980.

APPROVED—The 13th day of December, A. D. 1982.

DICK THORNBURGH