

*disposition of their funds, considering the probable income to be derived therefrom as well as the probable safety of their capital;*

*(ii) Either the issuing corporation or a guaranteeing or assuming corporation has earned a net profit in eight of the preceding ten fiscal years, as reflected in its statements; and*

*(iii) Either the issuing corporation or an assuming corporation has not defaulted in the payment of principal or interest on any of its outstanding funded indebtedness during the preceding ten fiscal years.*

*When a corporation has acquired a substantial part of its property within ten years immediately preceding such investment by consolidation or merger or by the purchase of a substantial part of the property of any other corporation or corporations, the earnings of the predecessor or constituent corporations shall be consolidated so as to ascertain whether the requirements of this section have been satisfied.*

*“Corporation,” as used in this clause, shall include a voluntary association, a joint-stock association or company, a business trust, a Massachusetts trust, a common-law trust, and any other organization organized and existing for any lawful purpose and which, like a corporation, continues to exist notwithstanding changes in the personnel of its members or participants, and conducts its affairs through a committee, a board, or some other group acting in a representative capacity;*

*(14) Other First Mortgages and Bonds. Mortgages on or bonds of individuals secured by mortgages on Pennsylvania real estate.*

Section 2. All acts and parts of acts inconsistent herewith are hereby repealed.

Inconsistent acts repealed.

Section 3. The provisions of this act shall become effective immediately upon final enactment.

Act effective immediately.

APPROVED—The 26th day of August, A. D. 1953.

JOHN S. FINE

---

No. 427

AN ACT

To amend section 2 of the act, approved the twenty-third day of May, one thousand nine hundred forty-nine (Pamphlet Laws 1676), entitled, as amended, “An act to provide revenue in school districts of the first class by imposing a tax upon certain classes of personal property; providing for its levy and collection; conferring and imposing powers and duties on the county assessing authority, board of revision of taxes, receiver of school taxes, school treasurer, board of public education in such districts, and courts; providing for compensation to

certain officers and employes; and imposing penalties," by providing for the method of valuation of taxable shares of stock in any regulated investment company.

School districts of first class—personal property tax.

Section 2, act of May 23, 1949, P. L. 1676, as reenacted and amended by act of May 10, 1951, P. L. 237, amended by adding, at end of said section, a new paragraph.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts the following:

Section 1. Section 2 of the act, approved the twenty-third day of May, one thousand nine hundred forty-nine (Pamphlet Laws 1676), entitled, as amended, "An act to provide revenue in school districts of the first class by imposing a tax upon certain classes of personal property; providing for its levy and collection; conferring and imposing powers and duties on the county assessing authority, board of revision of taxes, receiver of school taxes, school treasurer, board of public education in such districts, and courts; providing for compensation to certain officers and employes; and imposing penalties," as reenacted and amended by the act, approved the tenth day of May, one thousand nine hundred fifty-one (Pamphlet Laws 237), is hereby amended by adding, at the end of said section, a new paragraph to read as follows:

Section 2. Tax on Mortgages, Judgments, etc.; Imposition and Rate of Tax; Exceptions.—All personal property of the classes hereinafter enumerated, owned, held, or possessed by, any resident, whether such personal property be owned, held, or possessed by such resident in his, her, their, or its, own right, or as active trustee, agent, attorney-in-fact, or in any other capacity, or by any resident as trustee, agent or attorney-in-fact, jointly with one or more trustees, agents or attorneys-in-fact, domiciled in another state, or within this Commonwealth, but outside the school district levying the tax, where such personal property is held and managed in such school district of the first class, except as executor or administrator of the estate of a non-resident decedent, and except as trustee for a resident or non-resident religious, charitable, or educational organization, no part of the net earnings of which inures to the benefit of any private stockholder or individuals for the use, benefit or advantage of any other person, copartnership, unincorporated association, company, joint-stock company or association, limited partnership, bank or corporation; and the equitable interest in any such personal property of the classes hereinafter enumerated, owned, held, or possessed by, any resident, where the legal title to such personal property is vested in a trustee, agent or attorney-in-fact domiciled in another state, or within this Commonwealth, but outside the school district levying the tax; or where the legal title to such personal property is vested in more than one trustee, agent or attorney-in-fact, one or more of whom are domiciled in another state, or within this Commonwealth, but out-

side the school district levying the tax, and one or more of whom are domiciled within such school district, such personal property is held and managed in another state, or within this Commonwealth, but outside the school district levying the tax, and where such resident is entitled to receive all or part of the income therefrom, is hereby made taxable annually for the year one thousand nine hundred fifty, and annually thereafter, for public school purposes in school districts of the first class, and shall be levied upon annually by the board of public education in every such school district at the rate of not less than one (1) nor more than four (4) mills on each dollar of the value thereof, and no failure to assess or return the same shall discharge such owner or holder thereof from liability therefor, that is to say:

• • • • •

*The value of any taxable shares of stock issued by any regulated investment company, as defined under the provisions of the Federal Internal Revenue Code of 1948, shall be that part of the current value of said shares to be determined by multiplying said current value by a fraction, the numerator of which shall be the total value of so much of the personal property owned by the regulated investment company as would be taxable by this act if owned by a resident of Pennsylvania and the denominator of which shall be the total value of all of the personal property owned by the regulated investment company.*

Shares of stock of regulated investment companies.

Section 2. The provisions of this act shall become effective immediately upon final enactment.

Act effective immediately.

APPROVED—The 26th day of August, A. D. 1953.

JOHN S. FINE

No. 428

AN ACT

Authorizing the Department of Property and Supplies, with the approval of the Governor, to acquire a tract of land with buildings thereon in the Township of Somerset, Somerset County, Pennsylvania, containing 132 acres, more or less, for the use of the Somerset State Hospital; and making an appropriation.

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

Somerset State Hospital.

Section 1. The Department of Property and Supplies, with the approval of the Governor, is hereby authorized to purchase, in the name of the Commonwealth of Pennsylvania, for use of the Somerset State Hospital, a tract of land with buildings thereon in Somerset Township, Somerset County, Pennsylvania, bounded and described as follows:

Department of Property and Supplies authorized to purchase certain land in Somerset Township, Somerset County, for use of said hospital.