

No. 176

AN ACT

Amending the act of May 15, 1933 (P. L. 624), entitled, as amended, "An act relating to the business of banking, and to the exercise of fiduciary powers by corporations; providing for the organization of corporations with fiduciary powers, and of banking corporations, with or without fiduciary powers, including the conversion of National banks into State banks, and for the licensing of private bankers and employes' mutual banking associations; defining the rights, powers, duties, liabilities, and immunities of such corporations, of existent corporations authorized to engage in a banking business, with or without fiduciary powers, of private bankers and employes' mutual banking associations, and of the officers, directors, trustees, shareholders, attorneys, and other employes of all such corporations, employes' mutual banking associations or private bankers, or of affiliated corporations, associations, or persons; restricting the exercise of banking powers by any other corporation, association, or person, and of fiduciary powers by any other corporation; conferring powers and imposing duties upon the courts, prothonotaries, recorders of deeds, and certain State departments, commissions, and officers; imposing penalties; and repealing certain acts and parts of acts," by permitting banks and bank and trust companies to invest to a limited extent in the shares of small business investment companies.

Banking Code.

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

Subsection B,
section 1009, act
of May 15, 1933,
P. L. 624,
amended May
29, 1956, P. L.
1816, further
amended.

Section 1. Subsection B of section 1009, act of May 15, 1933 (P. L. 624), known as the "Banking Code," amended May 29, 1956 (P. L. 1816), is amended to read:

Section 1009. Limitation upon Investing in Shares.—

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B. Any bank or bank and trust company may purchase or invest an amount not in excess of ten per centum of its unimpaired capital and ten per centum of its unimpaired surplus in the shares of common stock of the Federal National Mortgage Association issued in accordance with the provisions of Title III of the National Housing Act of one thousand nine hundred thirty-four, approved June 27, 1934, its amendments and supplements, or of any other corporation hereafter succeeding to the assets, liabilities and functions of said association in accordance with said act or any other applicable legislation hereafter adopted by the Congress of the United States or in the shares of any national banking association, located within this Commonwealth, or the shares of any bank, bank and trust company, or trust company, incorporated under the laws of this Commonwealth: Provided, That no such purchase or investment may be made if the resulting ownership of shares in such national banking association or bank, bank and trust company or trust company exceeds ten per centum of the

authorized capital of such national banking association or bank, bank and trust company or trust company. Any bank or bank and trust company may purchase or invest in the shares of a Federal Reserve Bank, or the shares of any corporation organized under the laws of this Commonwealth solely for the purpose of conducting a safe deposit business, without regard to any limitations prescribed by this act. Any bank or bank and trust company may, to the extent approved by the department, purchase or invest in the shares of any corporation holding the premises of such bank or bank and trust company or in the shares of any corporation owning reasonable parking facilities for the use of its directors, officers, employes and customers, subject to the limitations of this act. *Any bank or bank and trust company may purchase or invest an amount not in excess of one per centum of its unimpaired capital and one per centum of its unimpaired surplus in the shares of stock of small business investment companies which have been organized pursuant to the provisions of the "Small Business Investment Act of 1958," Public Law 699, 85th Congress.*

This subsection shall not be construed to affect the shares of any national banking association located within this Commonwealth, or the shares of any bank, bank and trust company, or trust company incorporated under the laws of this Commonwealth, lawfully held on the effective date of this amendment. However, such shares shall be computed in determining the power under this act of a bank or bank and trust company to make any additional purchases of, or investment in, such shares.

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Section 2. This act shall take effect immediately.

Act effective immediately.

APPROVED—The 27th day of July, A. D. 1959.

DAVID L. LAWRENCE

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No. 177

AN ACT

Amending the act of June 2, 1937 (P. L. 1184), entitled, as amended, "An act authorizing cities of the first and second class and second class A and incorporated towns to make appropriations to organizations of ex-service men to aid in defraying the expenses of Memorial Day, Flag Day and Armistice Day," providing for payment to organizations of American Gold Star Mothers.