

LEGISLATURE OF PENNSYLVANIA.

FILE OF THE HOUSE OF REPRESENTATIVES.

No.

686

Session of
1919.

INTRODUCED BY MR. DAWSON, FEBRUARY 25, 1919.

REFERRED TO COMMITTEE ON WAYS AND MEANS,
FEBRUARY 26, 1919.

AN ACT

Authorizing the issue and sale of bonds to the amount of fifty millions of dollars by the Commonwealth of Pennsylvania defining the powers and duties of the Governor the Auditor General and the State Treasurer in relation thereto making an appropriation of the proceeds of such bonds for the purpose of improving and rebuilding the highways of the Commonwealth providing for the payment of interest on and the redemption of such bonds by the Sinking Fund Commission and making an appropriation to carry out the provisions of this act

POWER TO BORROW MONEY

1 Section 1 *Be it enacted by the Senate and House of Repre-*
2 *sentatives of the Commonwealth of Pennsylvania in General Assembly*
3 *met and it is hereby enacted by the authority of the same That*
4 *in accordance with the provisions of section four article*
5 *nine of the Constitution of Pennsylvania as amended the*
6 *fifth day of November one thousand nine hundred eighteen*

1 the Governor on behalf of the Commonwealth of Pennsyl-
2 vania is hereby authorized to borrow from time to time

3 on the credit of the Commonwealth of Pennsylvania for
4 the purpose of ~~investing and accumulating the~~ **FILE OF THE HOUSE OF REPRESENTATIVES**

5 the Commonwealth a sum of sums of money not exceed-
6 ing in the aggregate **680** millions of dollars

7 **BONDS—ISSUE MATURITY INTEREST ET CETERA**

8 Section 2 (a) As evidence of the indebtedness herein

9 authorized shall
10 be issued from time to time for such total amounts in

11 such form in such **TERMS** and subject to such

12 terms and conditions of issue redemption and maturity not

13 to exceed thirty years rate of interest not to exceed

14 four and one-half per centum per annum and time of

15 payment of interest as the Governor shall direct

16 (b) All bonds issued under the authority of this act

17 shall be signed by the Governor under the great seal

18 of the Commonwealth of Pennsylvania and shall be counter-

19 signed by the State Treasurer and Auditor General

20 (c) The principal and interest of such bonds shall

21 be payable in lawful money of the United States All

22 bonds issued under the provisions of this act shall be

23 exempt from taxation for State and local purposes

24 (d) Such bonds may be issued with or without in-

25 terest coupons attached In case interest coupons are at-

26 tached they shall contain lithographed facsimile signatures

27 of the State Treasurer and the Auditor General

28 (e) When directed so to do by the Governor the

29 Auditor General and the State Treasurer shall proceed to

1 have the necessary bonds prepared and printed. The bonds
 2 as soon as they are prepared and printed shall be forth-
 3 with deposited with the State Treasurer there to remain
 4 until sold in accordance with the provisions of this act.

5 **SECTION 3. SALE OF BONDS.**

6 Whenever bonds are issued under the di-
 7 rection of the Governor they shall be offered for sale
 8 at not less than par and shall be sold by the Auditor
 9 General and State Treasurer to the highest and best bid-
 10 ders after due public advertisement on such
 11 terms and conditions and upon such open competitive bid-
 12 ding as the Governor shall direct. The manner and
 13 character of such advertisements and the times of advertis-
 14 ing shall be prescribed by the Governor.

15 Any portion of any bond issue offered and not
 16 subscribed for may be disposed of otherwise by
 17 the Auditor General and the State Treasurer in such
 18 manner and at such prices as they may deem best.

19 No commission shall be allowed or
 20 paid for the sale of any bonds issued under the au-
 21 thority of this act.

22 **SECTION 4. DISPOSITION AND USE OF PROCEEDS OF APPROPRIATIONS**

23 Section 4 of the proceeds realized from the sale of bonds
 24 under the provisions of this act shall be paid into the
 25 State Treasury and shall be set apart and be kept in
 26 a separate fund which shall be known as "The State
 27 Bond Road Fund".
 28 All moneys in the State Road Fund from time
 29 to time are hereby specifically appropriated to the State

1 Highway Department for the purpose of improving and re-
2 building the highways of the Commonwealth

3 The Auditor General shall upon requisition from time
4 to time of the State Highway Commissioner draw his
5 warrant upon the State Treasurer for the amounts speci-
6 fied in such requisitions not exceeding however the amount
7 in such fund at the time of making such requisitions

8 REGISTRATION OF BONDS

9 Section 5 The Auditor General shall prepare the neces-
10 sary registry books to be kept in his office for the
11 registration of any bonds at the request of owners there-
12 of All bonds which are issued without interest coupons
13 attached shall be registered in the registry books kept by
14 the Auditor General

15 DEPOSITS WITH STATE DEPOSITORIES

16 Section 6 The State Treasurer with the approval of
17 the Governor and Auditor General is authorized to de-
18 posit any of the moneys in the State Bond Road Fund
19 not requisitioned by the State Highway Department in any
20 of the qualified State Depositories of the Commonwealth
21 All such deposits shall be secured in such manner and
22 shall be made upon such terms and conditions as are
23 now provided for by existing law relative to State de-
24 posits

25 INFORMATION TO GENERAL ASSEMBLY

26 Section 7 It shall be the duty of the Governor dur-
27 ing the biennial sessions of the General Assembly to give
28 to the General Assembly full information in relation to
29 the issuing of bonds under the provisions of this act to

1 enable the General Assembly to provide by appropriation
2 the moneys necessary for the sinking fund of the Com-
3 monwealth for the payment of the interest on said bonds
4 and the principal thereof at maturity

5 SINKING FUND INVESTMENTS REDEMPTION OF BONDS

6 Section 8 All bonds issued under the authority of this
7 act shall be redeemed at maturity and all interest due
8 from time to time on such bonds shall be paid by the
9 Sinking Fund Commission of the Commonwealth For the
10 payment of said principal and interest a sinking fund
11 is hereby created which shall consist exclusively of moneys
12 appropriated by the General Assembly from time to time
13 and accumulations thereon All moneys so appropriated shall
14 be set aside into the sinking fund by the State Treas-
15 urer and all of such moneys not necessary to pay
16 accruing interest shall be invested by the Sinking Fund
17 Commission in such securities as are provided by law
18 for the investment of the sinking funds of the Common-
19 wealth

20 The investments and such moneys and the accumulations
21 thereon in the sinking fund shall be devoted to and
22 used exclusively for the payment of the interest accruing
23 on such bonds and their redemption at maturity Provided
24 however that the Sinking Fund Commission is authorized
25 at any time to use any of such funds for the pur-
26 chase and retirement of all or any part of the bonds
27 issued under the authority of this act In the event that
28 all or any part of said bonds shall be purchased by

1 the Sinking Fund Commission they shall be cancelled and
2 returned into the State Treasury as cancelled and paid
3 bonds and thereafter all payments of interest thereon shall
4 cease

5 REPORT OF STATE TREASURER

6 Section 9 The State Treasurer shall in his report
7 furnish to the General Assembly a detailed statement of
8 the total amount of bonds sold and the total amount
9 of the proceeds thereof used by the State Highway De-
10 partment to carry out the provisions of this act

11 APPROPRIATION

12 Section 10 In order to defray all the necessary ex-
13 penses connected with the issues of bonds authorized by
14 the provisions of this act the sum of fifty thousand dol-
15 lars or so much thereof as may be necessary is hereby
16 specifically appropriated Payments from said appropriations
17 shall be made on order of the Governor by warrant of
18 the Auditor General on the State Treasurer