
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. **148** Session of
1961

INTRODUCED BY MESSRS. LANE, KESSLER AND WEINER,
JANUARY 31, 1961.

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT,
JANUARY 31, 1961.

AN ACT

Amending the act of May 2 1945 (P L 382) entitled "An act providing for the incorporation as bodies corporate and politic of 'Authorities' for municipalities counties and townships prescribing the rights powers and duties of such Authorities heretofore or hereafter incorporated authorizing such Authorities to acquire construct improve maintain and operate projects and to borrow money and issue bonds therefor providing for the payment of such bonds and prescribing the rights of the holders thereof conferring the right of eminent domain on such Authorities

EXPLANATION—CAPITAL LETTERS indicate new matter added to bill. Matter ~~stricken through~~ is to be omitted from bill. Underscoring indicates new matter added to existing law. [Brackets] indicate matter ~~stricken from~~ existing law.

authorizing such Authorities to enter into contracts with and to accept grants from the Federal Government or any agency thereof and conferring exclusive jurisdiction on certain courts over rates" changing the procedure for the sale of bonds

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

1 Section 1 Subsection A of section 5 act of May 2 1945 (P L 382)
2 known as the "Municipality Authorities Act of 1945" is amended to
3 read

4 Section 5 Purposes and Powers Bonds A The bonds of any Authority
5 hereinabove referred to and authorized to be issued shall be author-
6 ized by resolution of the board thereof and shall be of such series
7 bear such date or dates mature at such time or times not exceeding
8 forty years from their respective dates bear interest at such rate or
9 rates not exceeding six per cent per annum payable semi-annually be
10 in such denominations be in such form either coupon or fully registered
11 without coupons carry such registration exchangeability and inter-
12 changeability privileges be payable in such medium of payment and at
13 such place or places be subject to such terms of redemption not ex-
14 ceeding one hundred five per cent of the principal amount thereof and

1 be entitled to such priorities in the revenues or receipts of such Au-
2 thority as such resolution or resolutions may provide The bonds shall
3 be signed by such officers as the Authority shall determine and coupon
4 bonds shall have attached thereto interest coupons bearing the facsimile
5 signature of the treasurer of the Authority all as may be prescribed
6 in such resolution or resolutions Any such bonds may be issued and
7 delivered notwithstanding that one or more of the officers signing such
8 bonds or the treasurer whose facsimile signature shall be upon the
9 coupon or any thereof shall have ceased to be such officer or officers
10 at the time when such bonds shall actually be delivered

11 Such bonds shall be sold to the highest responsible bidder or
12 bidders after public notice by advertisement in at least one and not
13 more than two newspapers of general circulation published in the
14 county in which the municipality or municipalities organizing the Au-
15 thority shall be situated and in the legal journal if any designated by
16 the rules of court for the publication of legal notices and advertisements
17 In case such notice is published in a daily newspaper or newspapers
18 it shall be published three times at intervals of not less than three days
19 and in the case of weekly newspapers and legal journals it shall be

1 published only twice once a week for two successive weeks The first
2 advertisement shall be published not less than fifteen days before the
3 day fixed for the opening of bids

4 Bonds may be advertised for sale in accordance with this subsection
5 and may be conditionally sold before or after the resolution authoriz-
6 ing the issue of such bonds has been adopted by the Authority but if
7 advertised for sale prior to the adoption of such resolution such adver-
8 tisement shall first be authorized by a proper resolution of the Au-
9 thority as the case may be

10 The notice shall contain (1) a general description of the bonds to
11 be sold (2) the manner place and time of the sale or the time limit
12 for the receipt of proposals (3) the name of the officer to whom bids
13 or proposals shall be delivered and (4) a statement that bidders must
14 accompany their bids or proposals with certified check cashier's check
15 or treasurer's check drawn to the order of the Authority or its treasurer
16 or a sum of money equal to not less than two per centum of the face
17 amount of the bonds offered for sale to secure the Authority against
18 any loss resulting from the failure of the bidder to comply with the
19 terms of his bid or proposal

20 Every bid or proposal shall be in writing and shall be placed in

1 a sealed envelope sufficiently labelled to indicate that it is a bid or
2 proposal for bonds by the bidder before being delivered to the officer
3 designated to receive the same

4 At the time and place fixed in the notice the bids or proposals
5 shall be publicly opened in the presence of such officer or officers of
6 the Authority as may have been designated for such purposes

7 The highest responsible bidder shall be the one who having com-
8 plied with the conditions of sale offers to take the whole amount of
9 general obligation bonds offered for sale at the least interest cost to
10 the Authority which shall be determined by deducting from the total
11 amount of interest to be paid on account of such bonds during the life
12 thereof the amount of the premium offered if any over and above the
13 face amount of the bonds offered for sale In the event that two or
14 more bidders offer to take an identical return the one proposing the
15 lowest rate of interest shall be deemed the highest responsible bidder
16 and if two or more bidders having offered to take an identical return
17 also propose the same rate of interest the bonds may be awarded and
18 sold to either or with the consent of the bidders to them jointly

19 The Authority shall have the right to reject all bids or proposals

1 and advertise the sale anew by the publication of a notice in manner
2 and form as provided in this subsection

3 The deposit required for each bidder shall be returned to each
4 unsuccessful bidder immediately upon the award of the bonds or the
5 rejection of all bids In the case of the successful bidder the deposit
6 shall be held by the treasurer and be applied on the purchase price
7 when the bonds are actually delivered and paid for

8 Said bonds may be sold at [public or] private sale where no legal
9 bids have been received for such price or prices as the Authority shall
10 determine provided that the interest cost to maturity of the money
11 received for any issue of said bonds shall not exceed six per centum
12 per annum Pending the preparation of the definitive bonds interim
13 receipts may be issued to the purchaser or purchasers of such bonds
14 and may contain such terms and conditions as the Authority may
15 determine

16 * * *

We certify that this bill has passed the Senate and the House of Representatives.

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Chief Clerk, Senate

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President pro tempore, Senate

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Speaker, House of Representatives

Approved The day of A. D. 1961.

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Governor