

and equity, such as provided for in the Act of June seven, one thousand nine hundred and seven (Pamphlet Laws, four hundred and forty).

APPROVED—The 5th day of March, A. D. 1925.

GIFFORD PINCHOT.

No. 16.

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 the interest on, and the redemption of, such bonds by the Board of Finance and Revenue, and for the sale and registration of said bonds; and making an appropriation to carry out the provisions of this act.

POWER TO BORROW MONEY.

Section 1. Be it enacted, &c., That in accordance with the provisions of section four, Article nine of the Constitution of the Commonwealth of Pennsylvania, as amended the sixth day of November, one thousand nine hundred twenty-three, the Governor, the Auditor General, and the State Treasurer, on behalf of the Commonwealth of Pennsylvania, are hereby authorized and directed to borrow, on the credit of the Commonwealth of Pennsylvania, for the purpose of improving and rebuilding the highways of the Commonwealth, the sum of fifty millions of dollars, as follows: On the first day of April, one thousand nine hundred and twenty-five, the sum of twenty million dollars (\$20,000,000); on the first day of August, one thousand nine hundred and twenty-five, the sum of twenty million dollars (\$20,000,000); and on the first day of May, one thousand nine hundred and twenty-six, the sum of ten million dollars (\$10,000,000): Provided, however, That if the Governor, the Auditor General, and the State Treasurer shall unanimously agree that it is inadvisable to borrow the amounts mentioned on the dates specified, or any part thereof, they may postpone borrowing the said amounts, or any part thereof, for a period not exceeding six (6) months from the date, or dates, herein specified. The said sum, or fifty million dollars (\$50,000,000), to be borrowed under the provisions of this act shall be in addition to any moneys heretofore borrowed under the provisions of the act of April eighteenth, one thousand nine hundred and nineteen (Pamphlet Laws, sixty-two), entitled "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."

BOND—ISSUES, MATURITY, INTEREST, ET CETERA.

Section 2. (a) As evidence of the indebtedness herein authorized, bonds of the Commonwealth of Pennsylvania shall be issued for the amounts borrowed from time to time under the provisions of the preceding section of this act, in such form as the Governor, with the approval either of the Auditor General or of the State Treasurer, shall determine. Said bonds shall in all cases be issued as serial bonds, having maturity dates of not less than five (5) nor more than thirty (30) years after the respective dates of issuance; said dates of maturity to be so arranged that, as nearly as possible, two million dollars (\$2,000,000) of the entire amount of bonds authorized by this act shall mature annually, beginning five (5) years after the first issuance of bonds under the provisions of this act. The rate of interest on the said bonds shall be four per centum (4%) per annum, and interest shall be payable semi-annually on such dates as the Governor, with the approval of either of the Auditor General or of the State Treasurer, shall determine. Bonds shall be issued hereunder both in the form of registered and of coupon bonds. Coupon bonds shall be issued in one thousand dollar (\$1,000) denominations only. Registered bonds shall be issued in denominations of one thousand dollars (\$1,000), five thousand dollars (\$5,000), ten thousand dollars (\$10,000), twenty-five thousand dollars (\$25,000), fifty thousand dollars (\$50,000), and one hundred thousand dollars (\$100,000). The holders of either registered or coupon bonds shall have the privilege of interchanging them.

Provided, That the Governor, the Auditor General, and the State Treasurer may, by unanimous agreement, if they deem it advisable for the best interests of the Commonwealth, modify any of the terms and conditions for the issuance of said bonds hereinabove specified; but under no circumstances shall the rate of interest for any of the said bonds exceed four and one-half per centum (4½%) per annum, or the date of maturity exceed thirty (30) years.

The Governor, with the approval either of the Auditor General or of the State Treasurer, may issue appropriate interim certificates for delivery to the purchasers of said bonds, pending the preparation and delivery of the definitive bonds.

(b) All bonds issued under the authority of this act shall bear the facsimile signatures of the Governor, the Auditor General, and the State Treasurer, and a facsimile of the Great Seal of the Commonwealth of Pennsylvania; and shall be countersigned by two duly authorized officers of the duly authorized loan and transfer agent of the Commonwealth. All interest coupons attached to bonds shall contain facsimile signatures of the State Treasurer and the Auditor General.

(c) The principal and interest of such bonds shall be payable in lawful money of the United States. All bonds issued under the provisions of this act shall be exempt from taxation for state and local purposes.

(e) The Governor, the Auditor General, and the State Treasurer shall proceed to have the necessary bonds prepared and printed. The bonds, as soon as they are prepared and printed, shall be forthwith deposited with the duly authorized loan and transfer agent of the Commonwealth, there to remain until sold in accordance with the provisions of this act.

SALE OF BONDS.

Section 3. Whenever bonds are issued, as provided by this act, they shall be offered for sale at not less than par, and interest, and shall be sold by the Governor, the Auditor General, and the State Treasurer, to the highest and best bidder or bidders, after due public advertisement, on such terms and conditions and upon such open competitive bidding, as the Governor, with the approval of the Auditor General or the State Treasurer, shall direct. The manner and character of such advertisement and the times of advertising shall be prescribed by the Governor, with the approval of the Auditor General or the State Treasurer.

Any portion of any bond issue so offered and not sold or subscribed for, may be disposed of by private sale by the Governor, the Auditor General, and the State Treasurer, in such manner, and at such prices not less than par, and accrued interest, as the said officers shall determine. No commission shall be allowed or paid for the sale of any bonds issued under the authority of this act.

DISPOSITION AND USE OF PROCEEDS. APPROPRIATIONS.

Section 4. The proceeds realized from the sale of bonds under the provisions of this act shall be paid

into the State Treasury, and shall be set apart and be kept in a separate fund, which shall be known as "The State Bond Road Fund."

All moneys in the State Bond Road Fund from time to time are hereby specifically appropriated to the Department of Highways, for the purpose of improving and rebuilding the highways of the Commonwealth.

The Auditor General shall, upon requisition, from time to time, of the Secretary of Highways, draw his warrant upon the State Treasury for the amounts specified in such requisitions, not exceeding, however, the amount in such fund at the time of making such requisitions.

DEPOSITS WITH STATE DEPOSITORIES.

Section 5. The State Treasurer, with the approval of the Governor and the Auditor General, is authorized to deposit any of the moneys in the State Road Bond Fund not requisitioned by the Secretary of Highways in any of the qualified state depositories of the Commonwealth. All such deposits shall be secured in such manner and shall be made upon such terms and conditions as are now provided for by existing law relative to state depositories.

REGISTRATION OF BONDS.

Section 6. The Auditor General shall prepare the necessary registry books, to be kept in the office of the duly authorized loan and transfer agent of the Commonwealth, for the registration of any bonds at the request of owners thereof. All bonds which are issued without interest coupons attached shall be registered in the registry books kept by the duly authorized loan and transfer agent of the Commonwealth.

INFORMATION TO GENERAL ASSEMBLY.

Section 7. It shall be the duty of the Governor, during the biennial sessions of the General Assembly, to give to the General Assembly full information in relation to the issuing of bonds for the purpose of improving and rebuilding the highways of the Commonwealth under the provisions of this act, to enable the General Assembly to provide, by appropriation, the moneys necessary for the sinking fund of the Commonwealth for the payment of the interest of said funds and the principal thereof at maturity.

The Auditor General shall also give to each General Assembly a statement of the compensation due the duly authorized loan and transfer agent of the Commonwealth for its service, payment of which shall be made by appropriation on a basis to be fixed by the Governor, the Auditor General, and the State Treas-

urer, but not to exceed thirty cents per one thousand dollars for the original certification and registration; and, after the original issuance and sale of such bonds by the Commonwealth, the duly authorized loan and transfer agent of the Commonwealth shall receive, as compensation for the transfer and registration, thirty cents per one thousand dollars of bonds so transferred and registered in any one year.

SINKING FUND. INVESTMENT. REDEMPTION
OF BONDS.

Section 8. All bonds, issued under the authority of this act, shall be redeemed at maturity, and all interest, due from time to time on such bonds, shall be paid by the Board of Finance and Revenue of the Treasury Department of the Commonwealth. For the specific purposes of redeeming said bonds at maturity and paying all interest thereon, and, in accordance with the information received from the Governor as provided in section seven of this act, the General Assembly shall biennially appropriate, out of the Motor License Fund, the moneys necessary for the payment of the interest on said bonds and the principal thereof at maturity: Provided, however, That, if at any time the said Motor License Fund shall be abolished; or, if at any time the amount in said Motor License Fund shall be insufficient to enable the General Assembly to make the appropriation, required by this act, out of said Motor License Fund, the General Assembly shall make such appropriation out of any other available fund, or funds, in the State Treasury. All moneys so appropriated shall be paid into the sinking fund by the State Treasurer, and all such moneys, not necessary to pay accruing interest, shall be invested by the Board of Finance and Revenue in such securities as are provided by law for the investment of the sinking funds of the Commonwealth.

The investments and moneys and the accumulations thereon in the sinking fund shall be devoted to, and be used exclusively for, the payment of the interest accruing on such bonds and their redemption at maturity: Provided, however, That the Board of Finance and Revenue is authorized, at any time, to use any of such funds for the purchase and retirement, at not more than par, of all, or any part of, the bonds issued under the authority of this act. In the event that all, or any part of, said bonds shall be purchased by the Board of Finance and Revenue, they shall be cancelled and returned unto the State Treasurer as cancelled and paid bonds; and thereafter all payments of interest thereon shall cease; and the cancelled bonds and coupons shall be destroyed within two years after cancellation, in the presence of the Governor, the Auditor

General, and the State Treasurer; and a certificate evidencing the destruction, satisfactory to the duly authorized loan and transfer agent of the Commonwealth, shall be furnished to it. All cancelled bonds and coupons shall be so marked as to make the cancelled bonds and coupons non-negotiable.

REPORT OF STATE TREASURER.

Section 9. The State Treasurer shall, in his report, furnish to each General Assembly,—and so long as any bonds of the Commonwealth issued under the provisions of this act are outstanding,—a detailed statement of the total amount of bonds issued, redeemed, cancelled, and destroyed, and the total amount of the proceeds thereof used by the Department of Highways for the purpose of improving and rebuilding the highways of the Commonwealth.

APPROPRIATION.

Section 10. In order to defray all necessary expenses, including printing, engraving, and advertising, connected with the issuance of bonds authorized by the provisions of this act, the sum of fifty thousand dollars (\$50,000), or so much thereof as may be necessary, is hereby specifically appropriated out of any moneys in the fund created by section twelve of the act of June thirtieth, one thousand nine hundred and nineteen (Pamphlet Laws, six hundred seventy-eight), entitled "An act relating to and regulating the use and operation of motor vehicles and vehicles propelled by, or trailing after, motor vehicles; requiring the registration of the same, and the licensing of all operators thereof; providing the fees therefor, and the disposition of such fees; prohibiting the unauthorized use of, and tampering with, motor vehicles; limiting and defining the powers of cities, boroughs, incorporated towns, townships, and counties, as to the regulation of the use and equipment of motor vehicles, and the taxing, registration, or licensing thereof; imposing certain duties on the State Highway Commissioner, and on proprietors of public garages; providing procedure and penalties for violations thereof, and the disposition of fines collected, and regulating the service of process and proceedings in actions for damages arising from the use of any motor vehicle," and the amendments thereto. Payments from said appropriation shall be made, on order of the Governor, by warrant of the Auditor General on the State Treasurer.

APPROVED—The 6th day of March, A. D. 1925.

GIFFORD PINCHOT.