

No. 279.

## AN ACT

Authorizing the issue and sale of bonds to the amount of eight 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 erection and equipment at the Pennsylvania State College of buildings necessary for the uses and purposes of the institution as defined in its charter; 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 the event that a certain proposed amendment to the Constitution, which is published on page one thousand one hundred and twenty-three of the nineteen hundred twenty-three Laws of Pennsylvania, and which reads as follows:

"That article nine of the Constitution of the Commonwealth of Pennsylvania is hereby amended by adding thereto the following section:

"Section 18. Provided, That the General Assembly, irrespective of any debt, may authorize the State to issue bonds, to the amount of eight million dollars (\$8,000,000), for the erection and equipment at the Pennsylvania State College of buildings necessary for the uses and purposes of the institution as defined in its charter," is adopted by the vote of the people at said municipal election in November, one thousand nine hundred and twenty-five, or at the first election thereafter, whether general or municipal, which may be determined by the Supreme Court of Pennsylvania to be a timely election for submission of proposed constitutional amendments to the vote of the people, the Governor in accordance with the provisions thereof on behalf of the Commonwealth of Pennsylvania is hereby authorized to borrow, from time to time, on the credit of the Commonwealth of Pennsylvania for the erection and equipment at the Pennsylvania State College of buildings necessary for the uses and purposes of the institution, as defined in its charter, a sum or sums of money not exceeding in the aggregate eight millions of dollars, which sum or sums shall be in addition to any moneys heretofore or hereafter borrowed by the Commonwealth for any other purpose.

Proposed bond issue for use of Pennsylvania State College.

## BONDS—ISSUES, MATURITY, INTEREST, ETC.

Section 2. (a) As evidence of the indebtedness herein authorized, bonds of the Commonwealth of Pennsylvania shall be issued from time to time after the approval of said constitutional amendment by the vote

of the people, for such total amounts, in such form, in such denominations, and subject to such terms and conditions of issue, redemption and maturity, rate of interest, not to exceed four and one-half per centum per annum, and time of payment of interest as the Governor shall direct: Provided, That said bonds shall be issued in series maturing at the rate of five hundred thousand dollars each year, beginning with the year one thousand nine hundred and forty-six: And provided, That not more than one million dollars of said bonds shall be issued in any one calendar year.

(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.

(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.

(d) Such bonds may be issued with or without interest coupons attached. In case interest coupons are attached they shall contain facsimile signatures of the State Treasurer and the Auditor General.

(e) When directed so to do by 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 under the direction of the Governor 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 shall direct. The manner and character of such advertisement and the times of advertising shall be prescribed by the Governor.

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 Governor shall direct. 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 Pennsylvania State College Bond Fund."

All moneys in the Pennsylvania State College Bond Fund from time to time are hereby specifically appropriated to the Department of Property and Supplies for the purpose of paying the costs and expenses incident to the erection and equipment at the Pennsylvania State College of buildings necessary for the uses and purposes of the institution, as defined in its charter.

The Auditor General shall, upon requisition from time to time of the Secretary of Property and Supplies, 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 Pennsylvania State College Bond Fund not requisitioned by the Secretary of Property and Supplies, 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 erection and equipment at the Pennsylvania State College of buildings necessary for the uses and purposes of the institution, as defined in its charter, 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 bonds 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 Treasurer, 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 INVESTMENTS. 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 appropriate biennially the moneys necessary for the payment of the interest on said bonds and the principal thereof at maturity. 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 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 Property and Supplies for the erection and equipment at the Pennsylvania State College of buildings necessary for the uses and purposes of the institution, as defined in its charter.

#### 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 twenty-five thousand dollars (\$25,000), or so much thereof as may be necessary, is hereby specifically appropriated.

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 May, A. D. 1925.

GIFFORD PINCHOT.

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No. 280.

#### AN ACT

Authorizing the issue and sale of bonds to the amount of twenty-five 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 acquiring land in the State for forest purposes; 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 the event that a certain proposed amendment to the Constitution, which is published on page one thousand one hundred and twenty-four of the one thousand nine hundred