

No. 74

AN ACT

Authorizing the issue and sale of bonds by the Commonwealth of Pennsylvania to defray the expenses of government; defining the powers and duties of the Governor, the Auditor General, the State Treasurer, and the Board of Finance and Revenue, in relation thereto; providing for the payment of interest on, and the redemption of, such bonds; and making an appropriation.

Section 1. Be it enacted, &c., That in the event a certain proposed amendment to article nine of the Constitution of Pennsylvania, which reads as follows:

Bond issue to defray expenses of government.

“Section 17. The Governor, the Auditor General, and the State Treasurer, immediately upon the adoption of this amendment by the electors, may borrow an amount not exceeding twenty-five million dollars to defray the expenses of the State government for the biennium beginning June first, one thousand nine hundred thirty-three; provided the General Assembly, at its regular session of one thousand nine hundred thirty-three, has authorized the borrowing of money for this purpose,” shall be adopted by the people at the municipal election in November, one thousand nine hundred thirty-three, the Governor, the Auditor General, and the State Treasurer, in accordance with the provisions thereof and on behalf of the Commonwealth of Pennsylvania, are hereby authorized and directed, during the fiscal biennium beginning June first, one thousand nine hundred and thirty-three, from time to time, to borrow, on the credit of the Commonwealth of Pennsylvania, such sum or sums of money, not exceeding in the aggregate the sum of twenty-five million dollars (\$25,000,000), as may be deemed necessary to defray the expenses of the State government during the said biennium.

Section 2. Bonds—Issue, Maturity, Interest, Et Cetera.—

(a) As evidence of the indebtedness herein authorized, bonds of the Commonwealth of Pennsylvania shall be issued from time to time, for such total amounts, in such form, in such denominations, and subject to such terms and conditions of issue, redemption and maturity, not to exceed ten years, rate of interest, not to exceed four and one-half per centum per annum, and time of payment of interest, as the Governor, Auditor General, and State Treasurer shall direct.

(b) All bonds issued under the authority of this act shall bear the facsimile signatures of the Governor, Auditor General, and 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) 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.

Section 3. Sale of Bonds.—Whenever bonds are so issued, they shall be offered for sale at not less than par and accrued interest, and shall be sold by the Governor, the Auditor General, and 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, Auditor General, and State Treasurer shall direct. The manner and character of such advertisement, and the times of advertising, shall be prescribed by the Governor, the Auditor General, and 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 Governor shall direct. No commission shall be allowed or paid for the sale of any bonds issued under the authority of this act.

Section 4. Disposition and Use of Proceeds.—The proceeds realized from the sale of bonds under the provisions of this act shall be paid into the general fund of the State Treasury, and shall be used for the payment of appropriations made from said fund to defray the expenses of the State government for the biennium beginning June first, one thousand nine hundred thirty-three.

Section 5. Registration of Bonds.—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.

Section 6. Information to General Assembly.—It shall be the duty of the Governor to include in every biennial budget submitted to the General Assembly full information relating to the issuance of bonds 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 on said bonds and the principal thereof at maturity.

Section 7. Sinking Fund; Investments; Redemption of Bonds.—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 from the sinking fund. For specific purpose of redeeming said bonds at maturity and paying all interest thereon in accordance with the information received from the Governor, 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 of 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 such 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 canceled and returned to the State Treasurer as canceled and paid bonds, and thereafter all payments of interest thereon shall cease; and the canceled 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 canceled bonds and coupons shall be so marked as to make the canceled bonds and coupons non-negotiable.

Section 8. Sinking Fund Requirements.—The Board of Finance and Revenue shall determine the amount of money necessary for the sinking fund for the two fiscal years beginning June first, one thousand nine hundred and thirty-three, and the times and amounts which are to be paid into the sinking fund for such purposes; and the sums so determined shall be transferred to the sinking fund from the moneys realized from the sale of such bonds by the State Treasurer, and, for such purposes, any of such moneys are hereby appropriated.

Section 9. Quorum.—Whenever in this act any action is to be taken or decision made by the Governor, the Auditor General, and the State Treasurer, and the three officers shall not be able unanimously to agree, the action

or decision of the Governor and either the Auditor General or State Treasurer shall be binding and final, except that it shall be the mandatory duty of the Governor, the Auditor General, and the State Treasurer to issue bonds, in accordance with the constitutional amendment quoted in the first section of this act, as promptly as possible after the electors shall have approved the same at the municipal election held in November, one thousand nine hundred thirty-three.

Section 10. Appropriation.—The sum of twenty-five thousand dollars, or so much thereof as may be necessary, is hereby specifically appropriated for the purpose of providing such bonds, for the payment of the cost of advertising the same, and for all other costs and expenses in connection with the issue of said sale and registration of said bonds. Payments from said appropriation shall be made by requisition of the Auditor General, after approval of vouchers by the Governor, Auditor General, and State Treasurer.

Section 11. Effective Date.—This act shall become effective immediately upon the approval by the electors of the constitutional amendment set forth in section one of this act.

APPROVED—The 1st day of May, A. D. 1933.

GIFFORD PINCHOT

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No. 75

AN ACT

To amend section one of, and to add section one and one-tenth to, the act, approved the twenty-sixth day of August, one thousand nine hundred and thirty-two (Pamphlet Laws, one hundred), entitled "An act authorizing the abatement of penalties on local taxes," providing further for the abatement of tax penalties, and for an extension of time for delivery of duplicates to collectors of delinquent taxes in certain cases.

Taxation.

Section 1, act of August 26, 1932 (P. L. 100), amended.

Abatement of penalties.

Section 1. Be it enacted, &c., That section one of the act, approved the twenty-sixth day of August, one thousand nine hundred and thirty-two (Pamphlet Laws, one hundred), entitled "An act authorizing the abatement of penalties on local taxes," is hereby amended to read as follows:

Section 1. Be it enacted, &c., That all *or any* tax penalties imposed by existing laws on county *taxes in counties, other than those of the second class, and on city, borough, town, township, school district and poor district taxes, due and payable to such local political subdivisions, [where such taxes are paid before the first day of December, one thousand nine hundred and thirty-two]* except in counties and cities of the first