

three per centum of their monthly salaries or wages, as fixed by the board of pensions; in no event, however, paying at a rate greater than [six] *seven dollars and fifty cents* per month, which shall be applied to the purposes of this act. Payment of the monthly amount or contribution herein mentioned shall cease and be discontinued at the time the beneficiary received the pension herein provided if such beneficiary has so contributed to the pension fund during a period of twenty years. If at the time the beneficiary received the pension herein provided he or she shall not have been a contributor to the pension fund during a period of twenty years such person shall be required to pay unto the board of pensions an amount equal to not less than two nor more than three per centum of his or her monthly pension until such time as his or her contributions shall have extended during a period of twenty years. If, for any cause, an employe contributing to the pension fund shall cease to be an employe of any such cities of the second class before said employe becomes entitled to the pension conferred by this act, the total amount of the contributions paid unto the pension fund by such employe shall be refunded to him or her in full without interest: Provided, however, If any such employe shall have returned to him or her the amount contributed, as aforesaid, and shall afterwards reenter the employ of such city, said employe shall not be entitled to the pension designated until twenty years after said reemployment, unless he or she shall return to the pension fund the amount withdrawn; in which event the period of twenty years shall be computed from the time the said employe first entered the service of said city. In the event of the death of any such employe before the said employe becomes entitled to the pension aforesaid, the said total amount of contributions aforesaid shall be paid over to the estate of the said deceased employe or to his or her heirs.

If a contributor for 20 years.

If not a contributor for 20 years.

Refund of contributions on leaving employ.

Proviso.

Death of employe.

APPROVED—The 31st day of March, A. D. 1927.

JOHN S. FISHER

No. 65

AN ACT

Relating to municipal indebtedness; imposing certain powers and duties upon the Department of Internal Affairs, and the officers of counties, cities of the third class, boroughs, towns, townships, school districts of the second, third, and fourth classes and poor districts, in connection with proceedings to incur and increase indebtedness; and the establishing and maintaining of sinking funds; fixing the maximum maturity of refunding bonds; and providing penalties.

Section 1. Be it enacted, &c., That the word "Municipality," as used in this act, shall mean any county, city of the third class, borough, town, township, school

Municipalities.

Supervision of indebtedness.

district of the second, third, and fourth class, and poor district.

Department of Internal Affairs to examine proceedings for increase of indebtedness.

Section 2. It shall be the duty of the Department of Internal Affairs to carefully examine all proceedings, had by the several municipalities of this Commonwealth for the incurring or increasing of the indebtedness thereof, and to ascertain whether the proposed debt is within the limitations imposed by the Constitution and whether such proceedings are in conformity with existing laws.

Municipal officers to report before issue of securities.

Section 3. The mayor of each city of the third class, the burgess of each borough or town, the president of the board of county commissioners of each county, the president of the township commissioners of each first class township, the chairman of the board of township supervisors of each second class township, the president of each school board, and the president or chairman of the board of poor directors or overseers of each poor district, which shall have any proceedings for the incurring or increasing of indebtedness, except notes issued in anticipation of revenue for not more than one year, shall, before any bonds or evidences of indebtedness are actually issued and sold, certify to the Department of Internal Affairs a complete and accurate copy of the proceedings had for such incurring or increasing of indebtedness, together with the assessed valuation of the property subject to taxation within the respective municipality, the total amount of the existing indebtedness, and the several amounts claimed as permitted deductions in ascertaining the real indebtedness of such municipality.

Penalty for failure to report.

Any officer of any such municipality, who shall fail or refuse to certify any such proceedings or other facts as required by this section, or who shall wilfully certify any such proceedings or facts which are false or inaccurate, shall be guilty of a misdemeanor, and upon conviction thereof, shall be sentenced to pay a fine not exceeding five hundred dollars or to undergo imprisonment for a period not exceeding six months or both.

Certification of approval.

Section 4. The Department of Internal Affairs shall immediately, upon receipt of any such proceedings and facts, examine the same; and if such proceedings are found to be in accordance with the Constitution and law, shall, within twenty days after the receipt thereof, approve the same and certify its approval to the proper municipality.

Certification of disapproval.

Section 5. If, upon examination, the department shall find that such proposed debt is not within the limitations imposed by the Constitution, or that the proceedings are not in accordance with law, it shall disapprove the same, and shall, within twenty days

after the receipt thereof, certify its disapproval to the municipality; and thereafter it shall be unlawful for such municipality to issue any bonds or other evidences of indebtedness upon such proceedings, unless the proceedings are subject to correction, which correction has been approved by the department.

Section 6. It shall be unlawful for any municipality to issue or sell any bonds or other evidences of indebtedness, unless the provisions of this act have been complied with, and all such bonds and other evidences of indebtedness issued contrary to the provisions of this act shall be invalid, and shall impose no liability on the municipality, or have any lien.

Unlawful to sell bonds unless act has been complied with.

Section 7. The department shall keep a record of all approvals and disapprovals made under the authority of this act, and the same shall be a public record, and copies thereof, duly certified under the hand and seal of the Secretary of Internal Affairs, shall be admitted in evidence in all courts and elsewhere.

Record of approvals and disapprovals.

Section 8. The Department of Internal Affairs shall, from time to time, inspect and investigate the sinking funds of the several municipalities which have any outstanding obligations, and all records, books, and papers, relating thereto, and may require the corporate authorities of such municipalities to furnish statements, showing the condition of such sinking funds, and the amount of outstanding obligations, together with their rate of interest and date of maturity.

Inspection of sinking funds.

Whenever, upon investigation, the department shall ascertain that any municipality, which has any outstanding obligations, has failed or neglected to establish a sinking fund to meet interest and principal payments as the same become due, or has failed to provide sufficient funds for the sinking fund to meet such payments, the department shall have power to make an order requiring such municipality to establish forthwith a sinking fund and to provide sufficient revenues therefor, or to provide sufficient revenues for any established fund.

Orders requiring establishment of sinking funds.

Any officer of any municipality who shall refuse or neglect to obey any order of the Department of Internal Affairs, made under the authority of this section, or who shall refuse to furnish any information required by said department, or refuse agents of the said department the right of access to any records, books, and papers, relating to the sinking fund of the municipality, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine not exceeding five hundred dollars.

Refusal of municipal officers to comply.

Penalty.

Section 9. Hereafter it shall be unlawful for any municipality to provide for the refunding of any existing indebtedness for a longer period than twenty years, and any obligations issued for a longer period than herein provided, shall be invalid and impose no

Existing indebtedness not to be refunded for period longer than twenty years.

municipal liability or have any lien. All proceedings to issue bonds or obligations for the purpose of refunding existing indebtedness shall be approved by the Department of Internal Affairs, as in the case of other proceedings, and no refunding bonds shall hereafter be issued by any municipality without the approval of the said department. Refunding bonds, issued without the approval of the said department, shall be invalid and impose no municipal liability.

Effective date.

Section 10. This act shall take effect on the first day of January, one thousand nine hundred and twenty-eight.

Repeal.

Section 11. All acts or parts of acts inconsistent with this act are repealed.

APPROVED—The 31st day of March, A. D. 1927.

JOHN S. FISHER

No. 66

AN ACT

To amend section thirty of the act approved the first day of June, one thousand eight hundred and eighty-nine (Pamphlet Laws, four hundred and twenty), entitled "A further supplement to an act entitled 'An act to provide revenue by taxation,' approved the seventh day of June, Anno Domini one thousand eight hundred and seventy-nine," as amended.

Taxation.

Section 30 of act of June 1, 1889 (P. L. 420), as amended by act of April 12, 1923 (P. L. 66), further amended.

Section 1. Be it enacted, &c., That section thirty of the act approved the first day of June, one thousand eight hundred and eighty-nine (Pamphlet Laws, four hundred and twenty), entitled "A further supplement to an act entitled 'An act to provide revenue by taxation,' approved the seventh day of June, Anno Domini one thousand eight hundred and seventy-nine," which was amended by the act approved the twelfth day of April, one thousand nine hundred and twenty-three (Pamphlet Laws, sixty-six), entitled "An act to amend section thirty of an act approved June first, one thousand eight hundred and eighty-nine (Pamphlet Laws, four hundred and twenty), entitled 'A further supplement to an act entitled 'An act to provide revenue by taxation,' approved the seventh day of June, Anno Domini one thousand eight hundred and seventy-nine,'" is hereby further amended to read as follows:

Interest on balances due the Commonwealth.

Section 30. That in the settlement by the Auditor General and State Treasurer of all accounts for taxes due the Commonwealth, they shall charge interest upon the amount of tax or balance or balances found due the Commonwealth, at the rate of twelve per centum per annum from thirty days after the time said taxes or balances become due and payable to the time of the set-