

a fine of not less than two hundred and fifty dollars nor more than five hundred dollars, or to undergo imprisonment for sixty days, or both, at the discretion of the court.

Section 6. All acts and parts of acts inconsistent with this act are hereby repealed. Inconsistent acts repealed.

APPROVED—The 28th day of May, A. D. 1937.

GEORGE H. EARLE

No. 277

AN ACT

To validate indebtedness incurred by cities of the third class for the extension, enlargement, and improvement of the water works of such city.

Section 1. Be it enacted, &c., That whenever any city of the third class, with the assent of the electors thereof, has heretofore authorized, issued, and sold bonds or other obligations on the faith and credit of the city, for the purpose of extending, enlarging, and improving the water works of such city, and such extensions, enlargements, and improvements have been fully completed and are being used for the benefit of such city, and the inhabitants thereof, then such bonds or other obligations are hereby ratified, confirmed, and validated notwithstanding that, at the time such bonds were authorized, issued, and sold, no power was vested in such city to incur or increase its indebtedness for water works purposes other than for the original erection and completion thereof, and such bonds or other obligations are hereby made valid and binding obligations of such city to the same extent as if full power had been vested by law in such city to incur or increase its indebtedness for the extension, enlargement, and improvement of such water works. Validating bonds of third class cities.

Section 2. This act shall become effective immediately upon final enactment. When effective.

APPROVED—The 28th day of May, A. D. 1937.

GEORGE H. EARLE

No. 278

AN ACT

To amend sections thirty-two and thirty-eight of the act, approved the nineteenth day of May, one thousand nine hundred and fifteen (Pamphlet Laws, five hundred forty-three), entitled, as amended "An act relating to the sale of goods and choses in action," by providing for the negotiation of documents of title.

Section 1. Be it enacted, &c., That sections thirty-two and thirty-eight of the act, approved the nineteenth Sections 32 and 38, act of May 19, 1915 (P. L. 543), amended.

day of May, one thousand nine hundred and fifteen (Pamphlet Laws, five hundred forty-three), entitled, as amended by the act, approved the twenty-ninth day of April, one thousand nine hundred and twenty-five (Pamphlet Laws, three hundred ten), "An act relating to the sale of goods and choses in action," are hereby amended to read as follows:

Who may negotiate a document.

Section 32. A negotiable document of title may be negotiated—

(a) By the owner thereof; or

(b) By any person [to whom the] *in* possession [or custody of the documents has been entrusted by the owner] *of the same, however, such possession may have been acquired*, if, by the terms of the document, the bailee issuing [the document] *it* undertakes to deliver the goods to the order of [the] *such* person, [to whom the possession or custody of the document has been entrusted] or if at the time of [such entrusting] *negotiation* the document is in such form that it may be negotiated by delivery.

When negotiation is not impaired by fraud, mistake, or duress.

Section 38. The validity of the negotiation of a negotiable document of title is not impaired by the fact that the negotiation was a breach of duty on the part of the person making the negotiation, or by the fact that the owner of the document was [induced] *deprived of the possession of the same by loss, theft, accident, conversion, fraud, mistake, or duress*, [to entrust the possession or custody thereof to such person] if the person to whom the document was negotiated, or person to whom the document was subsequently negotiated, paid value therefor *in good faith*, without notice of the breach of duty, or *loss, theft, accident, conversion, fraud, mistake, or duress*.

APPROVED—The 28th day of May, A. D. 1937.

GEORGE H. EARLE

No. 279

AN ACT

To amend section two of an act, approved the sixteenth day of May, one thousand nine hundred and twenty-nine (Pamphlet Laws, seventeen hundred and seventy-three), entitled "An act to supplement an act, approved the twentieth day of April, one thousand eight hundred and seventy-four (Pamphlet Laws, sixty-five), entitled 'An act to regulate the manner of increasing the indebtedness of municipalities; to provide for the redemption of the same; and to impose penalties for illegal increases thereof,' by authorizing the sale of property purchased by a public corporation out of funds provided by increase of indebtedness of such corporation; and providing for the disposition of the funds realized from such sale," by eliminating the requirement that the proceeds of the sale of property ac-