

ernment, and may provide for the payment by the borough of his expenses while in attendance in such school.

APPROVED—The 2nd day of September, A. D. 1959.

DAVID L. LAWRENCE

No. 298

AN ACT

Amending the act of May 4, 1927 (P. L. 519), entitled "An act concerning boroughs, and revising, amending and consolidating the law relating to boroughs," providing for an assistant borough secretary.

The Borough Code.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Act of May 4, 1927, P. L. 519, reenacted and amended July 10, 1947, P. L. 1621, amended by adding a new section 1110.1.

Section 1. The act of May 4, 1927 (P. L. 519), known as "The Borough Code," reenacted and amended July 10, 1947 (P. L. 1621), is amended by adding, after section 1110, a new section to read:

Section 1110.1. Assistant Secretary.—Every borough council may, by resolution, appoint an assistant secretary who shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary. The assistant secretary may be appointed from the membership of the borough council, but shall not be any other officer thereof.

APPROVED—The 2nd day of September, A. D. 1959.

DAVID L. LAWRENCE

No. 299

AN ACT

Amending the act of June 25, 1941 (P. L. 159), entitled "An act amending, revising, consolidating and changing the law relating to the borrowing of money by certain political subdivisions, the authorization, issuance and sale of general obligation bonds as herein defined, of bonds imposing no general obligation of debt and of bonds not deemed to constitute a debt for certain purposes, and to the funding of debt and the refunding of bonds; regulating the keeping and use of sinking funds; imposing powers and duties upon the Department of Internal Affairs and upon corporate bodies and officers of political subdivisions; imposing penalties, and repealing existing laws," authorizing certain political subdivisions to borrow money for capital expenditures for improvements and equipment without the issuance of bonds.

Municipal Borrowing Law.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Clause (c) of section 102, act of June 25, 1941 (P. L. 159), known as the "Municipal Borrowing Law," is amended to read:

Clause (c), section 102, act of June 25, 1941, P. L. 159, amended.

Section 102. Definitions.—The following words and phrases whenever used in this act shall have the following meanings unless the context clearly indicates otherwise:

* * * * *

(c) "Bond," any instrument imposing an obligation for the repayment of money borrowed, except notes and all renewals and extensions thereof issued in anticipation of current revenues, and *instruments imposing obligations for the repayment of money borrowed in accordance with the provisions of Article VII-A of this act.*

* * * * *

Section 2. The act is amended by adding, after article VII., a new article to read:

Act of June 25, 1941, P. L. 159, amended by adding a new article VII-A, sections 701-A, 702-A, 703-A and 704-A.

ARTICLE VII-A BORROWING WITHOUT BONDS

Section 701-A. Temporary Debt for Improvements, etc.; Payment; Interest Charges.—A municipality may borrow money, not to exceed a total amount of fifteen thousand dollars (\$15,000), for capital expenditures for municipal improvements and equipment, including school buses, in those instances where no bond issue has been previously authorized, and all such moneys for which an obligation or obligations other than bonds have been issued shall, unless refunded by the issue of bonds, be paid within five years from date of issue of such obligation, together with interest, and at least one-fifth of the total principal of the original loan shall be paid annually. Such obligation or obligations may be paid, in full or in part, each year when the taxes are received, and reborrowed again the latter part of the fiscal year: Provided, That the amount reborrowed is less than the amount borrowed the preceding year by at least one-fifth of the total amount of the original loan. Each time the money is reborrowed, the date and purpose for which it was originally borrowed shall be restated. The amount of the original loan shall be paid in full within a maximum term of five years from the date of the original loan for such purpose unless funded as hereinbefore provided. The municipality shall not pay any charges or interest equal to more than six per centum per annum on any money borrowed under the provisions of this article.

Section 702-A. Constitutional Limitation; Statement Filed With Department.—At no time shall a municipal-

ity borrow money under the provisions of this article in an amount that, added to the existing nonelectoral indebtedness of the municipality, shall exceed the nonelectoral debt limitation of two per centum of the assessed valuation of property as fixed by article nine, section eight of the Constitution. In order to insure compliance with this constitutional limitation, each municipality proposing to borrow money under the provisions of this article, prior to such borrowing, shall submit a sworn statement to the Department of Internal Affairs showing its existing net debt determined under section 202 of this act, the assessed valuation of its property and the amount proposed to be borrowed. The Department of Internal Affairs shall examine the statement, and, within ten days of the receipt thereof, if it determines that the proposed amount to be borrowed will not exceed the nonelectoral debt limitation fixed by the Constitution, shall issue a statement to the municipality to that effect. All obligations issued under the provisions of this article without such a statement from the Department of Internal Affairs shall be void and shall impose no liability upon the municipality.

Section 703-A. Tax Levy.—An annual tax for each of the years such obligation shall be outstanding, commencing the first fiscal year after such obligation shall have been incurred, sufficient for the payment of the interest thereon and the repayment of not less than one-fifth of the total principal of the original loan, shall be assessed by the taxing authorities of the municipality. The annual tax shall be expressed as an amount of money to be raised by taxation in each succeeding year for principal and interest on the debt, so that, in each succeeding year the tax rate may be adjusted to produce the amount specified.

Section 704-A. Obligations Not Subject to Certain Provisions of Act.—Obligations issued under the provisions of this article shall not be subject to the provisions of any of the other articles of the act herein amended.

Specific repeal-

Section 3. (a) Section 1811.1, act of June 23, 1931 (P. L. 932), known as "The Third Class City Code," added August 21, 1953 (P. L. 1292), is repealed.

(b) Section 638, act of March 10, 1949 (P. L. 30), known as the "Public School Code of 1949," is repealed.

Act effective immediately.

Section 4. This act shall take effect immediately.

APPROVED—The 8th day of September, A. D. 1959.

DAVID L. LAWRENCE