

No. 104

AN ACT

HB 805

Amending the act of December 6, 1967 (P. L. 678), entitled "An act to promote the education and welfare of the people of the Commonwealth of Pennsylvania; to provide educational facilities at nonprofit institutions of higher education in the Commonwealth of Pennsylvania; and creating the Pennsylvania Higher Educational Facilities Authority as a body corporate and politic with power to acquire, construct, improve, equip, furnish, operate, lease, and dispose of projects; authorizing and regulating the issuance of notes and bonds and the payment thereof by said authority; and providing that no debt, obligation, or credit of the Commonwealth shall be incurred in the exercise of any powers granted by this act," increasing the rate of interest for a limited period of time and authorizing the issuance of certain additional term bonds.

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

Section 1. Subsection (a) of section 6, act of December 6, 1967 (P. L. 678), known as "The Pennsylvania Higher Educational Facilities Authority Act of 1967," is amended to read:

Section 6. Purposes and Powers; Bonds.—(a) The bonds of the authority hereinabove referred to and authorized to be issued, shall be authorized by resolution of the board thereof or by the terms of a trust indenture authorized by such board, and shall be of such series, shall bear such date or dates, shall mature at such time or times, not exceeding forty years from their respective dates, shall bear interest at such rate or rates, shall be in such denominations, shall be in such form, either coupon or fully registered without coupons, shall carry such registration, exchangeability and interchangeability privileges, shall be payable in such medium of payment and at such place or places, shall be subject to such terms of redemption, not exceeding one hundred five per cent of the principal amount thereof and shall be entitled to such priorities in the revenues, rentals or receipts of the authority as such trust, indenture, resolution or resolutions may provide. The bonds shall be signed by such officers, either manually or by facsimile as the authority shall determine, and coupon bonds shall have attached thereto interest coupons bearing the facsimile signature of the treasurer of the authority, all as may be prescribed in such resolution or resolutions. Any such bonds may be issued and delivered, notwithstanding that one or more of the officers signing such bonds or the treasurer whose facsimile signature shall be upon the coupons or any thereof, shall have ceased to be such officer or officers at the time when such bonds actually shall be delivered. Said bonds may be sold at public or private sale for such price or prices as the authority shall determine, with the approval of the college for whose use the project is being constructed. The net interest cost to maturity of the money received for any issue of bonds, whether sold at public or private sale, shall not exceed

six per cent per annum , *except that for a period of one year following the effective date of this act, the net interest may exceed six per cent per annum but shall not exceed seven per cent per annum. The interest on bonds issued with an interest rate of between six and seven per cent shall be paid during the term for which the bonds were issued.*

For the purposes of this section, net interest cost shall be determined by ascertaining the total amount of interest payable with respect to the bonds, computed from the date of the bonds to the stated maturity dates thereof, plus the amount of any discount from the principal amount of the bonds or less the amount of any premium in excess of the principal amount of the bonds. Pending the preparation of the definitive bonds, interim receipts may be issued to the purchaser or purchasers of such bonds, and may contain such terms and conditions as the authority may determine.

* * *

Section 2. The act is amended by adding a new section to read:

Section 6.1. Term Bonds.—Whenever the board of said authority shall authorize the issuance of bonds under the provisions of this act, the board shall also concurrently provide for the authorization of term bonds in the denomination of one hundred dollars (\$100) payable in not more than twenty-five years from the date of issue, and the principal amount of said term bonds shall be equal to a reasonable amount of the principal amount of the bonds with which the said term bonds are being concurrently authorized. The amount and term of the issue of the term bonds shall be fixed by the board in the exercise of its discretion. Said term bonds shall bear interest at a rate to be fixed by said board not exceeding the legal rate. The term bonds authorized under the authority of this section shall be subject to, except as provided in this section, all the terms and conditions of the bonds authorized concurrently therewith.

Section 3. This act shall take effect immediately.

APPROVED—The 16th day of October, A. D. 1969.

RAYMOND P. SHAFER

The foregoing is a true and correct copy of Act of the General Assembly No. 104.



Secretary of the Commonwealth.