

together with six cents (6¢) per mile circular from and to their homes, once, each and every day so employed.

* * * * *

Specific repeals
as to eighth
class counties.

Section 2. The act of May 12, 1887 (P. L. 95), entitled "An act regulating the compensation of county auditors within this Commonwealth," amended June 21, 1947 (P. L. 851), is repealed in so far as it applies to counties of the eighth class.

The act of June 28, 1955 (P. L. 206), entitled "An act fixing the compensation and mileage of county auditors in counties of the sixth, seventh and eighth classes," is repealed in so far as it applies to counties of the eighth class.

All other acts and parts of acts, general, local and special, are repealed in so far as they are inconsistent herewith.

Effective date.

Section 3. This act shall become effective and applicable to all county auditors in counties of the eighth class, who shall be elected or appointed after the effective date of this act.

APPROVED—The 22nd day of December, A. D. 1959.

DAVID L. LAWRENCE

No. 740

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," removing in certain cases and changing in certain cases limitations in the borrowing of money by municipalities for capital expenditures for improvements and equipment, without the issuance of bonds, and declaring the effect and validating certain prior transactions for the borrowing of money.

Municipal
Borrowing Law.

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

Section 701-A,
act of June 25,
1941, P. L. 159,
added September
8, 1959, P. L.
802, amended.

Section 1. Section 701-A, act of June 25, 1941 (P. L. 159), known as the "Municipal Borrowing Law," added September 8, 1959 (P. L. 802), is amended to read:

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. *In the case of boroughs or townships either of which have a population of less than two thousand five hundred persons, such indebtedness shall not exceed twenty-five thousand dollars (\$25,000).* 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 2. In any case where a municipality and a bank, bank and trust company or banking institution, prior to September 8, 1959, the date when this article VII-A became effective, in conformity with the provisions of the then existing law agreed upon the terms of a proposed loan by the bank, bank and trust company or banking institution to the municipality, and such loan was authorized in a lawful manner by each of said parties, such authorization and the loan made pursuant thereto are hereby validated and declared to be a loan made as of the date the municipality authorized the making of the loan and the execution of a note or other evidence of indebtedness therefor, notwithstanding the fact that the execution of the note or other evidence of indebtedness and the completion of the loan transaction was or is made at a later date.

APPROVED—The 22nd day of December, A. D. 1959.

DAVID L. LAWRENCE

* "originally" in original.