

tions incurred under the provisions of section six hundred forty (640) of this act, shall never exceed three (3) per centum of the last assessed valuation of property taxable for school purposes therein, and in school districts of the second, third and fourth class shall not exceed seven per centum (7%) of such assessed valuation. Except where such temporary indebtedness is to be refunded by the issue of bonds, as hereinbefore authorized, at or before the time of incurring such indebtedness for such purpose, provision shall be made for the collection of an annual tax, sufficient to pay the interest and also the principal thereof within the term of such indebtedness, as provided by law.

Section 666. Limit of Indebtedness.—The total indebtedness incurred or created by any school district of the first class A, including any indebtedness assumed by it on or before the eighteenth day of May, one thousand nine hundred eleven, shall not exceed two (2) per centum upon the total assessed value of the taxable property in such school district, and in any school district of the first class, including any indebtedness assumed by it on or before the eighteenth day of May, one thousand nine hundred eleven, shall not exceed three (3) per centum upon the total assessed value of the taxable property in such school district.

Section 2. This act shall take effect immediately.

Act effective immediately.

APPROVED—The 28th day of February, A. D. 1961.

DAVID L. LAWRENCE

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No. 21

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," increasing the debt limit of school districts of the first class.

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

Municipal  
Borrowing Law.

Section 201, and subsection (b), section 203, act of June 25, 1941, P. L. 159, amended.

Section 1. Section 201 and subsection (b) of section 203, act of June 25, 1941 (P. L. 159), known as the "Municipal Borrowing Law," are amended to read:

Section 201. Limitation on Municipal Debt.—Whenever the net debt of any municipality shall be equal to ten per centum, in the case of municipalities authorized by the provisions of section fifteen, article nine of the Constitution to incur debt to said amount, and seven per centum, in the case of all other municipalities (except school districts of the first class *A* which shall be limited to two per centum *and except school districts of the first class which shall be limited to three (3) per centum*), of the assessed valuation, it shall be unlawful to increase the same by borrowing money (except in the case of issuing evidences of debt in anticipation of current revenues), and any such increase shall be void, and any general obligation bonds issued to evidence such increase of debt shall be of no binding force upon such municipality. Each of the officers thereof wilfully authorizing such increase or executing any general obligation bond therefor shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine not exceeding ten thousand dollars, or undergo imprisonment not exceeding one year, or both.

Section 203. Increase of Debt by Issuance of General Obligation Bonds by Corporate Authorities and with the Assent of Electors.—\* \* \*

(b) The debt of any municipality except a school district of the first class *or first class A* may be authorized to be increased by the corporate authorities thereof by the issue of general obligation bonds, with the assent of a majority of the electors thereof voting on the question submitted at a public election to be held in the municipality, to an amount not exceeding seven per centum of the assessed valuation. *The debt of a school district of the first class may be authorized to be increased by the board of public education thereof by the issue of general obligation bonds, with the assent of a majority of the electors thereof voting on the question submitted at a public election to be held in the school district, to an amount not exceeding three (3) per centum of the assessed valuation. The debt of any school district of the first class A shall not be increased to an amount exceeding two (2) per centum of the assessed valuation.*

\* \* \* \* \*

Act effective immediately.

Section 2. This act shall take effect immediately.

APPROVED—The 28th day of February, A. D. 1961.

DAVID L. LAWRENCE