
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. **410** Session of
1961

INTRODUCED BY MESSRS. FLEMING, PROPERT AND KESSLER,
MARCH 14, 1961.

REFERRED TO COMMITTEE ON CONSTITUTIONAL CHANGES,
MARCH 14, 1961.

A JOINT RESOLUTION

Proposing an amendment to article nine section four of the Constitu-
tion of the Commonwealth of Pennsylvania providing for and
regulating Commonwealth debt for capital improvements and
certain other purposes and prohibiting debts and obligations in-
consistent therewith

The General Assembly of the Commonwealth of Pennsylvania
hereby resolves as follows

EXPLANATION—CAPITAL LETTERS indicate new matter added to bill. Matter stricken through
is to be omitted from bill.
Underlining indicates new matter added to existing law. [Brackets] indicate matter
stricken from existing law.

1 Section 1 The following amendment to the Constitution of the
2 Commonwealth of Pennsylvania is proposed in accordance with the pro-
3 visions of the eighteenth article thereof

4 That article nine section four of the Constitution of the Common-
5 wealth of Pennsylvania be amended to read

6 Section 4 (a) No debt shall be created by or on behalf of this
7 Commonwealth unless (1) the debt has been authorized by statute (2)
8 the debt is for capital improvements separately specified in the statute
9 (3) the debt has been submitted to the qualified electors of the Com-
10 monwealth at a general municipal primary or special election and has
11 been approved by a majority vote of those voting on the question and
12 (4) the debt is evidenced by general obligation bonds of this Commou-
13 wealth Except as herein provided no debt or other obligation shall here-
14 after be created by or on behalf of this Commonwealth or by any author-
15 ity or other agency the repayment of which will be made either directly
16 or indirectly from Commonwealth revenues whether by direct payment
17 or through leases or other contractual obligations The foregoing pro-
18 visions do not apply (1) to debts payable solely from the revenues from
19 designated projects and not payable out of any other revenues of the
20 Commonwealth (2) to the debts created in a manner provided by law

1 by the issuance and sale of tax anticipation notes payable in the fiscal
2 period in which they are issued from revenues already provided (3) to
3 loans authorized by section eighteen of this article and (4) to leases and
4 contractual obligations entered into in the course of the ordinary con-
5 duct of government and not for the purpose of financing capital im-
6 provements by making payments through rentals or otherwise to liqui-
7 date debts created by authorities or other agencies without the approval
8 of the qualified electors Nor do the foregoing provisions apply to debt
9 created to repel invasion suppress insurrection or defend the Common-
10 wealth in war or to rehabilitate areas affected by disaster No debt to
11 supply casual deficiencies of revenue shall be created exceeding one
12 million dollars in the aggregate at any one time

13 (b) All bonds issued shall be serial bonds repayable in equal annual
14 installments over a period not to exceed thirty years The first payment
15 of principal shall be not more than two years after the date of the bond

16 (c) The General Assembly may authorize by statute the issuance of
17 general obligation bonds for the purpose of assuming any debt heretofore
18 incurred by any authority and which is currently payable from Common-

442—Printer's No. 4

1 wealth revenues under leases to this Commonwealth The General As-
2 sembly may from time to time authorize by law the issuance of refund-
3 ing bonds to pay any bonded debt of the Commonwealth existing at the
4 time

We certify that this bill has passed the Senate and the House of
Representatives.

.....
Chief Clerk, Senate

.....
President pro tempore, Senate

.....
Speaker, House of Representatives