

Section 2. Section two of said act which was amended by the act, approved the twenty-fourth day of April, one thousand nine hundred and thirty-one (Appropriation Acts, page eight), is hereby further amended to read as follows:

Section 2 of said act, as amended by act of April 24, 1931 (Appropriation Acts, page 8), amended.

Section 2. That the sum of [ten] *seven thousand five hundred* dollars [(\$10,000)] (*\$7,500*), or so much thereof as may be necessary, is hereby specifically appropriated *and reappropriated* to the Department of [Property and Supplies] *Forests and Waters* for the purpose of carrying out the provisions of this act. This appropriation *and reappropriation* is made contingent upon the raising by the citizens of the [city of Chester] *county of Delaware* [and vicinity] of a sum of at least [ten] *five* thousand dollars [(\$10,000)] (*\$5,000*), to be applied to the cost of the [construction, erection, and dedication of said monument] *acquisition, repair, restoration, and maintenance of said birthplace*; and no part of said appropriation shall be paid until proof has been produced to the satisfaction of the Auditor General that said sum of [ten] *five* thousand dollars [(\$10,000)] (*\$5,000*) is available for said purposes. Payments from said appropriation shall be made, upon requisition of the Secretary of [Property and Supplies] *Forests and Waters*, by warrant of the Auditor General on the State Treasurer, in the usual manner.

Appropriation by the State.

Amount to be raised by citizens of Delaware County.

Requisition.

APPROVED—The 11th day of June, A. D. 1935.

GEORGE H. EARLE

No. 146

AN ACT

Designating the Department of Internal Affairs as the agency of the Commonwealth to approve or disapprove petitions to courts, and plans for the readjustment of debts of political subdivisions, under the act of Congress relating to the bankruptcy of political subdivisions; and defining the powers and duties of said department in relation thereto.

Section 1. Be it enacted, &c., That no political subdivision of this Commonwealth shall file any petition in any district court of the United States under the Municipal Bankruptcy Act, adopted by the Congress of the United States, approved the twenty-fourth day of May, one thousand nine hundred and thirty-four, Public Act Number two hundred fifty-one, Seventy-third Congress, entitled "An act to amend an act, entitled 'An act to establish a uniform system of bankruptcy throughout the United States,' approved the first day of July, one thousand eight hundred and ninety-eight, and acts amendatory thereof, and supplementary thereto," alleging that it is insolvent or unable to meet its debts as they mature,

Bankruptcy of political subdivisions.

Act of Congress, cited.

Petition of
bankruptcy must
be approved by
State Department
of Internal
Affairs.

Department to
have the power
to approve or
disapprove
petition.

Department shall
investigate
financial condi-
tion of such
political
subdivision.

Trust funds.

Creditors to be
given a hearing.

When effective.

and expressing its desire to effect a plan of readjustment of its debts, unless such petition has first been submitted to, and the filing thereof has been first approved, in writing, by the State Department of Internal Affairs. Said department is hereby designated, in accordance with said act of Congress, as the agency of the Commonwealth of Pennsylvania which shall have power to approve or disapprove the filing of any such petition of a political subdivision, and to approve or disapprove any plan of readjustment of the debts of any such political subdivision, prepared, filed, and submitted with the petition to the court, as provided in said act of the Congress.

Section 2. When any such petition shall be submitted to the Department of Internal Affairs for approval, accompanied with a proposed plan of readjustment of the debts of a political subdivision, the department shall make a careful and thorough investigation of the financial condition of such political subdivision, of its assets and liabilities, of its sinking fund, and whether the affairs thereof are managed in a careful, prudent, and economic manner in order to ascertain whether the presentation of such petition is justified, or represents an unjust attempt by such political subdivision to evade payment of some of its contractual obligations, and, if the department believes that such petition should be approved, whether the plan of readjustment submitted, will be helpful to the financial condition of the political subdivision, and is feasible, and at the same time fair and equitable to all creditors.

The Department of Internal Affairs shall also, prior to giving its approval, ascertain the amount, if any, of the obligations of any such petitioning political subdivision which is held by any agency or agencies of the State government as trust funds, and shall, before approving any such petition and plan of readjustment, consult with and give every such agency an opportunity to be heard and the privilege to examine the findings of the department resulting from the investigation hereinbefore required to be made, and shall likewise hear any other creditor of such political subdivision, whether resident within or without this Commonwealth, who shall apply therefor.

The department, if it approves a petition, shall, before giving its approval, require such modification in the proposed plans for readjusting the debts as to it appears proper.

Section 3. This act shall become effective immediately upon its final enactment.

APPROVED—The 11th day of June, A. D. 1935.

GEORGE H. EARLE