

No. 69

## AN ACT

SB 141

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," providing for and regulating the payment of non-debt revenue bonds in other than annual installments, and requiring sinking fund payments in such instances.

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

Section 1. Section 623, act of June 25, 1941 (P. L. 159), known as the "Municipal Borrowing Law," amended July 25, 1961 (P. L. 851), is amended to read:

Section 623. Certain Procedure Required.—[All non-debt] Non-debt revenue bonds authorized, issued and sold under the authority of subdivision (b) of this article shall either be payable in annual installments [of which no annual installment, including principal and interest, shall be of greater amount than five thousand dollars (\$5,000) more than any preceding year, or twenty (20) per centum of any preceding year, whichever is greater, beginning] or in whole or in part in other than annual installments. If the bonds are payable in annual installments, the first maturity shall be not later than five years after the date of the bonds [with]. If the bonds are payable in other than annual installments, there shall be annual sinking fund payments for such years as bonds do not mature, to be applied annually to the retirement of bonds prior to the stated maturity or maturities thereof, and such sinking fund payments or a maturity payment shall begin not later than five years after the date of the bonds. Whether the bonds are retired annually by maturity or through operation of a sinking fund, the sum of the payments on account of principal and interest in any year shall not exceed the sum of the payments on account of principal and interest for any prior year by more than five thousand dollars

(\$5,000) or twenty (20<sup>1</sup>) per centum of such prior sum, whichever is greater.

The maturities [not exceeding] of the bonds so issued shall not exceed forty years, or the estimated period of usefulness of the property or improvement for which such bonds shall be issued, whichever is earlier [which]. The period of usefulness shall be stated in the ordinance authorizing such bonds, and when so stated shall be conclusive [and may be sold for such price or prices as the municipality shall determine:]. The bonds may be sold for such price or prices as the municipality shall determine: Provided, That the interest cost to maturity of the money received for any issue [of said bonds] thereof shall not exceed six per centum per annum in addition to any taxes, payment of which may be assumed by the municipality.

Section 2. This act shall take effect immediately.

APPROVED—The 8th day of June, A. D. 1965.

WILLIAM W. SCRANTON

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No. 70

AN ACT

SB 142

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," authorizing the refunding of non-debt revenue bonds and the issue of bonds in exchange therefor.

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

Section 1. The act of June 25, 1941 (P. L. 159), known as the "Municipal Borrowing Law," is amended by adding after section 623, a new section to read:

Section 624. Refunding Non-debt Revenue Bonds.—Each municipality issuing non-debt revenue bonds shall have the power, subject to

<sup>1</sup>Symbol "%" deleted.