

No. 176

AN ACT

Empowering boroughs to refund liens and bonds, secured by liens on water-works and the appurtenances thereto and imposing no municipal liability, existing or created at the time of the original acquisition of such water-works, by the issue of refunding bonds secured solely by liens and imposing no municipal liability.

Section 1. Be it enacted, &c., That in all cases where any borough has heretofore acquired or shall hereafter acquire any water-works and the appurtenances thereto, subject to any existing lien or liens, and did not or does not, at the time of such acquisition, issue general obligations of the borough for the payment of the outstanding obligations protected by such lien or liens, or where, at the time of the acquisition of such water-works, such borough issued or issues bonds secured solely by liens on the property of such water-works and imposing no municipal liability; then, and in either event, such borough may, at the time such non-debt liens or bonds mature, or at any time prior thereto, issue and sell registered or coupon bonds in accordance with section fifteen, article nine of the Constitution, and the enabling legislation enacted to carry into effect the provisions of said section, for the purpose of refunding such outstanding non-debt liens or bonds, which refunding bonds shall be secured solely by a lien or liens on such water-works and the appurtenances thereto and impose no municipal liability. Such bonds, so issued, shall not be deemed to be the creation of new obligations or new liens, but be deemed a continuation of the non-debt lien, liens, or bonds existing or created at the time of the original acquisition of said water-works and the appurtenances thereto.

Such lien, liens, or bonds shall not be refunded for a longer period than twenty years, and the refunding lien bonds issued shall not bear interest at a rate exceeding six per centum, and the amount of the refunding lien bonds, so issued, shall not exceed, in the aggregate, the amount of the liens or bonds to be refunded: Provided, however, That any moneys, placed in any fund by the borough or by any commission of water-works for the purpose of redeeming or paying such liens or bonds at maturity, shall be first applied to the payment, as far as applicable, of the principal of such liens or bonds to be refunded, and the balance of such lien, liens, or bonds only shall be redeemed by the issue of new lien bonds.

Boroughs.

Boroughs may issue bonds to refund bonds issued for the payment of water-works.

New bonds not to be considered as new obligations.

Limitations placed upon new bonds.

Proviso.

APPROVED—The 21st day of June, A. D. 1935.

GEORGE H. EARLE