

No. 101

AN ACT

HB 1317

Amending the act of May 2, 1945 (P. L. 382), entitled "An act providing for the incorporation as bodies corporate and politic of "Authorities" for municipalities, counties and townships; prescribing the rights, powers and duties of such Authorities heretofore or hereafter incorporated; authorizing such Authorities to acquire, construct, improve, maintain and operate projects, and to borrow money and issue bonds therefor; providing for the payment of such bonds, and prescribing the rights of the holders thereof; conferring the right of eminent domain on such Authorities; authorizing such Authorities to enter into contracts with and to accept grants from the Federal Government or any agency thereof; and conferring exclusive jurisdiction on certain courts over rates," authorizing the board to set the rate of interest for a limited period of time and authorizing the issuance of certain additional term bonds.

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

Section 1. Subsection A of section 5, act of May 2, 1945 (P. L. 382), known as the "Municipality Authorities Act of 1945," is amended to read:

Section 5. Purposes and Powers; Bonds.—A. The bonds of any Authority hereinabove referred to and authorized to be issued, shall be authorized by resolution of the board thereof and shall be of such series, bear such date or dates, mature at such time or times, not exceeding forty years from their respective dates, bear interest at such rate or rates, not exceeding six per cent per annum, *except that for a period of one year after the effective date of this amendatory act, the rate or rates of interest may exceed six per centum but shall not exceed seven per centum as shall be determined by the board as necessary to issue and sell the authorized bonds*, payable semi-annually, be in such denominations, be in such form, either coupon or fully registered without coupons, carry such registration, exchangeability and interchangeability privileges, be payable in such medium of payment and at such place or places, be subject to such terms of redemption not exceeding one hundred five per cent of the principal amount thereof, and be entitled to such priorities in the revenues or receipts of such Authority as such resolution or resolutions may provide. The bonds shall be signed by such officers as the Authority shall determine, and coupon bonds shall have attached thereto interest coupons bearing the facsimile signature of the treasurer of the Authority, all as may be prescribed in such resolution or resolutions. Any such bonds may be issued and delivered, notwithstanding that one or more of the officers signing such bonds or the treasurer whose facsimile signature shall be upon the coupon or any thereof, shall have ceased to be such officer or officers at the time when such bonds shall actually be delivered.

Said bonds may be sold at public or private sale for such price or prices *and at such rate of interest* as the Authority shall determine, provided that

the interest cost to maturity of the money received for any issue of said bonds shall not exceed six per centum per annum *or seven per centum per annum for bonds issued within a one-year period from the effective date of this amendatory act.* Pending the preparation of the definitive bonds, interim receipts may be issued to the purchaser or purchasers of such bonds, and may contain such terms and conditions as the Authority may determine.

The interest on bonds issued with an interest rate exceeding six per centum per annum shall be paid during the term for which the bonds were issued, and shall not be limited to the one-year period during which the bonds could be issued at a rate exceeding six per centum per annum.

* * *

Section 2. The act is amended by adding a new section to read:

Section 5.1. Term Bonds.—Whenever the board of any Authority shall authorize the issuance of bonds under the provisions of this act, the board shall also concurrently provide for the authorization of term bonds in the denomination of one hundred dollars (\$100) payable in not more than twenty-five years from the date of issue, and the principal amount of said term bonds shall be equal to a reasonable amount of the principal amount of the bonds with which the said term bonds are being concurrently authorized. The amount and term of the issue of the term bonds shall be fixed by the board in the exercise of its discretion. Said term bonds shall bear interest at a rate to be fixed by said board not exceeding the legal rate. The term bonds authorized under the Authority of this section shall be subject to, except as provided in this section, all the terms and conditions of the bonds authorized concurrently therewith.

Section 3. This act shall take effect immediately.

APPROVED—The 10th day of October, A. D. 1969.

RAYMOND P. SHAFER

The foregoing is a true and correct copy of Act of the General Assembly No. 101.



Secretary of the Commonwealth.