

No. 113

AN ACT

HB 806

Amending the act of July 5, 1947 (P. L. 1217), entitled "An act to promote the education and educational facilities of the people of the Commonwealth of Pennsylvania; creating a State Public School Building Authority as a body corporate and politic with power to construct, improve and operate projects and to lease the same and to fix and collect fees, rentals and charges for the use thereof; authorizing school districts to enter into contracts to lease; authorizing and regulating the issuance of bonds by said Authority; and providing for the payment of such bonds and the rights of the holders thereof; granting the right of eminent domain; increasing the powers and duties of the Department of Public Instruction; and providing that no debt of the Commonwealth shall be incurred in the exercise of any of the powers granted under this act; and making an appropriation to said Authority to pay expenses incident to its formation," increasing 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. The first and second paragraphs of subsection (a) of section 6, act of July 5, 1947 (P. L. 1217), known as the "State Public School Building Authority Act," amended May 17, 1968 (Act No. 65), are amended to read:

Section 6. Purposes and Powers; Bonds.—(a) The bonds of the Authority, hereinabove referred to and authorized to be issued, shall be authorized by resolution of the board, and shall be of such series, bear such date or dates, mature at such time or times, not exceeding forty (40) years from their respective dates, bear interest at such rate or rates not exceeding six per centum per annum, *except that for a period of one year following the effective date of this act, the interest rate may exceed six per centum per annum but shall not exceed seven per centum per annum*, 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, at such prices not exceeding one hundred five per centum of the principal amount thereof, and be entitled to such priorities in the revenues, rentals or receipts of the Authority as such resolution or resolutions may provide. *The interest on bonds issued with an interest rate of between six and seven per centum shall be paid during the term for which the bonds were issued.* The bonds shall bear the facsimile signatures of the Governor and the President of the Authority, together with a facsimile of the corporate seal and the manual signature of the secretary and treasurer in attestation thereof, 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 any of the aforesaid persons signing such bonds or whose facsimile signature shall be upon the bonds or coupons shall have ceased to hold their respective offices at the time when such bonds shall actually be delivered.

Said bonds shall be sold to the highest responsible bidder or bidders after public notice by advertisement once a week for three weeks in not less than six (6) or more than twelve (12) newspapers of large general circulation in different parts of the Commonwealth, the first advertisement to be published not less than fifteen (15) days before the day fixed for the opening of bids; the notice shall contain a general description of the bonds, the manner, place and time of the sale, or the time limit for the receipt of proposals, the name of the officer to whom bids or proposals shall be delivered, and a statement of the terms and conditions of sale, which shall include a statement of the highest net interest cost acceptable to the Authority: Provided, That any of said bonds may be sold to the State Employees' Retirement Board, the State Employees' Retirement Fund, or to the School Employees' Retirement Board, or to any other custodial board or fund, without advertisement or competitive bidding: Provided further, That nothing in this act shall prevent the Authority from issuing obligations, without advertisement or competitive bidding, to provide funds to cover the cost to the Authority of acquiring or constructing projects, which obligations shall bear a stated maturity date not to exceed two (2) years from date of issue thereof and which shall be convertible into bonds to be issued by the Authority, without advertisement or competitive bidding, if an issue of bonds, the proceeds of which are to be used for the payment of the obligations, first shall have been advertised for sale as provided in this act and no bid complying with terms and conditions of the advertisement shall have been received. Where bonds shall be advertised for sale and no bid complying with the terms and conditions of the advertisement has been received, then it shall be lawful for the Authority to sell such bonds, or others in lieu thereof, at private sale. For the purposes of this section, net interest cost shall be determined by ascertaining the total amount of interest payable with respect to the bonds, computed from the date of the bonds to the stated maturity dates thereof, plus the amount of any discount from the principal amount of the bond or less the amount of any premium in excess of the principal amount of the bonds. The net interest cost to maturity of the money received for any issue of bonds, whether sold at public or private sale, shall not exceed six per centum per annum *or seven per centum per annum for any issue of bonds issued within a one (1) 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.

* * *

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

Section 6.2. Term Bonds.—Whenever the board of said Authority shall authorize the issuance of bonds under the provisions of this act, the board shall also concurrently authorize the issuance 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. The said term bonds may be sold at private sale without advertisement or competitive bidding.

Section 3. This act shall take effect immediately.

APPROVED—The 22nd day of October, A. D. 1969.

RAYMOND P. SHAFER

The foregoing is a true and correct copy of Act of the General Assembly No. 113.



Secretary of the Commonwealth.