

**BONDS, SALE AND ISSUE BY COMMONWEALTH AUTHORIZED**  
**Act of Apr. 18, 1919, P.L. 62, No. 50**  
AN ACT

Cl. 72

Authorizing the issue and sale of bonds to the amount of fifty millions of dollars by the Commonwealth of Pennsylvania; defining the powers and duties of the Governor, the Auditor General, and the State Treasurer, in relation thereto; making an appropriation of the proceeds of such bonds for the purpose of improving and rebuilding the highways of the Commonwealth; providing for the payment of interest on, and the redemption of, such bonds by the Sinking Fund Commission; and making an appropriation to carry out the provisions of this act.

POWER TO BORROW MONEY.

Section 1. Be it enacted, &c., That in accordance with the provisions of section four, article nine of the Constitution of Pennsylvania, as amended the fifth day of November, one thousand nine hundred eighteen, the Governor, on behalf of the Commonwealth of Pennsylvania, is hereby authorized to borrow, from time to time, on the credit of the Commonwealth of Pennsylvania, for the purpose of improving and rebuilding the highways of the Commonwealth, a sum or sums of money not exceeding in the aggregate fifty millions of dollars.

BONDS-ISSUE, MATURITY, INTEREST, ET CETERA.

Section 2. (a) As evidence of the indebtedness herein authorized, bonds of the Commonwealth of Pennsylvania shall be issued from time to time, for such total amounts, in such forms, in such denominations, and subject to such terms and conditions of issue, redemption, and maturity, not to exceed thirty years, rate of interest not to exceed six per centum per annum, and time of payment of interest, as the Governor shall direct.

(b) All bonds issued under the authority of this act shall be signed by the Governor, under the great seal of the Commonwealth of Pennsylvania, and shall be countersigned by the State Treasurer and Auditor General.

(c) The principal and interest of such bonds shall be payable in lawful money of the United States. All bonds issued under the provisions of this act shall be exempt from taxation for State and local purposes.

(d) Such bonds may be issued with or without interest coupons attached. In case interest coupons are attached, they shall contain lithographed facsimile signatures of the State Treasurer and the Auditor General.

(e) When directed so to do by the Governor, the Auditor General and the State Treasurer shall proceed to have the necessary bonds prepared and printed. The bonds, as soon as they are prepared and printed, shall be forthwith deposited with the

State Treasurer, there to remain until sold in accordance with the provisions of this act.

(2 amended Feb. 16, 1921, P.L.3, No.1)

#### SALE OF BONDS.

Section 3. Whenever bonds are issued under the direction of the Governor, they shall be offered for sale at not less than par, and shall be sold by the Auditor General and State Treasurer to the highest and best bidder or bidders, after due public advertisement, on such terms and conditions and upon such open competitive bidding, as the Governor shall direct. The manner and character of such advertisements and the times of advertising shall be prescribed by the Governor.

Any portion of any bond issue so offered and not sold or subscribed for, may be disposed of otherwise by the Auditor General and the State Treasurer, in such manner, and at such prices not less than par, as the Governor shall direct. No commission shall be allowed or paid for the sale of any bonds issued under the authority of this act.

#### DISPOSITION AND USE OF PROCEEDS; APPROPRIATIONS.

Section 4. The proceeds realized from the sale of bonds under the provisions of this act shall be paid into the State Treasury, and shall be set apart and be kept in a separate fund, which shall be known as "The State Bond Road Fund."

All moneys in the State Bond Road Fund from time to time, are hereby specifically appropriated to the State Highway Department for the purpose of improving and rebuilding the highways of the Commonwealth.

The Auditor General shall, upon requisition from time to time of the State Highway Commissioner, draw his warrant upon the State Treasurer for the amounts specified in such requisitions not exceeding, however, the amount in such fund at the time of making such requisitions.

#### REGISTRATION OF BONDS.

Section 5. The Auditor General shall prepare the necessary registry books, to be kept in his office, for the registration of any bonds at the request of owners thereof. All bonds which are issued without interest coupons attached shall be registered in the registry books kept by the Auditor General.

#### DEPOSITS WITH STATE DEPOSITORIES.

Section 6. The State Treasurer, with the approval of the Governor and Auditor General, is authorized to deposit any of the moneys in the State Bond Road Fund, not requisitioned by the State Highway Department, in any of the qualified State depositories of the Commonwealth. All such deposits shall be secured in such manner, and shall be made upon such terms and conditions, as are now provided for by existing law relative to State deposits.

## INFORMATION TO GENERAL ASSEMBLY.

Section 7. It shall be the duty of the Governor, during the biennial sessions of the General Assembly, to give to the General Assembly full information in relation to the issuing of bonds under the provisions of this act, to enable the General Assembly to provide by appropriation the moneys necessary for the sinking fund of the Commonwealth for the payment of the interest on said bonds and the principal thereof at maturity.

## SINKING FUND. INVESTMENTS. REDEMPTION OF BONDS.

Section 8. All bonds issued under the authority of this act, shall be redeemed at maturity, and all interest due from time to time on such bonds shall be paid by the Sinking Fund Commission of the Commonwealth. For the specific purpose of redeeming said bonds at maturity and paying all interest thereon, and in accordance with the information received from the Governor as provided in section seven of this act, the General Assembly shall appropriate biennially the moneys necessary for the payment of the interest on said bonds and the principal thereof at maturity. All moneys so appropriated shall be paid into the sinking fund by the State Treasurer, and all of such moneys not necessary to pay accruing interest, shall be invested by the Sinking Fund Commission in such securities as are provided by law for the investment of the sinking funds of the Commonwealth.

The investments and such moneys and the accumulations thereon in the sinking fund shall be devoted to, and used exclusively for, the payment of the interest accruing on such bonds and their redemption at maturity: Provided, however, That the Sinking Fund Commission is authorized at any time to use any of such funds for the purchase and retirement of all or any part of the bonds issued under the authority of this act. In the event that all or any part of said bonds shall be purchased by the Sinking Fund Commission, they shall be cancelled, and returned into the State Treasury as cancelled and paid bonds, and thereafter all payments of interest thereon shall cease.

## REPORT OF STATE TREASURER.

Section 9. The State Treasurer shall, in his report, furnish to the General Assembly a detailed statement of the total amount of bonds, and the total amount of the proceeds thereof used by the State Highway Department to carry out the provisions of this act.

## APPROPRIATION.

Section 10. In order to defray all the necessary expenses connected with the issues of bonds authorized by the provisions of this act, the sum of fifty thousand dollars, or so much thereof as may be necessary, is hereby specifically appropriated. Payments from said appropriations shall be made on order of the Governor, by warrant of the Auditor General on the

State Treasurer.