

MUNICIPAL BONDS, REFUNDING PERMITTED

Act of Jan. 5, (1934) 1933, Special Session 1, P.L. 218, No. 51 Cl. 11
Special Session No. 1 of 1933
No. 1933-51

AN ACT

Authorizing counties, cities, boroughs, townships, incorporated towns, poor districts and school districts to issue bonds for the purpose of refunding or retiring outstanding bonds, and to exchange said new bonds for such outstanding bonds without payment of cash or public bidding, and limiting any compensation payable therefor.

Compiler's Note: Section 803 of Act 87 of 1941 provided that Act 51 is repealed except insofar as it relates to cities of the first class.

Section 1. Be it enacted, &c., That whenever any county, city, borough, incorporated town, township, poor district, or school district of this Commonwealth shall have issued bonds which have matured and remain unpaid, or which may hereafter mature and remain unpaid, or whenever any such county, city, borough, incorporated town, township, poor district or school district of this Commonwealth shall have issued bonds which have not matured but which the holders thereof have consented to surrender, it shall be lawful for such county, city, borough, incorporated town, township, poor district or school district, for the purpose of refunding or retiring such outstanding bonds either at, or subsequent to maturity, or in advance of maturity, where the holders of such outstanding bonds have consented to surrender the same, to issue new bonds, bearing interest not exceeding six per centum (6%) per annum, except in the case of bonds whose holders are willing to surrender the same in advance of maturity, in which case the new bonds shall bear interest at a rate not exceeding the rate of interest borne by the bonds to be refunded, and payable not more than twenty years from the date thereof, except in the case of cities of the first class where said bonds shall be payable not more than forty years from the date thereof, and to exchange such new bonds for such outstanding bonds: Provided, however, That the face value of the new bonds so authorized to be exchanged shall not exceed the face value of the outstanding bonds to be refunded or retired: And provided further, That such municipality shall not pay any compensation or commission for obtaining such exchanges in excess of one per centum (1%) of the face value of any new bonds actually exchanged as aforesaid.

(1 amended June 19, 1939, P.L.428, No.241)

Section 2. The provisions of any other law regulating the manner of the sale, or offering for sale, of bonds of any municipal subdivision, and especially any law requiring sale of bonds for cash and by public bidding, shall not apply to any bonds exchanged under the provisions of this act.

Section 3. Nothing in this act shall be construed as

compelling any holder or holders of outstanding bonds of any municipality of this Commonwealth to surrender the same in exchange for new bonds.