

**SECOND CLASS CITIES AUTHORIZED TO ISSUE NOTES**  
**Act of Jul. 12, 1935, P.L. 722, No. 284**  
AN ACT

Cl. 11

Authorizing cities of the second class to issue and sell short term promissory notes.

Section 1. Be it enacted, &c., That any city of the second class, shall have power to issue and sell negotiable short term promissory notes of the city, payable not more than three years from the date thereof, for the purpose of raising funds for any one or more of the following purposes: (a) To pay judgments against the city; (b) to pay claims for damages finally determined against the city in connection with municipal improvements; (c) to pay other items of floating indebtedness to the city; (d) to pay the engineering, architectural and other expenses incurred, or to be incurred in connection with contracts for municipal improvements; and (e) to pay for the construction of public improvements within the city and the preliminary expenses in connection therewith.

Section 2. Such notes shall be issued in the following manner: Council shall by ordinance authorize and direct the issuance of notes in a definite amount and for a stated purpose or purposes, which ordinance shall provide that bids for said notes will be received at two or more specified rates of interest, not exceeding five per centum per annum; notice of the sale of such notes shall be published for one insertion in at least two newspapers of general circulation in the city, at the time fixed by the advertisement, which shall not be earlier than the third calendar business day following said advertisement; the mayor and city controller shall receive and tabulate the bids, and shall award and sell the notes to the highest responsible bidder who shall offer to purchase the same at the lowest interest rate at which a bid or bids are received: Provided, however, That the notes shall be sold at not less than the face value thereof and accrued interest. The notes so issued, together with all other indebtedness of the city, other than indebtedness incurred with the assent of the electors, shall not exceed five per centum upon the assessed value of the taxable property therein, as fixed and determined by the last preceding assessed value thereof, without the assent of the electors duly obtained at a public election in the manner provided by law.

(2 amended Apr. 13, 1967, P.L.19, No.8)

Section 3. Unless the note or notes so sold are payable out of current revenues of the city, the ordinance, authorizing their issuance and sale, shall direct the proper officers of the city to prepare and file in the court of quarter sessions of the proper county, a statement in the manner and form required by law; and council shall by the ordinance, authorizing the issuance of said notes, levy taxes for the years during which said notes shall be outstanding, sufficient to pay the same at maturity, with the interest and State tax thereon. The said

notes, when issued, may be funded at any time by the issuance of bonds, as provided by law.

Section 4. When an increase of the indebtedness of the city, for a specific purpose, has been duly authorized in the manner required by law, the indebtedness so authorized, may first be incurred by the city by issuing, from time to time, as funds for the specific purpose are required, short term notes as hereinbefore provided; and the notes, so issued, shall thereafter be paid and funded out of the proceeds of bonds issued and sold for the authorized purpose.

Section 5. All acts or parts of acts inconsistent herewith are hereby repealed.