

CASUAL DEFICIENCY IN REVENUE LOAN NEGOTIATION

Act of Aug. 6, 1936, Special Session 1, P.L. 94, No. 38 Cl. 71

AN ACT

Authorizing the Commonwealth to negotiate a loan of one million dollars to meet any casual deficiency in revenue during the biennial fiscal period ending the thirty-first day of May, one thousand nine hundred thirty-seven, in accordance with the provisions of section four of article nine of the Constitution of Pennsylvania; defining the powers and duties of the Governor, the Auditor General, and State Treasurer in relation thereto; and providing for the payment of interest on and the repayment of such loan.

WHEREAS, Section four, article nine of the Constitution of Pennsylvania provides--

"No debt shall be created by or on behalf of the State, except to supply casual deficiencies of revenue, repel invasion, suppress insurrection, defend the State in war, or to pay existing debt; and the debt created to supply deficiencies in revenue shall never exceed, in the aggregate at any one time, one million dollars: Provided, however, That the General Assembly, irrespective of any debt, may authorize the State to issue bonds, to the amount of one hundred millions of dollars, for the purpose of improving and rebuilding the highways of the Commonwealth"; and

WHEREAS, The present special session of the General Assembly has, or is about to appropriate the sum of fifty million five hundred thousand dollars (\$50,500,000) for unemployment relief and other purposes, and has provided certain new revenues of the Commonwealth to meet such appropriations; and

WHEREAS, In order that funds may be supplied to meet the aforesaid appropriations in the event that a casual deficiency in revenue shall occur, it is necessary to provide a method for the creation of a debt on behalf of the Commonwealth within the limitations of section four, article nine of the Constitution aforesaid.

Section 1. Be it enacted, &c., That the Governor, the Auditor General, and the State Treasurer on behalf of the Commonwealth are hereby authorized, from time to time, prior to the thirty-first day of May, one thousand nine hundred thirty-seven, to borrow on the credit of the Commonwealth of Pennsylvania, such sum or sums of money, not to exceed one million dollars (\$1,000,000), as may be necessary to meet casual deficiencies of revenue during the biennial fiscal period ending the thirty-first day of May, one thousand nine hundred thirty-seven.

Section 2. (a) Such loan shall be evidenced by written obligations of the Commonwealth maturing not later than the thirty-first day of May, one thousand nine hundred thirty-nine. Such obligations shall be issued, from time to time, for such total amount (not in excess of one million dollars \$1,000,000), in such sums, in such form, and subject to such terms and conditions, rates of interest (not in excess of four and one-half per centum (4½%) per annum), and time of payment of interest as the Governor, the Auditor General, and the State Treasurer shall determine.

(b) All obligations issued under the authority of this act shall bear the signatures of the Governor, the Auditor General, and the State Treasurer, and the Great Seal of the Commonwealth.

(c) All obligations and the interest thereon issued under the authority of this act shall be payable in lawful money of the United States.

(d) All obligations issued under the authority of this act shall be exempt from taxation for State and local purposes.

Section 3. The proceeds, derived from the negotiation of loans under the provisions of this act, shall be paid into the General Fund of the State Treasury, and shall be available for the payment of any appropriation made from such fund.

Section 4. Whenever in this act any action is to be taken or decision made by the Governor, the Auditor General, and the State Treasurer, and the three officers shall not be able unanimously to agree, the action or decision of the Governor, and either the Auditor General or State Treasurer shall be binding and final.

Section 5. The Governor shall in the budget to be submitted to the General Assembly of the Session of 1937 make provision for the payment of principal and interest of the loans negotiated under the provisions of this act.

Section 6. The provisions of this act are severable, and if any of its provisions shall be held to be unconstitutional, the decision of the court shall not affect or impair any of the remaining provisions of this act. It is hereby declared to be the legislative intent that this act would have been adopted had such unconstitutional provisions not been included herein.