

**PROVIDING BONDS FOR PUBLIC BUILDING**  
**Act of Jun. 28, 1947, P.L. 1062, No. 455**  
AN ACT

Cl. 72

Providing for the issuance and sale of bonds by the Commonwealth of Pennsylvania for the construction of public buildings; for anti-stream pollution projects and for flood control projects; creating a special fund in the State Treasury to be known as the Public Buildings Construction Fund; defining the powers and duties of the Governor, the Auditor General, the State Treasurer and the Board of Finance and Revenue in relation thereto; providing for the payment of interest on and the redemption of such bonds; and making appropriations.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Pursuant to the adoption by the people at the municipal election held in November, one thousand nine hundred forty-five of an amendment to article nine of the Constitution of Pennsylvania which reads as follows:

"Section 21. In addition to the purposes stated in article nine, section four of this Constitution, the Commonwealth may be authorized by law to create debt and to issue bonds to the amount of fifty million dollars (\$50,000,000) for the construction of public buildings, highways, drainage and sanitary systems, anti-stream pollution and flood control projects for purposes of reforestation, and for the rehabilitation and hospitalization of war veterans," the Governor, the Auditor General and the State Treasurer, in accordance with the provisions thereof, and on the credit of the Commonwealth of Pennsylvania, are hereby authorized and directed, from time to time, to borrow such sum or sums of money, not exceeding in the aggregate, the sum of fifty million dollars (\$50,000,000) as may be deemed necessary to carry out the purposes of said amendment and statutes passed in conformity therewith.

Section 2. Bonds; Issue; Maturity; Interest; Et Cetera.--

(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 form, in such denominations and subject to such terms and conditions of issue, redemption and maturity, rate of interest, not to exceed six per centum (6%) per annum, and time of payment of interest as the Governor, Auditor General and State Treasurer shall direct.

(b) All bonds issued under the authority of this act shall bear the facsimile signatures of the Governor, Auditor General, the State Treasurer and a facsimile of the great seal of the Commonwealth of Pennsylvania and shall be countersigned by two duly authorized officers of the duly authorized loan and transfer agent of the Commonwealth.

(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 facsimile signatures of the State Treasurer and the Auditor General.

(e) 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 duly authorized loan and transfer agent of the Commonwealth, there to remain until sold in accordance with the provisions of this act.

Section 3. Sale of Bonds.--Whenever bonds are so issued they shall be offered for sale at not less than par and accrued interest and shall be sold by the Governor, 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, Auditor General and State Treasurer shall direct. The manner and character of such advertisement and the time of advertising shall be prescribed by the Governor, the Auditor General and the State Treasurer.

Any portion of any bond issue so offered and not sold or subscribed for may be disposed of by private sale by the Governor, the Auditor General and the State Treasurer in such manner and at such prices, not less than par and accrued interest, 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.

Section 4. Disposition and Use of Proceeds.--The proceeds realized from the sale of bonds under the provisions of this act shall be paid into the State Treasury and deposited in a special fund to be known as the Public Buildings Construction Fund, which is hereby created, and shall be used for the payment of the cost of the construction of public buildings, for anti-stream pollution projects and for flood control projects, as provided for in the constitutional amendment, hereinbefore cited, and in legislation passed in conformity therewith.

Section 5. Registration of Bonds.--The Auditor General shall prepare the necessary registry books to be kept in the office of the duly authorized loan and transfer agent of the Commonwealth 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 duly authorized loan and transfer agent of the Commonwealth.

Section 6. Information to General Assembly.--It shall be the duty of the Governor, during the biennial sessions of the General Assembly, to give to the General Assembly full information relating to the issuance of bonds under the provisions of this act, to enable the General Assembly to provide, by appropriation, any moneys necessary for the sinking fund of the Commonwealth for the payment of the interest on said bonds and the principal thereof at maturity.

Section 7. Public Buildings; Construction; Sinking Fund; Investments; Redemption of Bonds.--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 from the Public Buildings Construction Sinking Fund. For the specific purpose of redeeming said bonds at maturity and paying all interest thereon, the General Assembly shall appropriate biennially the moneys necessary to pay the interest on said bonds and the principal thereof at maturity. All moneys so appropriated shall be paid into the Public Buildings Construction Sinking Fund by the State Treasurer. All of such moneys not necessary to pay accruing interest shall be invested by the Board of Finance and Revenue 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 be used exclusively for the payment of the interest accruing on such bonds and their redemption at maturity. The Board of Finance and Revenue 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 Board of Finance and Revenue, they shall be canceled and returned to the State Treasurer as canceled and paid bonds, and thereafter all payments of interest thereon shall cease and the canceled bonds and coupons shall be destroyed within two years after cancellation, in the presence of the Governor, the Auditor General and the State Treasurer. A certificate, evidencing the destruction, satisfactory to the duly authorized loan and transfer agent of the Commonwealth shall be furnished to it. All canceled bonds and coupons shall be so marked as to make the canceled bonds and coupons non-negotiable.

Section 8. Present Biennium; Requirements.--The Board of Finance and Revenue shall determine the amount of money necessary for the payment of interest on the bonds and the principal thereof, if any, for the two fiscal years beginning June first, one thousand nine hundred forty-seven, and the times and amounts of such payments, and the amount so determined shall be transferred from the Public Buildings Construction Fund to the Public Buildings Construction Sinking Fund, and for such purpose, as much of the money in the Public Buildings Construction Fund, as may be necessary, is hereby appropriated. Should the moneys in the Public Buildings Construction Fund, for any reason, not be available for the payment of interest on the bonds or the principal thereof, if any, the funds necessary for such purpose are hereby appropriated from the General Fund, and whenever any moneys are transferred from the Public Buildings Construction Fund for the payment of said interest on and principal of said bonds and such moneys are needed for the payment of the construction of public buildings, for anti-stream pollution projects and for flood control projects, as provided by law, there is hereby appropriated from the General Fund, a sum sufficient to restore to the Public Buildings Construction Fund the moneys so transferred.

Section 9. Quorum.--Whenever, in this act, a new 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, except that it shall be the mandatory duty of the Governor, the Auditor General and the State Treasurer to issue bonds to provide funds for the construction of public buildings, when the Secretary of Property and Supplies, with the approval of the Governor, shall decide to do so.

Section 10. Appropriation.--The sum of twenty-five thousand dollars (\$25,000), or so much thereof as may be necessary, is hereby specifically appropriated for the purpose of providing such bonds for the payment of the cost of advertising the same and for all other costs and expenses in connection with the issue, sale and registration of said bonds. Payments from said appropriation shall be made by requisition of the Auditor General, after approval of vouchers by the Governor, Auditor General and State Treasurer.

Section 10.1. Transfer of Funds.--The balance of all funds remaining in the Public Building Construction Fund are hereby transferred into the Public Building Construction Sinking Fund and the Public Building Construction Fund is hereby abolished. After payment from the Public Building Construction Sinking Fund of all bonds, interest and any other claims against the Public Building Construction Sinking Fund, any moneys remaining in said fund shall be transferred, with the approval of the Governor, to the General Fund and the Public Building Construction Sinking Fund shall be abolished.

(10.1 added June 24, 1976, P.L.421, No.99)

Section 11. Effective Date.--This act shall become effective immediately upon final enactment.