

AN ACT AUTHORIZING THE PROVINCE OF ILOILO TO ISSUE BONDS FOR THE PURPOSE OF PROVIDING FUNDS FOR THE CONSTRUCTION OF CEMENT ROADS THEREIN AND AUTHORIZING ALSO A NATIONAL GOVERNME...

REPUBLIC ACT NO. 3077, June 17, 1961

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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The Provincial Government of Iloilo is authorized to negotiate a loan in the sum or sums of not more than ten million pesos for the construction of cement roads therein. At the request of and in accordance with a resolution duly approved by the Provincial Board of the Province of Iloilo, the necessary bonds for said loan or loans shall be issued by the President of the Philippines who is authorized to issue the same in the name and behalf of the said province.

The bonds shall be issued in such amount as will be needed at any one time taking into account the fund requirements of the projects ready for execution.

The Secretary of Finance, in consultation with the Monetary Board, shall prescribe the form, the rate of interest which shall not exceed five per cent, the denomination, maturities, negotiability, convertibility, call and redemption features, and all other terms and conditions of issuance, placement, sale, servicing, redemption, and payment of the said bonds.

The bonds issued under the authority of this section may be made payable both as to principal and interest in Philippine currency or in United States currency. Such bonds shall be exempt from taxation, including the tax and the margin charge on foreign exchange, by the Government of the Republic of the Philippines or by any political or municipal subdivision thereof, which fact shall be stated on their face, and shall likewise be exempt from attachment, execution or seizure.

SEC. 2. The President of the Philippines is authorized to convey and transfer said bonds to the Republic of the Philippines for a consideration, charging the same to the net proceeds of the sale of bonds of the Republic of the Philippines issued in equivalent amount as provided in Section three hereof, and to deposit the proceeds of said conveyance with the Treasurer of the Philippines. The said proceeds of the conveyance to the National Government of the said bonds shall be credited by the Treasurer of the Philippines to the "Cement Roads Bond Fund, Province of Iloilo" and be withdrawn only for the purposes set forth in this Act in accordance with resolutions of the Provincial Board of Iloilo.

SEC. 3. The President of the Philippines is authorized to issue in the name and on behalf of the Republic of the Philippines bonds to the amount not exceeding ten million pesos for a term of thirty years secured by the bonds of the Province of Iloilo herein authorized and conveyed and transferred to the National Government as provided in Sections one and two hereof. The Secretary of Finance, in consultation with the Monetary Board, shall prescribe the form, the rate of interest, the denominations, maturities, negotiability, convertibility call and redemption features, and all other terms or conditions of issuance, placement, sale, servicing, redemption, and payment of all

bonds issued under the authority of this section. The bonds issued under the authority of this section may be made payable as to principal and interest in Philippine currency or United States currency. The bonds to be issued under this section shall be exempt from taxation, including the tax and margin charge on foreign exchange, by the Government of the Republic of the Philippines or by any political and municipal subdivision thereof, which fact shall be stated on their face, and shall likewise be exempt from attachment, execution or seizure.

SEC. 4. The proceeds of the sale of the National Government bonds authorized to be issued herein is hereby appropriated for the payment of the bonds issued by the Province of Iloilo and conveyed and transferred on security for the National Government bonds above-mentioned in accordance with Sections one and two hereof.

SEC. 5. A sinking fund is hereby created for the payment of the National Government bonds issued under the provisions hereof in such manner that the total contributions thereto, accrued as at such rate of interest as may be determined by the Secretary of Finance in consultation with the Monetary Board, shall be sufficient to redeem at maturity the said bonds. The said fund shall be under the custody of the Central Bank of the Philippines which shall invest the same in such manner as the Monetary Board may approve; shall charge all expenses of such investment to the said sinking fund, and shall credit the same with the interest on investments and other incomes belonging to it.

SEC. 6. Cement roads projects financed under the provisions hereof, may or may not be self-liquidating projects, but any loan or loans contracted by the Province of Iloilo under the provisions hereof shall be payable from tolls or charges imposed by the Provincial Board of Iloilo for the use of self-liquidating projects constructed under the provisions hereof, and the Province of Iloilo is hereby authorized to continue collecting such tolls or charges until all the loans contracted by it under the provisions hereof shall have been fully paid.

SEC. 7. A standing annual appropriations is hereby made out of any general funds in the National Treasury in such amount as may be necessary to provide for the sinking fund created herein and for the interest on bonds issued by the National Government by virtue hereof. A further appropriation is hereby made out of any general funds in the National Treasury in such sum as may be necessary to cover the expenses of the issue and sale of the National Government and Iloilo Provincial Government bonds authorized herein: Provided, however, That the sum necessary to cover the expenses of the issue and sale of such bonds shall be paid by the Province of Iloilo.

SEC. 8. The Secretary of Finance, or the Central Bank of the Philippines acting as its agent, may purchase such materials and equipment and may order the printing, engraving, advertising, soliciting, shipping or the rendering of any other service which he considers necessary to the successful issuance, placement, sale, service, redemption or payment of the National Government bonds issued hereunder.

SEC. 9. All income derived from the use of cement roads constructed under the provisions hereof, shall be credited to a special fund which may be used only for the following purposes in the order herein stated: (1) for the payment of the reimbursements made by the National Government for the bonds herein authorized to be issued; (2) for the operation and maintenance of the cement roads constructed under the provisions hereof; and (3) for the expansion and improvements of such cement roads.

SEC. 10. This Act shall take effect on January 1, 1962.

Approved, June 17, 1961.

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