

AN ACT AUTHORIZING THE MUNICIPALITY OF ILOILO IN THE PROVINCE OF ILOILO TO ISSUE BONDS FOR THE PURPOSE OF PROVIDING FUNDS TO CONSTRUCT NECESSARY SEWER FACILITY IN SAID MUNICIPAL...

Acts No. 4205, July 25, 1935

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Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. Pursuant to the provisions of section eleven of the Act of Congress approved August twenty-ninth, nineteen hundred and sixteen, entitled "An Act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those Islands," as amended by the Acts of Congress approved May thirty-first, nineteen hundred and twenty-two and March twenty-fourth, nineteen hundred and thirty-four, the municipality of Iloilo in the Province of Iloilo is hereby authorized to negotiate a loan in the sum of three hundred and fifty thousand pesos to be used for the construction of necessary sewer facility in the said municipality. At the request of the municipal council of Iloilo, and on the recommendation of the Secretary of Finance, the necessary bonds for said loan shall be issued by the Governor-General of the Philippine Islands, who is hereby authorized to issue the same in the name and behalf of said municipality. The bonds so authorized shall be issued in convenient denominations, in registered form, and shall be registered and transferable and payable in the Office of the Insular Treasurer in Manila. They shall have the same date, bear interest at the same rate, and be payable at the same time as the bonds of the Government of the Philippine Islands authorized to be issued in section three of this Act: Provided, however, That the interest rate on said bonds shall not be in excess of five per centum per annum.

SEC. 2. The Governor-General is further authorized to convey and transfer said bonds to the Government of the Philippine Islands for a consideration, charging the same to the net proceeds of the sale of bonds of the Government of the Philippine Islands issued in an equivalent amount, as provided in section three of this Act, and to deposit the proceeds of said conveyance with the Treasury of the Government of the Philippine Islands. The proceeds of the conveyance to the Insular Government of said bonds shall be credited by the Insular Treasurer to the "Public Works Bond Fund, Municipality of Iloilo" and be withdrawn only for the purpose set forth in this Act, by order of the Secretary of Finance.

SEC. 3. The Governor-General is hereby authorized to issue in the name and behalf of the Government of the Philippine Islands, bonds to the amount of three hundred and fifty thousand pesos for a term of thirty years, secured by the bonds of the municipality of Iloilo herein authorized and conveyed and transferred to the Insular Government as provided in sections one and two of this Act. The Governor-General shall determine the form of the Insular bonds, payment of interest, the date of issue thereof, and the rates and dates of payment of the interest thereon, which rate shall not be in excess of five per centum per annum. The Insular bonds may be coupon bonds or registered bonds, in the discretion of the Governor-General, and shall be registered in the Treasury of the Philippine Islands, where the principal and interest shall be payable in Philippine currency or its equivalent in

United States currency, in the discretion of the Insular Treasurer. The Governor-General is further authorized to sell said Insular bonds in the Philippine Islands, only at public auction through the Insular Treasurer, upon such terms and conditions as in his judgment are most favorable to the Government of the Philippine Islands, and he shall deposit the proceeds of the sale thereof with the Treasury of the Philippine Islands, to the credit of the Insular Treasury.

SEC. 4. The proceeds of the sale of the Insular bonds authorized to be issued by this Act are hereby appropriated for the payment of the bonds issued by the municipality of Iloilo and conveyed and transferred as security for the Insular bonds above mentioned, in accordance with sections one and two of this Act.

SEC. 5. The Insular and municipal bonds hereby authorized to be issued shall be exempt from taxation by the Government of the Philippine Islands or of any political or municipal subdivision thereof, which fact shall be stated upon their face by virtue of section one of the Act of Congress approved February sixth, nineteen hundred and five, according to which Act, as well as in accordance with the Act of Congress approved on August twenty-ninth, nineteen hundred and sixteen, as amended, and in accordance with this Act, the said bonds are issued.

SEC. 6. A sinking fund is hereby created for the payment of the Insular bonds issued under the provisions of this Act, in such a manner that the total amount thereof at each annual due date of the bond issued shall be equal to the total of an annuity of nineteen hundred and thirty-seven pesos and thirteen centavos for each one hundred thousand pesos of bonds outstanding, accrued at the rate of interest of three and one-half per centum per annum. Said fund shall be under the custody of the Treasurer of the Philippine Islands who shall invest the same, in such manner as the Secretary of Finance may approve, in accordance with the provisions of Act Numbered Three thousand and fourteen which governs the investment of sinking funds, shall charge all the expenses of such investment to said sinking fund, and shall credit to the same the interest on investments and other income belonging to it.

SEC. 7. A standing annual appropriation is hereby made out of any general funds in the Insular Treasury, of such sums as may be necessary to provide for the sinking fund created in section six and for the interest on the Insular bonds issued by virtue of this Act. A further appropriation is hereby made out of the general funds in the Insular Treasury not otherwise appropriated, of a sufficient sum to cover the expenses of the issue and sale of the Insular and municipal bonds authorized by this Act. The Insular Government shall be reimbursed by the municipality of Iloilo for the sums so disbursed for the sinking fund, interest, and expenses of the issue and sale of the bonds, within thirty days after payment of said expenses by the Insular Government out of the general fund of the municipality. In case the municipal council of Iloilo shall fail to make such reimbursement, the Collector of Internal Revenue and the provincial treasurer of the Province of Iloilo are hereby authorized and directed, any provisions of existing law to the contrary notwithstanding, to withhold from the revenues of the said municipality that may come into their possession an amount sufficient to make the reimbursement or any other reimbursement above provided, and shall deposit said sum with the Treasurer of the Philippine Islands, to the credit of the general funds of the Insular Government.

SEC. 8. The Director of Public Works shall have charge and exclusive control of all work to be done and improvements to be made under the provisions of this Act, which works shall be begun as soon as the Insular Treasurer shall certify that the funds herein provided for are available.

SEC. 9. Until the bonds shall have been fully paid and until the Legislature shall provide otherwise, the administration, control, operation, maintenance, and improvement of the sewerage system established with the proceeds of the sale of the bonds authorized by this Act shall be vested in the Provincial Board of Iloilo and a

sewerage board of this province, composed of the provincial treasurer of Iloilo, who shall be chairman of the board, and the district health officer and district engineer who shall be members. Said Provincial Board of Iloilo shall exercise its powers and authority and the sewerage board hereby created shall Perform its functions in accordance with the regulations made or that may, in the future, be made jointly by the Director of Health and the Director of Public Works, with the approval of the Secretary of Public Instruction and the Secretary of Public Works and Communications. All income derived from the sewerage system shall be credited to a special fund which may be used, with the approval of the Provincial Board of Iloilo only for the following purposes, in the order stated: First, for the payment of the reimbursement mentioned in section seven of this Act; second, for the operation and maintenance of the sewerage system; third, for the improvement and extension of the system, provided that the plans therefor have been duly approved by the Director of Public Works; and fourth, in case there is a surplus of the receipts not required for said purposes, said surplus may be used for the general purposes of the municipality of Iloilo.

SEC. 10. This Act shall take effect on its approval.

Approved, July 25, 1935.

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