

AN ACT TO AMEND ACT NUMBERED TWENTY-EIGHT HUNDRED AND NINETY-FOUR, ENTITLED "AN ACT GRANTING AUTHORITY TO PROVINCES, MUNICIPALITIES, AND CHARTERED CITIES TO INCUR INDEBTEDNESS A...

Act No. 2950, February 19, 1921

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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. Act Numbered Twenty-eight hundred and ninety-four, entitled "An Act granting authority to provinces, municipalities, and chartered cities to incur indebtedness and issue bonds covering the same, under certain conditions," is hereby amended to read as follows:

"SECTION 1. Provincial and municipal governments and chartered cities are hereby authorized, subject to the recommendation of the Secretary of Finance and the approval of the Council of State, to incur indebtedness and issue their bonds covering the same, in such sums that the total of outstanding obligations of the province, municipality or city shall not be in excess of seven per centum of the aggregate tax valuation of its property at any one time, for the purpose of acquiring or constructing such permanent improvements as may be necessary or advisable in the public interest. The bonds thus issued shall be subject to the following conditions:

"(a) The Governor-General, in the name and on behalf of the province, municipality or city concerned, shall issue the bonds authorized on the date designated by the Council of State and shall sell the same at public auction, through the Bureau of Insular Affairs or the Insular Treasurer, on such terms as are most favorable to the Government, upon not less than ten days' notice.

"(b) The bonds so authorized shall be payable not less than twenty nor more than thirty years after date of issue, as the Council of State may determine, and shall bear interest at an annual rate which shall be determined by the Council of State, payable quarterly. Both principal and interest shall be payable in gold coin of the United States or its equivalent, in the discretion of the Insular Treasurer at Manila, if the bonds are sold in the Philippine Islands, or in gold coin of the United States at the United States Treasury, if sold in the United States.

"(c) The bonds thus authorized shall be coupon or registered bonds in denominations of one hundred pesos or any multiple thereof, as the Governor-General may determine, in proportions to suit the purchasers thereof, and shall be registered and transferable at the office of the Insular Treasurer at Manila, or in the United States Treasury in Washington, as the case may be: Provided, That at the request of the purchaser, the coupon bonds may be converted into registered bonds, and vice versa, at the office of the Insular Treasurer or in the Treasury of the United States, as the case may be.

"(d) The proceeds of the sale of said bonds shall be placed by the Insular Treasurer to the credit of the public improvements for which they were issued and shall only be withdrawn therefrom by appropriation by the province, municipality or city concerned with the approval of the Secretary of the Interior.

"(e) Commencing with the fiscal year of the issue of the bonds and each succeeding year thereafter until said

bonds shall be fully paid, an annual appropriation shall be made, which is hereby authorized to be paid out of any funds in the Insular Treasury not otherwise appropriated, of such sums as may be necessary to defray the annual interest payments on the bonds issued, and to constitute the sinking fund herein provided for.

"(f) A sinking fund shall be created for the payment of the bonds issued, the annuity for which shall be fixed by the Council of State in such manner that the accumulated annuities at a rate of interest also to be fixed by said Council of State, shall be equal to the total amount of the bonds issued upon their due date. The annuity and rate of interest so fixed shall not be changed after the sale of the bonds. The sinking fund provided for in this paragraph shall be under the custody of the Insular Treasurer, who shall invest the same in such manner as may be approved by the Secretary of Finance.

"(g) The expenses incidental to the issue and sale of the bonds so authorized, and the payment of the interest and sinking fund shall be reimbursed by the province, municipality or city concerned within thirty days after such payments shall have been made. In case such reimbursement is not made, the Collector of Internal Revenue and the proper provincial treasurers are hereby authorized and directed to withhold from the revenues of the delinquent province, municipality or city that may come to their possession an amount sufficient to make the reimbursement as above provided, and shall deposit said sum with the Insular Treasurer."

SEC. 2. This Act shall take effect on its approval.

Approved, February 19, 1921.

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