

AN ACT AUTHORIZING THE MUNICIPALITY OF CALBAYOG, PROVINCE OF SAMAR, TO ISSUE BONDS FOR THE PURPOSE OF RAISING FUNDS FOR THE CONSTRUCTION OF A MUNICIPAL WATERWORKS SYSTEM OR OTHE...

Act No. 3603, December 02, 1929

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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-nine, 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 Act of Congress approved May thirty-one, nineteen hundred and twenty-two, the municipality of Calbayog, Province of Samar, is hereby authorized to negotiate a loan in the sum of one hundred thousand pesos to be used for the construction of a municipal waterworks system in the said municipality: Provided, That, if for any reason, it shall not be necessary to use the sum above mentioned in its entirety, the unexpended balance thereof shall be used for the construction of such permanent improvements as the municipal council of Calbayog may designate, subject to the approval of the Governor-General.

The Governor-General of the Philippine Islands is hereby authorized to issue the necessary bonds for said loan at the request of the municipal council of Calbayog and in the name and on behalf of the 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 at 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.

SEC. 2. The Governor-General is further authorized to assign 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 the bonds of the Government of the Philippine Islands issued in an equivalent amount as provided in section four of this Act, and to deposit the proceeds of said assignment in an authorized depository of the Government of the Philippine Islands. The proceeds of the assignment to the Insular Government of said bonds shall be applied by the Insular Treasurer to the payment of the outstanding indebtedness of the municipality of Calbayog herein mentioned to the Insular Government and the balance shall be credited to the Public Works Bond Issue Fund of the said municipality which shall be transferred to the provincial treasurer of Samar and be used only for the purposes set forth in this Act.

SEC. 3. The Secretary of War is hereby authorized to issue in the name and on behalf of the Government of the Philippine Islands, bonds to the amount of fifty thousand dollars, United States currency, for a term of thirty years, secured by the bonds of the municipality of Calbayog herein authorized and assigned and transferred to the Insular Government as provided in sections one and two of this Act. The Secretary of War shall determine the form and dates of the insular bonds and the rate and dates of payment of the interest thereon which shall not be in

excess of five per centum per annum. The insular bonds may be coupon bonds or registered bonds convertible in the discretion of the Secretary of War, into either form and shall be registered in the Treasury of the United States where the principal and interest shall be payable in gold coin of the United States.

The Secretary of War is further authorized to sell said insular bonds 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 in an authorized depository or depositories of the Government of the Philippine Islands in the United States to the credit of the Treasurer of the Philippine Islands.

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 Calbayog and assigned and transferred as security for the aforesaid Insular Government bonds in accordance with sections one and two of this Act.

SEC. 5. The insular and municipal bonds herein authorized to be issued shall be exempt from taxation by the Government of the United States, by the Government of the Philippine Islands or any political or municipal subdivision thereof, or by any state or territory of the United States, or by any country, municipality or other municipal subdivision or any state or territory of the United States or by the District of Columbia, which fact shall be stated upon their face by virtue of section one of the Act of Congress approved February six, nineteen hundred and five, according to which Act as well as in accordance with the Act of Congress approved on August twenty-nine, 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 manner that the total amount thereof at each annual due date of the bond issue shall be equal to the total of an annuity of nineteen hundred 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 governing the investment of sinking funds; shall charge all the expenses on such investment to said sinking funds, 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 the general funds in the Insular Treasury, not otherwise appropriated of such sums as may be necessary to provide for the sinking fund created in section six hereof 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 Calbayog 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. In case the municipal council of Calbayog shall fail to make such reimbursement, the Collector of Internal Revenue, the provincial treasurer of Samar, and the municipal treasurer of Calbayog are hereby authorized and directed, any provisions of existing law to the contrary notwithstanding, to withhold from the revenues of said municipality that may come into its possession an amount sufficient to make said 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 of the Philippine Islands shall have charge and exclusive control of all work to be done and improvements to be made under the provisions of this Act, which work 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 waterworks established with the proceeds of the sale of the bonds authorized by this Act shall be vested in the municipal council of Calbayog and a waterworks board composed of the provincial treasurer of Samar who shall be chairman of the board and the district health officer and district engineer of the same province who shall be members. Said municipal council of Calbayog shall exercise its powers and authority and the waterworks board hereby created shall perform its functions in accordance with the regulations made or that may in the future be made jointly by the Chief of the Executive Bureau and the Director of Public Works, with the approval of the Secretary of the Interior and the Secretary of Commerce and Communications. All income derived from the waterworks shall be credited to a special fund which may be used, with the approval of the municipal council of Calbayog, for the following purposes in the order stated: First, for the payment of the reimbursements mentioned in section seven of this Act; second, for the operation and maintenance of the waterworks; third, for the improvement and extension of the system, provided the plans therefor have been approved by the Director of Public Works; and fourth, in case there is a surplus of the receipts not required for said purposes, such surplus may be used for the general purposes of said municipality.

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

Approved, December 2, 1929.

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