

[Act No. 2950, February 19, 1921]

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 AND ISSUE BONDS COVERING THE SAME, UNDER CERTAIN CONDITIONS."

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