

NOTE.—Provision is made by section 56 for the adjustment of debts when an addition is made to a village, town or city, but if any portion of a township should be added to another township municipality, the "addition" would be relieved from previous indebtedness.

55. In the case of the erection of a locality into an incorporated village, or of a village into a town, or of a town into a city, the village, town or city shall remain subject to the debts and liabilities to which the locality was previously liable, in like manner as if the same had been contracted or incurred by the new municipality; and, after the separation of a county or township from a union, each county or township which formed the union shall remain subject to the debts and liabilities of the union, as if the same had been contracted or incurred by the respective counties or townships of the union after the dissolution thereof. 46 V. c. 18, s. 55.

NOTE.—The intention of this section is similar to that of section 53.

56. After an addition has been made to a village, town or city by the annexation of an adjoining village or town, or adjoining portion of the township, the city, town or village whose limits shall have been so extended, shall pay to the township or county from which the additional territory has been taken such part, if any, of the debts of the township or county as may be just, and shall be entitled to receive from and be paid by the township or county the value of the interest which the added territory had at the time of making such addition in the property and assets of the township or county, and in case the council do not, within three months after the first meeting of the council of the municipality to which the addition has been made, agree to the sum to be paid or received as aforesaid, or as to the time of payment, the matter shall be settled by arbitration under this Act. 48 V. c. 39, s. 2.

NOTE.—The "additional territory" would still be liable for previous debenture debts. See note to sections 22 and 24.

(2) When any improvement, work or service coming under the provisions of sections 569 to 630, both inclusive, of this Act, and amending Acts, shall have been under-