§ 768. Debts, liabilities and obligations. 1. All valid and lawful debts and liabilities existing against a consolidated local government entity, or which may thereafter arise or accrue against the consolidated local government entity, which but for consolidation would be valid and lawful debts or liabilities against one or more of the component local government entities, shall be deemed and taken to be like debts against or liabilities of the consolidated local government entity and shall accordingly be defrayed and answered to by it to the same extent, and no further than, the component local government entities would have been bound if no consolidation had taken place.

2. The rights of creditors and all liens upon the property of any of the component local government entities of a consolidation shall be preserved unimpaired. The respective component entities shall be deemed to continue in existence to preserve such rights and liens, and all debts, liabilities and duties of any of the component entities shall thenceforth attach to the consolidated local government entity and be enforced against it to the same extent as if such debts, liabilities and duties had been incurred or contracted by the consolidated local government entity.

3. All bonds, contracts and obligations of the component entities which exist as legal obligations shall be deemed like obligations of the consolidated local government entity, and all such obligations as are authorized or required to be issued or entered into shall be issued or entered into by and in the name of the consolidated local government entity.