WEST VIRGINIA CODE: §13-2A-8

§13-2A-8. Security for payment; prior issues not impaired.

The refunding bonds shall be special obligations of the public body and shall be payable from and secured by a lien upon the revenues of the enterprise, as shall be more fully described in the resolution or resolutions of the governing body authorizing the issuance of the refunding bonds, having due regard to the cost of operation and maintenance of the enterprise and the amount or proportion, if any, of the revenues of the enterprise previously pledged, and any public body shall have power by resolution of its governing body to pledge for the security of the refunding bonds a fixed amount without regard to any fixed proportion of the gross revenues of the enterprise.

As additional security for any issue of refunding bonds hereunder, or any part thereof, any public body shall have power, and is hereby authorized to, by resolution of its governing body, confer upon the holders of the refunding bonds all rights, powers and remedies which said holders would be entitled to if they were the owners and had possession of the notes, bonds or other obligations for the refinancing of which such refunding bonds shall have been issued, including, but not limited to, the preservation of the lien of such notes, bonds or other obligations without extinguishment, impairment or diminution thereof. In the event any public body exercises the power conferred by this paragraph, each refunding bond shall contain a recital to the effect that the holder thereof has been granted the additional security provided by this paragraph and each note, bond, certificate or other obligation of the public body to be refinanced by any such refunding bonds, shall be kept intact and shall not be cancelled or destroyed until the refunding bonds, and interest thereon, have been finally paid and discharged, but shall be stamped with a legend to the effect that such note, bond, certificate or other obligation has been refunded pursuant to the Revenue Bond Refinancing Act of One Thousand Nine Hundred Thirty-Seven.

All refunding bonds of the same issue shall be equally and ratably secured, without priority by reason of number, date of bonds, of sale, of execution or of delivery, by a lien upon the revenues of the enterprise in accordance with the provisions of this section and the resolution or resolutions authorizing the issuance of such refunding bonds.

Nothing in this section or in any other section of this article shall be deemed in any way to alter the terms of any agreements made with the holders of any outstanding notes, bonds, or other obligations of the public body, or to authorize the public body to alter the terms of any such agreements, or to impair, or to authorize the public body to impair, the rights and remedies of any creditors of the public body.

Nothing in this section or in any other section of this article shall be deemed in any way to authorize any public body to do anything in any manner or for any purpose which would result in the creation or incurring of a debt or indebtedness or the issuance of any instrument which would constitute a bond or debt within the meaning of any provision,

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limitation, or restriction of the Constitution relating to the creation or incurring of a debt or indebtedness or the issuance of an instrument constituting a bond or a debt.

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