

WEST VIRGINIA CODE: §13-2H-6

§13-2H-6. Issuance of lottery revenue bonds by board of education.

(a) A board of education may issue and deliver lottery revenue bonds secured by lottery revenues to finance or refinance public projects. The board of education may issue lottery revenue bonds of the school district as provided in this section to finance or refinance all or part of a public project and pledge all or any part of the lottery revenues for the payment of the principal of and interest on lottery revenue bonds and for reserves therefor. Any pledge of lottery revenue funds for lottery revenue bonds is a prior and superior charge on the lottery revenues and Lottery Revenue Fund over the use of any of the moneys to pay for the cost of any of such purposes on a cash basis.

(b) Lottery revenue bonds may be authorized and issued by the board of education to finance or refinance, in whole or in part, public projects in an aggregate principal amount not exceeding the amount which the board of education determines can be paid as to both principal and interest and reasonable margins for a reserve therefor from the lottery revenues and the Lottery Revenue Fund. A board of education issuing lottery revenue bonds shall establish a fund to deposit lottery revenues and call the fund the Lottery Revenue Fund. The board of education shall thereafter deposit all lottery revenues pledged to the payment of principal and interest of lottery revenue bonds into the Lottery Revenue Fund.

(c) The issuance of lottery revenue bonds may be authorized by an order of the board of education and the lottery revenue bonds shall: (1) Bear a specific date or dates; (2) mature at such time or times not exceeding forty years from their respective dates; (3) be in a specific denomination; (4) be in registered form with exchangeability and interchangeability privileges; (5) be payable in the medium of payment and at a specific place or places within or without the state; (6) be subject to terms of prior redemption at specific prices; and (7) have such other terms and provisions as determined by the board of education. The lottery revenue bonds shall be signed by the president of the board of education under the seal of the board of education, attested by the secretary of the board of education. Lottery revenue bonds may be sold in the manner as the board of education determines is for the best interests of the school district.

(d) The board of education may enter into: (1) Trust agreements with banks or trust companies, within or without the state; (2) trust agreements or the orders authorizing the issuance of the bonds; (3) valid and legally binding covenants with the holders of the lottery revenue bonds as to the custody, safeguarding and disposition of the proceeds of the lottery revenue bonds, the moneys in the Lottery Revenue Fund, sinking funds, reserve funds or any other moneys or funds; (4) agreements as to the rank and priority, if any, or different issues of lottery revenue bonds by the board of education under the provisions of this section; (5) agreements as to the provisions of payment, term, security, default and remedy provisions as the board of education may consider necessary or desirable; and (6) agreements as to any other matters or provisions which are considered necessary and advisable by the board of

education in the best interests of the school district and to enhance the marketability of such lottery revenue bonds.

(e) The lottery revenue bonds are negotiable instruments under the Uniform Commercial Code of this state and may not be considered to be obligations or debts of the state or of the board of education issuing the bonds and the credit or taxing power of the state or board of education may not be pledged therefor, but the lottery revenue bonds may be payable only from the revenue pledged therefor as provided in this section.

(f) A holder of lottery revenue bonds has a lien against the lottery revenues and the Lottery Revenue Fund for payment of the lottery revenue bond and the interest thereon and may bring suit to enforce the lien.

(g) A board of education may issue and secure additional bonds payable out of the lottery revenues or Lottery Revenue Fund which bonds may rank on a parity with, or be subordinate or superior to, other bonds issued by the board of education and payable from the Lottery Revenue Fund.