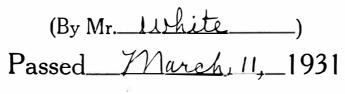
ENROLLED BILL

House Bill No. 305____



In Effect_____Passage

.... Passage. Ì Takes effect Originated in the

CORRECTLY ENROLLED

Chairman House Committee.

ENROLLED BILL (H. B. No. 305)

[Passed March 11, 1931; in effect from passage.]

AN ACT to amend and re-enact sections two, three and five of article one, chapter twelve, of the official code of West Virginia, of one thousand nine hundred thirty-one, relating to depository banks and depository bonds.

Be it enacted by the Legislature of West Virginia:

That sections two, three and five of article one, chapter twelve of the official code of West Virginia, enacted by the legislature of one thousand nine hundred twenty-nine, relating to depository banks and depository bonds, be amended and re-enacted so as to read as follows:

Section 2. Before allowing any money to be deposited with 2 any depository, the board of public works shall require such de-3 pository to give bond with good security to be approved by the 4 said board, in a penalty of not less than ten thousand dollars, 5 payable to the state of West Virginia, conditioned for the 6 prompt payment, whenever lawfully required, of any state



Chairman Senate Committee

Chairman House Committee.

7 money, or part thereof, that may be deposited with such de-8 pository, or of any accrued interest on deposits, which bond 9 shall expire on the thirtieth day of April of each year.

10 The following bonds may be accepted by the board of public 11 works:

12 (a) Surety bonds by any fidelity or indemnity company
13 authorized to do business in this state and having a capital and
14 surplus of not less than one million dollars;

(b) The board shall have authority to accept a blanket surety bond, executed by one or more fidelity or indemnity companies authorized to do business in this state, indemnifying the state against loss of state funds deposited in the depository banks paned in said bond or bonds, and which bond shall state the maximum balance of state funds each of said banks shall be permitted to have at any one time. Payments of the premium on said blanket bond shall be made quarterly by the state on April stwentieth, July twentieth, October twentieth and January twentieth of each year. For the purpose of providing funds for the quarterly payment of the premium on said bond the board of public works is hereby authorized and directed to charge and collect from each depository bank listed in said bond, in ad-

CORRECTLY ENROLLED

15

Enrolled H. B. No. 3051 3

Chairman Senate Committee

28 dition to the regular interest charged on average daily balances 29 of state funds, an amount not to exceed one-half of one per cent 30 based on said average daily balances. Said payments shall be 31 computed in the same manner and paid at the same time as the 32 regular interest on state deposits is computed and paid. All 33 moneys collected for the purpose named herein shall be set 34 aside by the auditor and treasurer in a fund to be known as 35 "depository bond fund," from which payment of premiums on 36 said bond shall be made.

37 The said board of public works shall have authority to pre-38 scribe any rules and regulations that may be necessary to carry 39 out the foregoing provisions, and all moneys paid into said "de-40 pository bond fund" for the payment of premiums is hereby 41 appropriated for that purpose;

42 (c) Personal bonds executed by persons or corporations who 43 are owners of property situate within the state and assessed for 44 taxation at a value free of liens equal to the penalty of the bond. 45 The persons or corporations signing a personal bond may be 46 required to furnish the board of public works under oath such 47 data and documentary evidence as to the financial status of each 48 as may be required by the board of public works.

Chairman House Commutee

CORRECTLY ENROLLED

[Enrolled H. B. No. 305

Chairman Senate Committee.

49 If any person signing a personal bond sell, trade or mortgage
50 any property covered by said bond, he shall within five days
51 notify the secretary of state of such transaction.

4

52 Any person signing a personal depository bond as hereinbefore 53 described, or a person who knowingly makes a false statement re-54 garding the ownership or value of any property shall be guilty 55 of a misdemeanor, and upon conviction for said offense shall 56 be fined not less than twenty-five dollars nor more than two hun-57 dred and fifty dollars:

58 (d) Collateral bonds, consisting of bonds of the United
59 States, of West Virginia, or the bonds of any county, district
60 or municipality of this state, or other bonds or securities ap61 proved by the said board of public works.

62 All depository bonds shall be recorded by the secretary of 63 state in a book kept in his office for the purpose, and a copy of 64 such bond, or record thereof, certified by such secretary, shall 65 be prima facie evidence of the execution and contents of such 66 bond in any suit or legal proceeding. All collateral securities 67 shall be delivered to the treasurer, who, together with the board 68 of public works, shall contract with one or more banking insti-69 tution in the state for the exchange and safekeeping of such

CORRECTLY ENROLLED

Chairman House Committee.

Enrolled H. B. No. 305] 5

70 collateral securities and who may prescribe the rules and regu-71 lations for the handling or protection thereof.

Sec. 3. The amount of deposits in any bank shall at no time 2 exceed the full amount of the bond given by such bank, if a 3 surety bond; or ninety per cent of the amount of all collateral 4 bonds, the value of bonds or other securities tendered as such 5 collateral security to be determined by the board of public 6 works; or fifty per cent of the amount of a personal bond.

Sec. 5. The board of public works shall contract with such 2 banks for the payment of interest on all state deposits at a min-3 imum rate of one and one-half per cent per annum and a max-4 imum of two and one-half per cent per annum for active de-5 posits, and a minimum of two per cent per annum and **a** 6 maximum of three per cent per annum for inactive deposits, 7 for such time as any deposit, or part thereof, may remain in 8 such banks, the rate to be agreed upon to be uniform and to 9 apply to all depositories, both active and inactive.

10 It shall be the duty of the board of public works to adjust 11 the rate of interest semi-annually, and in fixing the rate to be 12 charged, shall give consideration to the prevailing rates paid 13 on bank balances in the reserve and central reserve cities.

Ihairman House Committee.

Chairman Senate Committee.

6 [Enrolled H. B. No. 305 14 Interest shall be paid every three months, viz: July first, 15 October first, January first, April first, and shall be computed 16 upon ninety per cent of the average daily balances. Payments Senate 17 shall be made by check and forwarded to the state treasurer. an Enrolled H. B. No. 305] 7 Speaker of the House of Delegates. Clerk of the House of Delegates. President of the Senate. Clerk of the Senate. Chairman House .1931. this day of ... Governor.

Filed in the office of the Senatory of State of West Virginia MAR 181931 GEORGE W. SRAEP, Secretary of State,