

305

ENROLLED BILL

House Bill No. 305

(By Mr. White)

Passed March 11, 1931

In Effect from Passage

Originated in the Takes effect Passage.
Clerk of the House of Delegates.
Clerk.

CORRECTLY ENROLLED

Chairman House Committee.
Chairman Senate 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

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Chairman Senate Committee

Burrows Mendenhall

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;

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

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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.

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Chairman Senate Committee.

Benjamin Madison

Chairman House 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.

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 ap-
61 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

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Samuel M. Reed

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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.

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
17 shall be made by check and forwarded to the state treasurer.

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J. Alfred Taylor
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Speaker of the House of Delegates.

R. H. Thayer
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Clerk of the House of Delegates.

M. S. Hodges
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President of the Senate.

M. S. Hodges
.....
Clerk of the Senate.

The within is *Disapproved for*
attached a signed and writs
this *17th* day of *March* 1931.

W. E. Cawley
.....
Governor.

Filed in the office of the Secretary of State
of West Virginia. **MAR 18 1931**
GEORGE W. STARR,
Secretary of State.

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Jacob D. Smith
.....
Chairman Senate Committee.

Charles W. Meadows
.....
Chairman House Committee.