

Rec., June 3

208

ENROLLED BILL

(EXTRAORDINARY SESSION, 1933)

House Bill No. 208

(By Mr. Speaker Mr. Hines)

Passed June 3, 1933

In Effect from Passage

Originated in the.....*House*.....Takes effect.....*from*.....Passage

Geo. S. Hall
Clerk

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James L. Smith
Chairman House Committee.

Wm. A. Hays
Chairman Senate Committee.

ENROLLED BILL

(H. B. No. 208)

[Passed June 3, 1933; in effect from passage.]

AN ACT authorizing the execution, issuance and sale of five million dollars of bonds of the state of West Virginia to raise money for the payment and discharge of the indebtedness of the state existing by reason of casual deficits in the treasury to the account of the "general revenue" and "capitol building" funds occurring in the present and prior fiscal years; to provide for the application of the proceeds thereof, and to provide for the levy and collection of revenues sufficient to pay semiannually the interest on said bonds and the principal thereof within twenty years.

WHEREAS, In each of the fiscal years subsequent to the fiscal year beginning the first day of July, one thousand nine hundred twenty-nine, including the present fiscal year, ending June thirty, one thousand nine hundred thirty-three, "casual deficits" within

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the meaning of the term as used in section four, article ten of the constitution, have been created, and are existent, in the "general revenue" fund and "capitol building" fund, aggregating in excess of five million dollars, caused, among other things, by the inability of the state to collect the full revenues provided for under levies and taxes duly and legally laid in each of said fiscal years, or such part of said revenues as would have, had the same been collected, prevented the creation of such casual deficits; and,

WHEREAS, Said casual deficits constitute, and were and are lawful and valid indebtedness of the state for the payment of which the state is legally bound, and for which payment no funds are or will be available within and during the present fiscal year; and

WHEREAS, Said indebtedness was created and was existent prior to the effective date of the "tax limitation amendment" to the constitution ratified at the general election held on the eighth day of November, one thousand nine hundred thirty-two, by reason whereof levies in excess of the maximum levies provided for in said amendment to the constitution, may be laid to discharge said indebtedness and the interest thereon; and

WHEREAS, In order to prevent undue and burdensome taxation

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upon the citizens and property owners of the state, in any year or years, it is necessary that the payment of such indebtedness be funded and the payment thereof extended over a period of years and that bonds of the state be issued and sold to secure funds for the immediate liquidation of such indebtedness; now therefore,
Be it enacted by the Legislature of West Virginia:

Section 1. That bonds of the state of West Virginia of the 2 par value of five million dollars are hereby authorized to be 3 issued and sold for the purpose of securing funds for the pay- 4 ment of the indebtedness of the state created by casual deficits 5 in each of the fiscal years within the period beginning on the 6 first day of July, one thousand nine hundred twenty-nine, and 7 ending June thirty, one thousand nine hundred thirty-three. 8 Said bonds shall be of the par value not exceeding five million 9 dollars, dated the first day of June, one thousand nine hun- 10 dred thirty-three, and shall become due and payable serially, 11 beginning the first day of June, one thousand nine hundred 12 thirty-four, and ending the first day of June, one thousand 13 nine hundred fifty-three, and may be either coupon or regis- 14 tered bonds, in such denominations as the governor may de- 15 termine. The amount payable in each year may be so fixed

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16 that, when the annual interest is added to the principal amount
17 to be paid, the total amount payable in each year in which part
18 of the principal is payable shall be as nearly equal as practi-
19 cable. It shall be an immaterial variance if the difference be-
20 tween the largest and smallest amounts of principal and interest
21 for any year during the term of the bonds shall not exceed three
22 percentum of the total authorized issued.

Sec. 2. The treasurer shall make provisions for registering
2 coupon or "payable to bearer" bonds, and for each bond so
3 registered a fee of twenty-five cents shall be charged and paid
4 to the state of West Virginia to the credit of the "funded in-
5 debtedness sinking fund." Coupon bonds exchanged for reg-
6 istered bonds shall be canceled by the treasurer and auditor and
7 be preserved by the treasurer.

8 All bonds issued hereunder shall be payable at the office of
9 the treasurer of the state of West Virginia, or, at the option
10 of the holder, at some bank in the city of New York designated
11 by the governor. Said bonds shall bear interest at a rate not
12 exceeding six percentum per annum, payable semiannually, on
13 the first day of January and the first day of July of each year,
14 to bearer, at the office of the treasurer of the state of West Vir-

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15 ginia, at the capitol of said state, or at the bank in the city
16 of New York designated by the governor, and, in case of coupon
17 bonds, upon presentation and surrender of interest coupons
18 then due. In the case of registered bonds, the treasurer of the
19 state shall issue his check for interest payments when due on
20 the first day of January and July of each year, and mail the
21 same to the registered owner at his address, as shown by the
22 record of the registration of said bond or bonds.

23 Both principal and interest of said bonds shall be payable
24 in lawful money of the United States. All said bonds shall be
25 exempt from taxation by the state of West Virginia, or by any
26 county, district or municipality thereof, which fact shall appear
27 on the face of the bonds as part of the contract of the holder
28 thereof with the state.

Sec. 3. Said bonds and coupons shall be engraved, and the
2 bonds signed, on behalf of the state of West Virginia, by the
3 treasurer thereof, under the great seal of the state, and counter-
4 signed by the auditor of the state, and shall be in the following
5 form or to the following effect, as nearly as may be, namely:

6 CUPON REFUNDING BOND

7 (or Registered Refunding Bond, as the case may be) of the

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8 STATE OF WEST VIRGINIA

9 \$..... No.....

10 *Know all men by these presents:*

11 That the state of West Virginia, under and by virtue of au-
12 thority vested in said state by an act of its legislature, passed
13 at a special session held in the year one thousand nine hundred
14 thirty-three, on the.....day of....., one thousand
15 nine hundred thirty-three, and approved by the governor on
16 the.....day of....., one thousand nine hundred
17 thirty-three, which said act is hereby made a part hereof, as
18 fully as if set forth at length herein, acknowledges herself to be
19 indebted to and hereby promises to pay to the bearer hereof
20 (in the case of a coupon bond) or to....., or
21 assigns, (the owner of record, in case of registered bonds)
22 years after the date of this bond, to-wit, on the.....day of
23, one thousand nine hundred....., in
24 lawful money of the United States of America, at the office of
25 the treasurer of the state of West Virginia, at the capitol of said
26 state, or at the option of the holder, at.....
27 bank in the city of New York, the sum of.....
28 dollars, with interest thereon at.....per cent per

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29 annum from date, payable semiannually in lawful money of the
30 United States of America, at the treasurer's office or bank
31 aforesaid, on the first day of January and the first day of July
32 of each year (and in the case of coupon bonds), according to
33 the tenor of the annexed coupons, bearing the engraved fac-
34 simile signature of the treasurer of the state of West Virginia,
35 upon surrender of such coupons. This bond (in the case of
36 a coupon bond) may be exchanged for a registered bond of
37 like tenor upon application to the treasurer of the state of
38 West Virginia.

39 To secure the payment of this bond, principal sum and inter-
40 est, when other funds and revenues sufficient are not available
41 for that purpose, it is agreed that the board of public works of
42 the state of West Virginia shall annually cause to be levied and
43 collected an annual state tax on all property in the state, until
44 said bond is fully paid, sufficient to pay the annual interest on
45 said bond and the principal sum thereof within the time this
46 bond becomes due and payable.

47 This bond is hereby made exempt from any taxation by the
48 state of West Virginia, or by any county, district or municipal
49 corporation thereof.

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50 In testimony whereof, witness the signature of.....
51, treasurer of the state of West Virginia, and
52 the countersignature of, the
53 auditor of said state hereto affixed according to law; dated the
54 day of, one thousand nine hundred
55, and the great seal of the state of West Virginia.
56 (GREAT SEAL)

57

58 Treasurer of the state of West Virginia.

59 Countersigned,

60

61 Auditor of West Virginia.

Sec. 4. The form of coupon shall be substantially as follows,

2 to-wit:

3 STATE OF WEST VIRGINIA

4 Bond No..... Coupon No.....

5 On the first day of, one thousand nine
6 hundred....., the state of West Virginia will pay
7 to the bearer, in lawful money of the United States, at the office
8 of the treasurer of the state, or at the option of the holder at
9 bank in the city of New York, the

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10 sum ofdollars, the same being semi-
11 annual interest on bond number, series of one
12 thousand nine hundred thirty-three.

13

14 Treasurer of the state of West Virginia.

15 The signature of the treasurer to said coupons shall be his
16 engraved facsimile signature and the coupons shall be numbered
17 in the order of their maturity, from number one, consecutively.

Sec. 5. All coupon and registered bonds issued under this
2 act shall be separately listed by the auditor of the state in books
3 provided for the purpose, in each case giving the date, number,
4 character and amount of obligations issued, and in case of
5 registered bonds, the name and postoffice address of the person,
6 firm or corporation registered as the owner thereof.

Sec. 6. Into a fund designated the "funded indebtedness
2 fund" shall be paid all moneys received from the annual state
3 tax levy on the taxable property in the state levied under the
4 provisions of this act, all moneys received from any and all
5 appropriations made by the state from other sources of revenue
6 for the purposes of paying the interest on said bonds, or the
7 principal thereof, as herein provided, and from transfer fees

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8 as herein provided, and from any source whatsoever, which is
9 made liable by law for the payment of the principal of said
10 bonds or the interest thereon. All such funds shall be kept by
11 the treasurer in a separate account, under the designation afore-
12 said, and all moneys belonging to said fund shall be deposited
13 in the state treasury to the credit thereof and used for no other
14 purpose than as herein provided.

Sec. 7. In order to provide the revenue necessary for the pay-
2 ment of the principal and interest of said bonds as herein pro-
3 vided the board of public works is authorized, empowered and
4 directed, to lay annually a tax on all real and personal prop-
5 erty subject to taxation within the state, sufficient to pay the
6 interest on said bonds accruing and the principal of bonds
7 maturing during any current year, for such number of years,
8 not exceeding twenty, as may be deemed necessary to pay the
9 interest thereon and to pay off the principal sum of said bonds;
10 and said taxes, when so levied and collected, shall not be liable
11 for or applicable to any purpose other than paying the in-
12 debtedness of the state as herein provided: *Provided, however,*
13 That the board of public works is hereby authorized, empowered
14 and directed, and upon its failure so to do may be required by

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15 the holder of any bond issued hereunder, or by any taxpayer, to
16 set apart in any current year funds collected for general reve-
17 nue purposes from whatsoever source of taxation derived, a
18 sum sufficient to pay the interest on bonds accruing during such
19 current year and to pay off and retire the principal of said
20 bonds or any part thereof, at maturity.

21 The authority hereby vested in the board of public works
22 shall be in addition to the authority now vested in it by present
23 law.

Sec. 8. The governor shall sell the bonds herein provided for
2 at such time or times as he may determine necessary, and the
3 rate of interest on the bonds shall be fixed at the time of the
4 sale thereof, not to exceed the rate hereinabove provided. The
5 proceeds of all sales of such bonds shall be paid into the "funded
6 indebtedness fund" as herein provided.

Sec. 9. The governor may authorize the issuance of interim
2 certificates to the purchasers of said bonds to be held
3 by them in lieu of the engraved bonds until such time as
4 the engraved bonds shall be delivered. When said interim cer-
5 tificates are so issued, they shall become full and legal obliga-
6 tions of the state of West Virginia under all of the provisions

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7 of this act just as fully and completely as the engraved and
8 permanent bonds.

Sec. 10. The bonds issued hereunder shall be a legal invest-
2 ment for the workmen's compensation fund, the irreducible
3 school fund, and all fiduciary or other trust funds, and shall be
4 legal as deposit by any bank to secure deposits of state, county,
5 municipal, or other public funds, and shall be legal as security
6 or collateral for any and all bonds required by any court or
7 administrative board or officer of the state and shall be legal
8 as deposit by any insurance, casualty, annuity or like company,
9 with the auditor of the state of West Virginia or any other
10 officer or board of the state.

Sec. 11. The plates from which the bonds of this act are en-
2 graved shall be and remain the property of the state of West
3 Virginia.

Sec. 12. The state auditor shall be the custodian of all un-
2 sold bonds issued pursuant to the provisions of this act.

3 The provisions of this act shall be considered severally, and
4 should any one or more provisions thereof be declared uncon-
5 stitutional, the remaining provisions, if capable of operation

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6 when standing without such unconstitutional provisions, shall

7 be and remain in full force and effect.

James A. Smith
Chairman Senate Committee.

Wm. M. Hunter
Speaker of the House of Delegates.

Geo. H. Hall
Clerk of the House of Delegates.

Wm. M. Hunter
President of the Senate.

Samuel A. Smith
Clerk of the Senate.

The within is.....*approved*.....

this...*9th*... day of...*June*... 1933.

H. S. Kemp
Governor.

Filed in the office of the Secretary of State
of West Virginia. *JUN 12 1933*

Wm S O'BRIEN,
Secretary of State

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