

Rec. Mar. 11, 1933

304

ENROLLED BILL

(REGULAR SESSION, 1933)

House Bill No. 304

(By Mr. Dunn)

Passed March 10, 1933

In Effect from Passage

Originated in the.....*House*.....Takes effect.....*from*.....passage
John S. Huff.....*John S. Huff*
Clerk.....Clerk of the House of Delegates.

CORRECTLY ENROLLED

James S. Smith.....*Anna D. Hara*
Chairman House Committee.....Chairman Senate Committee.

ENROLLED BILL

(H. B. No. 304)

[Passed March 10, 1933; in effect from passage.]

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

Be it enacted by the Legislature of West Virginia:

That sections two, three, five and nine, article one, chapter twelve of the code of West Virginia, one thousand nine hundred thirty-one, relating to depository banks for state funds and depository banks, be amended and reenacted 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 said
4 board, in the penalty of not less than ten thousand dollars, pay-
5 able to the state of West Virginia, conditioned for the prompt

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6 payment, whenever lawfully required, of any state money, or
7 part thereof, that may be deposited with such depository, or of
8 any accrued interest on deposits, which bond shall expire on the
9 thirtieth day of April next ensuing.

10 The board of public works may accept as surety on, or for
11 the faithful performance of the conditions of such bonds, the
12 following:

13 (a) A surety, fidelity or indemnity company authorized to
14 do business in this state and having a combined capital and
15 surplus of not less than one million dollars, and all bonds so
16 secured are here designated as surety bonds;

17 (b) Persons or corporations which are duly authorized to
18 become surety for another, who are owners of property situate
19 in this state of an aggregate assessed valuation as shown on the
20 current assessment books equal to the penalty of the bond plus
21 all liens or charges against such property, and all bonds so
22 secured are here designated as personal bonds. Any person or
23 any officer of any corporation becoming or offering to become
24 surety on a personal bond may be required by the board of
25 public works or the state treasurer to furnish to said board
26 under oath in writing such data and documentary evidence as

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James A. Rogers

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27 to the financial status of such surety as such board may request.
28 Any person who shall knowingly make a false statement in the
29 matter of supplying the information so requested as aforesaid
30 shall be guilty of a misdemeanor, and upon conviction thereof
31 shall be fined not less than twenty-five dollars nor more than
32 five hundred dollars, and may at the discretion of the court be
33 confined in the county jail for not exceeding one year;

34 (c) Collateral security consisting of bonds of the United
35 States, and its possessions, of the federal land banks, of the state
36 of West Virginia or of any county, district or municipality of
37 this state or other bonds or securities approved by the said board
38 of public works. All bonds so secured are here designated as
39 collaterally secured bonds. Withdrawal or substitution of any
40 collateral pledged as security for the performance of the con-
41 ditions of such bond may be permitted with the approval in
42 writing of the treasurer of the State of West Virginia and three
43 other members of the board of public works who shall report
44 such withdrawal or substitution at the next meeting of the board.
45 All depository bonds shall be recorded by the secretary of state
46 in a book kept in his office for the purpose, and a copy of such
47 record certified by him shall be prima facie evidence of the execu-

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tion and contents of such bond in any suit or legal proceeding.

49 All collateral securities shall be delivered to the treasurer of the

50 state of West Virginia, who shall receipt therefor to the owner

51 thereof, and the said treasurer and his bondsmen shall be liable

52 to any person for any loss by reason of the embezzlement or

53 misapplication of said securities by said treasurer or any of his

54 official employees, and for the loss thereof due to his negligence

55 or the negligence of any of his official employees; and such se-

56 curities shall be delivered to the owner thereof when liability

57 under the bond which they are pledged to secure has terminated.

58 The treasurer may contract with one or more banking institu-

59 tions in the state of West Virginia for safekeeping and exchange

60 of such collateral securities, and may prescribe the rules and

61 regulations for handling and protecting the same, subject to the

62 approval of the board of public works.

Sec. 3. The amount of state funds on deposit in any bank

2 shall at no time be permitted to exceed the penal sum of a surety

3 bond given by such bank; or ninety per cent of the value of the

4 collateral pledged as security for any bond, where pledged col-

5 lateral is the sole security, and the value thereof shall be deter-

6 mined by the board of public works; or ninety per cent of the

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7 penal sum of a personal bond also collaterally secured; or
8 seventy-five per cent of the penal sum of a personal bond.

Sec. 5. The board of public works shall contract with such
2 banks for the payment of the interest on all state deposits at a
3 minimum rate of one per cent per annum and at a maximum
4 rate of two and one-half per cent per annum for active deposits,
5 and a minimum of one and one-half per cent per annum and a
6 maximum of three per cent per annum for inactive deposits, and
7 the rates fixed by said board shall be uniform. It shall be the
8 duty of said board to adjust the rate of interest semi-annually,
9 and in fixing the rate to be paid it shall give consideration to the
10 prevailing rates paid on bank balances in the reserve and central
11 reserve cities. Interest shall be paid every three months, to-wit:
12 July first, October first, January first and April first, and shall
13 be computed upon the average daily net balances; in ascertain-
14 ing the average daily net balances, due allowance shall be made
15 to the depository for any time during which any part of the
16 deposits was not actually available to the depository, and there
17 shall be deducted from the gross daily balances so much thereof
18 as is required by law to be carried as reserve by such depository.

Sec. 9. The treasurer may transfer funds for emergency

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Wm. A. Johnson

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2 purposes whenever actually needed to pay the warrants drawn
3 by the auditor upon the treasury or to equalize deposits, and he
4 may draw checks upon any inactive depository for disbursement
5 of the tax moneys collected by the state from ^{the} public utility com-
6 panies for the counties, districts and municipalities. All checks
7 drawn for transfer of funds shall have printed or stamped on
8 the face of same "for transfer of funds only."

9 All acts or parts of acts in conflict with this act are hereby
10 repealed.

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[Signature]

 Chairman Senate Committee.

[Signature]

 Speaker of the House of Delegates.

[Signature]

 Clerk of the House of Delegates.

[Signature]

 President of the Senate.

[Signature]

 Clerk of the Senate.

[Signature]

 Chairman House Committee.

The within is.....

this..... day of..... 1933.

.....
 Governor.

Filed in the office of the Secretary of State
 of West Virginia. **MAR 18 1933**
 Wm. S. O'BRIEN,
 Secretary of State