

11<sup>th</sup>

# WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1935

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## ENROLLED

HOUSE BILL No. 394

(By Mr. Thomas)

—●—

PASSED March 7 1935

In Effect from Passage

162

**ENROLLED**

**House Bill No. 394**

(BY MR. THOMAS)

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[Passed March 7, 1935; in effect from passage.]

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AN ACT authorizing the execution, issuance and sale of not exceeding two million nine hundred eighteen thousand dollars of bonds of the state of West Virginia for the purpose of refunding the outstanding bonds of the state of West Virginia issued for the payment of West Virginia's part of the public debt of the commonwealth of Virginia prior to the first day of January, one thousand eight hundred sixty-one, in accordance with chapter ten, acts of the Legislature of West Virginia, extraordinary session, one thousand nine hundred nineteen, which have become or are becoming due and payable, and for the discharge of which there are or will be when the bonds mature no funds or insufficient funds available, or which are to be presented for payment before maturity by the exer-

cise of option provisions or by agreement with the holders thereof; to provide for the application of the proceeds thereof, and to provide for the levy and collection of revenues sufficient to pay semi-annually the interest on said bonds and the principal thereof within four years.

*Be it enacted by the Legislature of West Virginia:*

Section 1. That bonds of the state of West Virginia, in an aggregate amount not exceeding two million nine hundred eighteen thousand dollars, are hereby authorized to be issued and sold for the purpose of refunding the outstanding bonds of the state of West Virginia issued for the payment of West Virginia's part of the public debt of the Commonwealth of Virginia prior to the first day of January, one thousand eight hundred sixty-one, in accordance with chapter ten, acts of the Legislature of West Virginia, extraordinary session, one thousand nine hundred nineteen, which have become or are becoming due and payable, and for the discharge of which there are or will be when the bonds mature no funds, or insufficient funds, available; and in like manner such refunding bonds are hereby authorized to be issued and sold for the purpose of refunding outstanding bonds not due when such outstanding

16 bonds are to be presented for payment before maturity by the  
17 exercise of option provisions or by agreement with the holders  
18 thereof. Said bonds shall be of the par value of not exceed-  
19 ing two million nine hundred eighteen thousand dollars, dated  
20 the first day of January, one thousand nine hundred thirty-  
21 five, or such other date as the governor may determine, and  
22 shall become due and payable serially beginning the first day  
23 of July, one thousand nine hundred thirty-six, and ending the  
24 first day of July, one thousand nine hundred thirty-nine, and  
25-6 may be either coupon or registered bonds, in such denomina-  
27 tions as the governor may determine. The amount payable in  
28 each year may be so fixed that when the annual interest is added  
29 to the principal amount to be paid the total amount payable  
30 in each year in which part of the principal is payable shall be  
31 as nearly equal as practicable, or, such bonds may be payable  
32 in annual instalments beginning one year after the date thereof,  
33 each instalment being as nearly equal in principal amount as  
34 may be practicable. It shall be an immaterial variance if the  
35 difference between the largest and smallest amounts or princi-  
36 pal and interest for any year during the term of the bonds  
37 shall not exceed three per cent of the total authorized issue.

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 fifty cents shall be charged and paid to the  
4 state of West Virginia to the credit of the "Virginia Debt Re-  
5 funding bonds of one thousand nine hundred thirty-five, sink-  
6 ing fund". Coupon bonds exchanged for registered bonds shall  
7 be cancelled by the treasurer and auditor and be preserved  
8 by the treasurer.

9 All bonds issued hereunder shall be payable at the office of  
10 the treasurer of the state of West Virginia, or, at the option  
11 of the holder, at some bank in the City of New York designated  
12 by the governor. Said bonds shall bear interest at a rate not  
13 exceeding three per cent per annum, payable semi-annually  
14 on the first day of January and the first day of July of each  
15 year, to bearer, at the office of the treasurer of the state of  
16 West Virginia, at the capitol of said state, or at the bank in  
17 the City of New York designated by the governor, and, in case  
18 of coupon bonds, upon presentation and surrender of interest  
19 coupons then due. In the case of registered bonds, the treas-  
20 urer of the state shall issue his check for interest payments  
21 when due on the first day of January and July of each year,

22 and mail the same to the registered owner at his address, as  
23 shown by the record of the registration of said bond or bonds.  
24 Both principal and interest of said bonds shall be payable in  
25 lawful money of the United States. All said bonds shall be ex-  
26 empt from taxation by the state of West Virginia, or by any  
27 county, district or municipality thereof, which fact shall ap-  
28 pear on the face of the bonds as part of the contract of the  
29 holder 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  
4 countersigned by the auditor of the state, and shall be in the  
5 following form or to the following effect, as nearly as may  
6 be, namely:

7 COUPON REFUNDING BOND, SERIES OF 1935

8(or Registered Refunding Bond, Series of 1935, as the case may  
9 be) of the

10 STATE OF WEST VIRGINIA

11 \$

No.

12 KNOW ALL MEN BY THESE PRESENTS that the State  
13 of West Virginia, under and by virtue of the authority vested

14 in said State by an Act of its Legislature, passed at a.....  
15 session held in the year one thousand nine hundred thirty-five,  
16 on the                day of                , one thousand nine  
17 hundred thirty-five, and approved by the governor on the  
18 day of                , one thousand nine hundred thirty-  
19 five, which said act is hereby made a part hereof, as fully as if  
20 set forth at length herein, acknowledges herself to be indebted  
21 to and hereby promises to pay to the bearer hereof (in the case  
22 of a coupon bond) or to                , or assigns (the owner  
23 of record, in case of registered bonds),                years after  
24 the date of this bond, to wit: on the                day of                ,  
25 one thousand nine hundred                , in lawful money of the  
26 United States of America, at the office of the treasurer of the  
27 State of West Virginia, at the capitol of said state, or at the  
28 option of the holder at                Bank in the  
29 City of New York, the sum of                dollars, with  
30 interest thereon at ..... per cent per annum from date, pay-  
31 able semi-annually in lawful money of the United States of  
32 America, at the treasurer's office, or bank aforesaid, on the  
33 first day of January, and the first day of July of each year  
34 (and in the case of coupon bonds), according to the tenor of

35 the annexed coupons, bearing the engraved facsimile signa-  
36 ture of the treasurer of the state of West Virginia, upon sur-  
37 render of such coupons. This bond (in the case of a coupon  
38 bond) may be exchanged for a registered bond of like tenor  
39 upon application to the treasurer of the state of West Virginia.

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

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

51 In testimony whereof, witness the signature of \_\_\_\_\_,  
52 treasurer of the State of West Virginia, and the counter-signa-  
53 ture of \_\_\_\_\_, the auditor of said state hereto affixed  
54 according to law, dated the first day of \_\_\_\_\_, one



55 thousand nine hundred thirty-five, and the great seal of the  
56 State of West Virginia.

57 (GREAT SEAL)

58

59 Treasurer of the State of  
60 West Virginia.

61 Countersigned:

62

63 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

6 nine hundred ....., the state of West Virginia will pay to

7 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 sum of.....

10 dollars, the same being semi-annual interest on bond number

11 ..... , series of one thousand nine hundred thirty-five.

12 .....

13                                      Treasurer of the State of West Virginia

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

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

      Sec. 6. Into a fund designated the "Virginia Debt Refund-  
2 ing Bonds of 1935, Sinking Fund" shall be paid all moneys  
3 received from the annual state tax levy on the taxable property  
4 in the state levied under the provisions of this act, all moneys  
5 received from any and all appropriations made by the state  
6 from other sources of revenue for the purpose of paying the  
7 interest on said bonds, or the principal thereof, as herein pro-  
8 vided, and from transfer fees as herein provided, and from any  
9 source whatsoever, which is made liable by law for the payment

10 of the principal of said bonds or the interest thereon. All such  
11 funds shall be kept by the treasurer in a separate account, under  
12 the designation aforesaid, and all moneys belonging to said  
13 fund shall be deposited in the state treasury to the credit there-  
14 of and used for no other purpose than as herein provided.

Sec. 7. In order to provide the revenue necessary for the  
2 payment of the principal and interest of said bonds as herein  
3 provided the board of public works is authorized, empowered  
4 and directed, to lay annually a tax on all real and personal  
5 property subject to taxation within the state, sufficient to pay  
6 the interest on said bonds accruing and the principal of bonds  
7 maturing during any current year, for such number of years  
8 not exceeding four 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 indebt-  
12 edness of the state as herein provided: *Provided, however,* That  
13 the board of public works is hereby authorized, empowered and  
14 directed, and upon its failure so to do may be required by the  
15 holder of any bond issued hereunder, or by any taxpayer, to set  
16 apart in any current year funds collected for general revenue

17 purposes from whatsoever source of taxation derived, a sum suf-  
18 ficient to pay the interest on bonds accruing during such current  
19 year and to pay off and retire the principal of said bonds or any  
20 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  
2 for at such time or times as he may determine necessary, and  
3 the rate of interest on the bonds shall be fixed at the time of  
4 the sale thereof, not to exceed the rate hereinabove provided.  
5 From the proceeds of the sale or sales of bonds authorized to be  
6 issued and sold under the authority of this Act, there shall be  
7 credited to the "Virginia Debt Sinking Fund" heretofore cre-  
8 ated, an amount equal to the par value of all bonds so issued  
9 and sold, and any balance remaining from any such sale shall  
10 be credited to the "Virginia Debt Refunding Bonds of 1935  
11 Sinking Fund," herein provided.

Sec. 9. The governor may authorize the issuance of interim  
2 certificates to the purchasers of said bonds to be held by them  
3 in lieu of the engraved bonds until such time as the engraved

4 bonds shall be delivered. When said interim certificates are so  
5 issued, they shall become full and legal obligations of the state  
6 of West Virginia under all of the provisions of this act just  
7 as fully and completely as the engraved and 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 kind and all bonds required by any court  
7 or 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  
2 engraved shall be and remain the property of the state of West  
3 Virginia.

Sec. 12. The state treasurer shall be the custodian of all  
2 unsold bonds issued pursuant to the provisions of this act.

Sec. 13. All necessary expenses incurred in the execution of  
2 this act shall be paid out of any money in the treasury of the

3 state of West Virginia, not otherwise appropriated, on war-  
4 rants of the auditor drawn on the state treasurer.

Sec. 14. The provisions of this act shall be considered sev-  
2 erally, and should any one or more provisions thereof be de-  
3 clared unconstitutional, the remaining provisions, if capable of  
4 operation when standing without such unconstitutional pro-  
5 visions, shall be and remain in full force and effect.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

*Clinton F. Harwood*  
 .....  
 Chairman Senate Committee

*Amos D. Pickens*  
 .....  
 Chairman House Committee

Originated in the

*House of Delegates*

Takes effect

*from*

passage.

*Amos D. Pickens*  
 .....  
 Clerk of the Senate

*Geo. J. Hall*  
 .....  
 Clerk of the House of Delegates

*Chas. E. Hodges*  
 .....  
 President of the Senate

*John S. Peltier*  
 .....  
 Speaker House of Delegates.

The within *is approved* this the *12<sup>th</sup>*

day of *March*, 1935.

*W. S. O'Brien*  
 .....  
 Governor.

Filed in the office of the Secretary of State  
 of West Virginia. **MAR 15 1935**  
 Wm. S. O'BRIEN,  
 Secretary of State