

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1937



ENROLLED

HOUSE BILL No. 244

(By Mr. Harrison)



PASSED July 25-1937 1937

In Effect from Passage

ENROLLED

House Bill No. 244

(By MR. HUSSION)

[Passed February 25, 1937; in effect from passage.]

AN ACT authorizing the city of Grafton, West Virginia, a municipal corporation, to acquire and hold lands and buildings for a hospital; to lease with an option to purchase same, and to borrow funds from the public works administration or other federal governmental agency authorized to make loans, or any bank or financial institution, or any individual or persons, for the purpose of constructing, equipping and maintaining a hospital; to issue such bonds, or other evidences of indebtedness as may be required by such federal governmental agency, bank or financial institution, individual or persons making such loan; to pledge a sufficient amount of revenue, within the constitutional limitation, to pay the principal and interest on said bonds within a period not to exceed thirty years; to pledge such real estate and buildings for the payment of such bonds and

interest, and to promulgate such ordinances as may be necessary for the construction, equipping and maintaining of such hospital.

Be it enacted by the Legislature of West Virginia:

Section 1. *City of Grafton Authorized to Enter Into Contract, Etc., for Construction of Hospital.* The city of Grafton is hereby authorized and empowered to acquire real estate and to convey real estate and to enter into a contract, or lease, or both, with the United States government, through the public works administration, or any federal governmental agency authorized to make or enter into such contract, or lease, or with any bank or financial institution, or with any individual or persons, for the erection, construction, equipment, leasing and renting of a hospital.

Sec. 2. *City of Grafton Authorized to Enter Into Option to Purchase Such Hospital.* Said city of Grafton is also authorized and empowered to enter into an option to purchase such hospital and real estate and to provide for the payment of a yearly rental for such by said city; and to contract with the United States government, through the public works administration, or any federal governmental agency, or any bank

8 or financial institution, or any individual or persons, to the
9 end that said government, or any of its agencies, or agents
10 thereunto duly authorized, or bank or financial institution, or
11 individual or persons, may for and on behalf of the city of
12 Grafton build, erect, construct, equip or furnish upon said
13 property any such hospital; and to contract with said govern-
14 ment, or any federal governmental agency, or bank or finan-
15 cial institution, or individual or persons, for the lease, or
16 rental, of said building, or buildings, with the privilege and
17 authority of renewing said lease from year to year, for any
18 period of years, not exceeding thirty, with the right to pur-
19 chase said building, or buildings, and real estate, on which
20 the same is, or are, situated, and to apply toward the pur-
21 chase price thereof any and all rentals paid to said govern-
22 ment, or agency, or bank, or financial institution, or indi-
23 vidual, or persons, under the provisions of this act; and the
24 said city of Grafton shall pay to the said United States gov-
25 ernment, or any federal governmental agency, or bank or
26 financial institution, or individual or persons, said yearly
27 rental, or rentals, for the use and occupancy of said building,
28 or buildings, if and when the same are constructed, which

29 said yearly rental, or rentals, in the aggregate, shall not ex-
30 ceed the total amount and the interest thereon expended by
31 said government, or federal governmental agency, or bank or
32 financial institution, or individual or persons, on said project,
33 or projects, and the said yearly rentals shall be paid out of
34 levies laid within the constitutional debt limitations; and to
35 do any and all other things lawfully required by said United
36 States government, or any federal governmental agency, or
37 bank or financial institution, or individual or persons, which
38 are necessary and proper to effectuate the purpose of this
39 act.

Sec. 3. *City of Grafton Shall Levy and Collect Taxes to*
2 *Pay Rentals.* The said city of Grafton shall levy and collect
3 annually an amount sufficient to pay said rental, or rentals,
4 for that particular year for the purposes aforesaid in the man-
5 ner and form as is provided by law.

Sec. 4. *City of Grafton Authorized to Acquire Real Estate*
2 *for Hospital Purposes.* The city of Grafton is likewise au-
3 thorized and empowered to acquire real estate for, construct,
4 equip, furnish and maintain a hospital, and to borrow funds
5 from the United States government, through the public works

6 administration or other federal governmental agency author-
7 ized to make loans, or any bank or financial institution author-
8 ized by law to make loans, or any individual or persons, for
9 the purpose of building, constructing, furnishing and equip-
10 ping said hospital, and for the purpose of acquiring real es-
11 tate therefor, and shall have the right to acquire by purchase,
12 condemnation, gift or otherwise, real estate on which to build
13 the same, within the discretion of the commission of the city
14 of Grafton. Said city is authorized and empowered to issue
15 bonds for the purpose of paying the cost of such real estate,
16 building, furnishing and equipment, and to pledge a sufficient
17 amount of revenue within the constitutional limitations and
18 within the limitations as provided by general law, to pay the
19 principal of said bonds and the interest thereon, within a
20 period not to exceed thirty years. Said city of Grafton is
21 further authorized and empowered to do and perform any
22 and all acts and make all contracts necessary to effectuate
23 the general purpose of this act, including the acquisition, by
24 original grant, gift, condemnation, or other lawful means of
25 real estate, and of all necessary permits, easements and other
26 rights in real estate, and title to and possession thereof, or to

27 make such purchase and acquisition with the money bor-
28 rowed, as provided in this act.

29 Said city shall have authority, and is empowered to make
30 such contracts, agreements and covenants between it and the
31 United States government, the public works administration,
32 or other federal governmental agency, or bank or financial
33 institution, or individual or persons, for the loan of such
34 funds to said city of Grafton, and securing payment thereof
35 as it may be able to effectuate, subject only to this limitation,
36 that the bonds issued, or given as security thereof, shall be
37 payable out of the levies now provided for by general law
38 and by this act; to be levied by said city of Grafton in and
39 for said city; to acquire needed real estate, to construct, equip,
40 furnish and maintain such hospital, and to make and enter
41 into such contracts, and to do and perform such acts as may
42 be necessary for the construction, equipment, operation and
43 maintenance of the same, subject to such burdens, restric-
44 tions and encumbrances as it may be necessary to incur and
45 bear, in securing such bonds and such real estate, construc-
46 tion, equipment and maintenance.

47 Bonds issued hereunder shall be exempt from taxation by

48 the state of West Virginia, or any county therein, or any
49 district or municipality thereof.

Sec. 5. *Statutory Lien Upon Real Estate Acquired.* There
2 shall be and there is hereby created a statutory mortgage
3 lien upon the said real estate, buildings and property so ac-
4 quired, constructed or built from the proceeds of bonds au-
5 thorized to be issued under this act, which shall exist in favor
6 of the holder of said bonds, and each of them, and to and
7 in favor of the holder of the interest coupons attached to
8 said bonds, and such hospital, and the real estate so acquired
9 and used for and in connection therewith shall remain sub-
10 ject to such statutory mortgage lien until payment in full of
11 the principal and interest of said bonds. Any holder of bonds
12 issued under the provisions of this act, or the holder of any
13 coupons representing interest accrued thereon, may, either
14 at law or in equity, enforce the statutory mortgage lien here-
15 by created and conferred, and may, by proper suit, compel
16 the performance of the duties of the officials of the said city
17 set forth in this act. If there be default in the payment of
18 the principal of or interest upon any of said bonds, any court
19 having jurisdiction in any proper action may appoint a re-

20 ceiver to administer said property on behalf of the said city
21 with power to charge and collect rents or income sufficient
22 to provide for the payment of said bonds and interest there-
23 on, and for the payment of the operating expenses, and to
24 apply the income, rents or other revenue in conformity with
25 this act and the order providing for the issuance of said
26 bonds.

Sec. 6. *Bonds; Retirement; Payment of Operating Costs.*

2 The said city, after issuing bonds under the provisions of
3 this act, shall thereafter, so long as any such bonds remain
4 outstanding, operate and maintain said hospital, so as to
5 provide revenues sufficient to pay all operating costs, provide
6 a sinking fund for and to retire the bonds and pay the in-
7 terest thereon as the same may become due. The amounts,
8 as and when so set apart by said city, shall be remitted to
9 the state sinking fund commission at least thirty days pre-
10 vious to the time interest or principal payments become due,
11 to be retained and paid out by said commission consistent
12 with the provisions of this act and with the order pursuant
13 to which such bonds have been issued. The state sinking
14 fund commission is hereby authorized to act as fiscal agent

15 for the administration of such sinking fund under any order
16 passed pursuant to the provisions of this act, and shall in-
17 vest all sinking funds, as provided by general law. Bonds
18 issued under the provisions of this act are hereby declared
19 to be and to have all the qualities of negotiable instruments.
20 Such bonds shall bear interest at not more than six per cent
21 per annum, payable semi-annually, and shall mature at any
22 time fixed by the city of Grafton, in not more than thirty
23 years from their date, and may be made redeemable at the
24 option of the said city, at such price and under such terms
25 and conditions as said city may fix, by its order, prior to
26 the issuance of such bonds. Bonds issued hereunder shall
27 be payable at the office of the state treasurer, or some bank
28 in the city of New York.

29 In case any of the officers whose signatures appear on the
30 bonds or coupons shall cease to be such officers before the
31 delivery of such bonds, such signatures shall, nevertheless,
32 be valid and sufficient for all purposes, the same as if they
33 had remained in office until such delivery. The commis-
34 sion of the city of Grafton shall, by order entered prior to
35 the issuance of said bonds, fix the denominations, times and

36 places of payment of such bonds, the principal and interest
37 of which shall be payable in lawful money of the United
38 States of America. The proceeds of such bonds shall be used
39 solely for the payment of the cost of land, buildings, furni-
40 ture and equipment thereon, and shall be checked out by the
41 said city under such restrictions as are contained in the or-
42 der providing for the issuance of said bonds. If the pro-
43 ceeds of bonds issued for any hospital shall exceed the cost
44 thereof, the surplus shall be paid into the fund herein pro-
45 vided for the payment of principal and interest upon such
46 bonds. Such fund may be used for the purchase or redemp-
47 tion of any of the outstanding bonds payable from such fund
48 at the market price, but at not exceeding the price at which
49 any of such bonds shall in the same year be redeemable, as
50 fixed by the city of Grafton in its said order, and all bonds
51 redeemed or purchased shall forthwith be cancelled, and
52 shall not again be issued.

53 Prior to the preparation of definitive bonds, the said city
54 may, under like restrictions, issue temporary bonds, or in-
55 terim certificates, with or without coupons, exchangeable for
56 definitive bonds upon the issuance of the latter. Such bonds

57 may be issued without any other proceedings or the hap-
58 pening of any other conditions or things than those proceed-
59 ings, conditions and things which are specified and required
60 by this act.

Sec. 7. *Limitations as to Debt.* Nothing in this act con-
2 tained shall be so construed or interpreted as to authorize
3 or permit said city of Grafton to incur a debt for and on
4 behalf of said city, of any kind or nature contrary to the
5 provisions of the constitution of the state in relation to debt.

Sec. 8. *Additional Powers Conferred to City.* This act
2 shall be deemed to provide an additional and alternative
3 method for the doing of the things authorized hereby, and
4 shall be regarded as supplementary and additional to powers
5 conferred by other laws and by the charter of the city of
6 Grafton.

Sec. 9. *Act to Be Liberally Construed.* This act, being
2 necessary for the health, welfare and requirements of the
3 public of the city of Grafton, it shall be liberally construed
4 to effectuate the purpose thereof.

Sec. 10. *Authorized to Increase Levies.* Notwithstanding
2 the provisions of general law, the city of Grafton, authorized

3 by this act to issue bonds, may become indebted for the pur-
4 poses in this act authorized, to an amount, including all other
5 indebtedness, up to but not exceeding five per cent of the
6 value of the taxable property in such city, as shown by the
7 last assessment thereof for state and county purposes next
8 prior to the authorization of such bonds, subject to the levy
9 limitations as provided in the constitution. For the purpose of
10 effectuating the provisions and purposes of this act and for
11 the purpose of obtaining revenue to pay said bonds and their
12 interest, or for the purpose of redeeming said bonds in whole
13 or in part, the city of Grafton may, and is authorized to in-
14 crease the levies on each class of property, not to exceed fifty
15 per cent of the rates authorized in section ten, article eight,
16 chapter sixty-seven, acts of the Legislature, second extraor-
17 dinary session, one thousand nine hundred thirty-three, not
18 to exceed three years, and may submit to the voters of the
19 city the question of authorizing such increase, not to exceed
20 three years, at the same time and as a part of the scheme
21 to issue said bonds and provide for the payment thereof.
22 Such increase of levies shall not continue for more than three
23 years without resubmission to the voters, but the question

24 of future levy increases for such purposes may be again sub-
25 mitted to the voters.

26 Upon the questions of issuance of such bonds, providing
27 for the payment thereof, the increase of said levies, at least
28 sixty per cent of the votes cast, shall be in favor thereof, as
29 provided by general law.

Sec. 11. *Provisions of Act Severable.* The provisions of
2 this act are separable and not matters of mutual essential in-
3 ducement, and it is the intention to confer the whole or any
4 part of the powers herein provided for, and if any of the sec-
5 tions, or provisions, or parts thereof, are for any reason
6 illegal, it is the intention that the remaining sections and pro-
7 visions, or parts thereof, shall remain in full force and effect,
8 and the provisions of this act shall be supplemental to pro-
9 visions of existing law.

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

Car B. Gilbreath

Chairman Senate Committee

Be. B. Baker

Chairman House Committee

Originated in the.....

Takes effect.....passage.

Charles E. Hodge

Clerk of the Senate

Wm. S. Hall

Clerk of the House of Delegates

Chas. E. Hodge

President of the Senate

James Kay Thomas

Speaker House of Delegates

The within.....this the.....

day of....., 1937.

.....
Governor.

Filed in the office of the Secretary of State
of West Virginia. **MAR 10 1937**
Wm. S. O'BRIEN,
Secretary of State

I certify that the foregoing act, having been presented to the Governor for his approval, and not having been returned by him to the House of the Legislature in which it originated within the time prescribed by the constitution of the state, has become a law without his approval.

This the 19th day of March,
1937.



SECRETARY OF STATE

BOND