

**WEST VIRGINIA LEGISLATURE**

**REGULAR SESSION, 1937**



**ENROLLED**

**SENATE BILL No.** 136

(By Mr. Hodge) (Mr. President) (By request)



PASSED Feb - 18 - 1937

In Effect 90 days from Passage

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**Senate Bill No. 136**

(BY MR. HODGES) (MR. PRESIDENT) (by request)

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AN ACT authorizing the issuance and sale of not exceeding ten million dollars of road bonds of the state of West Virginia to raise money for road construction purposes under and by virtue of the "good roads amendment" to the constitution adopted at the general election held in November, one thousand nine hundred twenty; to provide for the distribution and expenditure of the proceeds of sale thereof, and to provide for the levy and collection of an annual state tax and other revenue sufficient to pay semi-annually the interest on said bonds and the principal thereof within twenty-five years.

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

Section 1. That bonds of the state of West Virginia  
2 of the par value of ten million dollars are hereby authorized  
3 to be issued and sold for the purpose of raising funds for  
4 assisting in building and constructing the system of state  
5 roads and highways provided for by the constitution. Said  
6 bonds may be issued by the governor in such amounts, in  
7 coupon or registered form, in such denominations, at such  
8 times and bearing such date or dates as the governor may  
9 determine, and shall become due and payable serially in  
10 equal amounts beginning one year and ending twenty-five  
11 years from the date thereof: *Provided, however,* That no  
12 bonds may be issued under the provisions of this act until  
13 bonds authorized and issued under the provisions of the  
14 "good roads amendment" to the constitution of the state,  
15 ratified at the general election held in November, one thou-  
16 sand nine hundred twenty, have been retired and cancelled  
17 out of the state road sinking fund created by section six,  
18 chapter one hundred thirteen, acts of the Legislature of  
19 West Virginia, one thousand nine hundred twenty-one, in

20 an amount equal to or greater than the amount to be issued  
21 hereunder at any one time.

Sec. 2. The auditor and treasurer are hereby authorized  
2 to arrange for the transfer of registered bonds, and for each  
3 such transfer a fee of fifty cents shall be charged by and  
4 paid to the state of West Virginia, to the credit of the state  
5 road sinking fund. Bonds taken in exchange will be cancelled  
6 by the auditor and treasurer and be carefully preserved by the  
7 treasurer. The treasurer shall make provisions for registering  
8 "payable to bearer" bonds and for each bond registered a fee  
9 of fifty cents shall likewise be charged by and paid to the state  
10 of West Virginia, to the credit of the state road sinking fund.  
11 All of such bonds shall be payable at the office of the treasurer  
12 of the state of West Virginia, or, at the option of the holder,  
13 at some designated bank in the city of New York to be desig-  
14 nated by the governor. Said bonds shall bear interest at a  
15 rate not exceeding four and one-half per centum per annum,  
16 payable semi-annually, on the first day of.....  
17 and the first day of....., of each year, to bearer,  
18 at the office of the treasurer of the state of West Virginia,  
19 at the capitol of said state, or at the bank designated by the

20 governor, upon presentation and surrender of interest cou-  
21 pons then due, in the case of coupon bonds. In the case of  
22 registered bonds the treasurer of the state of West Virginia  
23 shall issue his check for the interest then due on the first day  
24 of.....and.....of each year, and mail  
25 the same to the registered owner at his address as shown by  
26 the record of registration. Both the principal and interest  
27 of said bonds shall be payable in lawful money of the United  
28 States of America and said bonds shall be exempt from tax-  
29 ation by the state of West Virginia, or by any county, district,  
30 or municipality thereof, which fact shall appear on the face  
31 of the bonds as part of the contract with the holder thereof.

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

## 7                   COUPON ROAD BOND

8           (Or registered road bond, as the case may be)

## 9                   OF THE

## 10                 STATE OF WEST VIRGINIA

11   \$..... No.....

12       The State of West Virginia, under and by virtue of author-  
13   ity of an act of its Legislature passed at the regular session  
14   of one thousand nine hundred thirty-seven, on the.....15   day of....., one thousand nine hundred thirty-  
16   seven, and approved by the governor on the.....day

17   of....., one thousand nine hundred thirty-seven,

18   which is hereby made a part hereof as fully as if set forth

19   at length herein, acknowledges itself to be indebted to, and

20   hereby promises to pay to the bearer hereof (in the case of

21   a coupon bond) or to.....or assigns, (the owner

22   of record, in case of registered bonds).....years

23   after the date of this bond, to-wit: On the.....day

24   of....., 19....., in lawful money of the United

25   States of America at the office of the Treasurer of the State

26   of West Virginia, at the capitol of said state, or at the option

27   of the holder at.....bank in the City of New York,

28 the sum of.....dollars, with interest thereon at  
29 .....per centum per annum from date, payable  
30 semi-annually in like lawful money of the United States of  
31 America at the Treasurer's office or bank aforesaid, on the  
32 first day of.....and the first day of.....of  
33 each year, (and in the case of coupon bonds) according to  
34 the tenor of the annexed coupons, bearing the engraved facsimile  
35 signature of the Treasurer of the State of West Virginia,  
36 upon surrender of such coupons. This bond (in the case of a  
37 coupon bond) may be exchanged for a registered bond of like  
38 tenor upon application to the Treasurer of the State of West  
39 Virginia.

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

49 This bond is hereby made exempt from any taxation by the  
 50 State of West Virginia, or by any county, district or municipi-  
 51 pal corporation thereof.

52 In testimony whereof, witness the signature of.....  
 53 Treasurer of the State of West Virginia, and the counter-  
 54 signature of....., the Auditor of said State, hereto  
 55 affixed according to law, dated the.....day of.....,  
 56 one thousand nine hundred....., and the seal of  
 57 the State of West Virginia.

58 (S E A L)

59

.....  
 Treasurer of the State of West Virginia

60 Countersigned :

61

.....

62 Auditor of West Virginia

Sec. 4. The form of coupons shall be substantially as fol-

2 lows, to-wit:

3

STATE OF WEST VIRGINIA

4 Bond No.....

Coupon No.....

5 On the first day of....., 19....., the State of West

6 Virginia will pay to the bearer, in lawful money of the United



7 States of America, at the office of the Treasurer of the State,  
8 or at the option of the holder at.....bank in the City  
9 of New York, the sum of.....dollars, the same being  
10 semi-annual interest on Road Bond No....., series of  
11 one thousand nine hundred.....

12

.....  
13 Treasurer of the State of West Virginia

14 The signature of the treasurer to said coupon shall be by  
15 his engraved facsimile signature and the coupons shall be  
16 numbered in the order of their maturity, from number one  
17 consecutively. Said bonds and coupons may be signed by the  
18 present treasurer and auditor, or by any of their respective  
19 successors in office; and bonds signed by the persons now in  
20 office may be sold by the governor or his successor in office  
21 without being signed by the successor in office of the present  
22 treasurer or auditor.

Sec. 5. All coupons and registered bonds issued under this  
2 act shall be separately listed by the auditor of the state in  
3 books provided for the purpose, in each case giving the date,  
4 number, character and amount of obligations issued, and in  
5 case of registered bonds, the name and post office address of

6 the person, firm or corporation registered as the owner there-  
7 of.

Sec. 6. Into the state road sinking fund shall be paid all  
2 moneys received from the annual state tax levy on the taxable  
3 property in the state levied under the provisions of this act,  
4 from any and all appropriations made by the state from other  
5 sources for the purposes of paying the interest on said bonds  
6 or paying off and retiring same, from fines, forfeitures and  
7 penalties, if any made applicable by law for the payment of  
8 said bonds or the interest thereon, from transfer fees as herein  
9 provided, and from any source whatsoever, which is made  
10 liable by law for the payment of the principal of said bonds  
11 or the interest thereon.

12 All such funds shall be kept by the treasurer in a separate  
13 account, under the designation aforesaid, and all money be-  
14 longing to said fund shall be deposited in the state treasury  
15 to the credit thereof.

16 Said fund shall be applied by the treasurer of the state,  
17 first to the payment of the semi-annual interest on said bonds  
18 as it shall become due as herein provided. The remainder of  
19 said fund shall be turned over by the state treasurer to the

20 state sinking fund commission, whose duty it shall be to in-  
21 vest the same in bonds of the government of the United  
22 States, bonds of the state of West Virginia, or any political  
23 sub-division thereof: *Provided, however,* That bonds so pur-  
24 chased by the state sinking fund commission shall mature so  
25 as to provide sufficient money to pay off all bonds herein  
26 provided to be issued as they may become due; and the money  
27 so paid into the said state road sinking fund under the pro-  
28 visions of this act shall be expended for the purpose of paying  
29 the interest and principal of the bonds hereby provided for,  
30 and for no other purpose except that said fund may be in-  
31 vested until needed, 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 here-  
3 inbefore provided, the board of public works, within the  
4 limits prescribed by the constitution, is authorized, empow-  
5 ered and directed to lay annually a tax upon all real and  
6 personal property subject to taxation within this state, suffi-  
7 cient to pay interest on said bonds accruing during the current  
8 year and one twenty-fifth of the total issue (at par value)

9 of said bonds, for such number of years, not exceeding twenty-  
10 five, as may be necessary to pay the interest thereon and to  
11 pay off the principal sum of said bonds; and said taxes, when  
12 so collected, shall not be liable for or applicable to any other  
13 purpose: *Provided, however,* That if there be other funds  
14 in the state treasury, or in the state road funds, in any fiscal  
15 year, not otherwise appropriated, or if other sources of reve-  
16 nue be hereafter provided by law for the purpose, the board  
17 of public works is authorized, empowered and directed to set  
18 apart, in any year there be such funds, or other sources of  
19 revenue provided for such purpose, a sum sufficient to pay  
20 the interest on bonds accruing during the current year, and  
21 to pay off, and retire the principal of said bonds, or any part  
22 thereof, at maturity.

23 The authority hereby vested in the board of public works  
24 shall be in addition to the authority now vested in it by pres-  
25 ent law.

Sec. 8. The governor shall sell all bonds herein mentioned  
2 at such time or times as he may determine necessary to pro-  
3 vide funds for road construction purposes, as herein pro-

4 vided, upon recommendation of the state road commission.  
5 All sales shall be at not less than par and accrued interest.  
6 Registered bonds shall bear interest only from the date of  
7 delivery. All interest coupons becoming payable prior to said  
8 sale date shall be cancelled by the treasurer and rendered  
9 ineffective, before the delivery of the bonds so sold.

Sec. 9. The proceeds of all sales of bonds herein author-  
2 ized shall be paid into the state road fund created by section  
3 one, article three, chapter forty, acts of the Legislature, first  
4 extraordinary session, one thousand nine hundred thirty-  
5 three.

Sec. 10. The plates from which the bonds authorized by  
2 this act are engraved shall be the property of the state of  
3 West Virginia.

Sec. 11. The state auditor shall be the custodian of all  
2 unsold bonds issued pursuant to the provisions of this act.

Sec. 12. The governor may authorize the issuance of in-  
2 terim certificates to be issued to the purchasers of said bonds  
3 to be held by them in lieu of engraved bonds. When said  
4 interim certificates are so issued, they shall become full and

5 legal obligations of the state of West Virginia under all of  
6 the provisions of this act just as fully and completely as the  
7 engraved and permanent bonds.

Sec. 13. All necessary expenses incurred in the execution  
2 of this act shall be paid out of any money in the treasury of  
3 the state of West Virginia, not otherwise appropriated, on  
4 warrants of the auditor of the state drawn on the state  
5 treasurer.

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

*Carl B. Galbraith*

Chairman Senate Committee

*Reuben Baker*

Chairman House Committee

Originated in the

*Senate*

Takes effect

*90 days from*

passage.

*Chambers*

Clerk of the Senate

*Mo S. Hall*

Clerk of the House of Delegates

*Chas. E. Hodge*

President of the Senate

*James Ray Thomas*

Speaker House of Delegates

The within

*Approved*

this the

*27<sup>th</sup>*

day of

*February*

, 1937.

*John A. Holt*

Governor

Filed in the office of the Secretary of State  
of West Virginia. **MAR 1 1937**

Wm. S. O'BRIEN,  
Secretary of State