

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1939



ENROLLED

HOUSE BILL No. 130

(By Mr. Shinn)



PASSED March 11 1939

In Effect from Passage

130

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(BY MR. SHINN)

[Passed March 11, 1939; in effect from passage.]

AN ACT to amend and reenact section two, article six, chapter forty-four of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to the expenditure and investment of funds in the hands of fiduciaries.

Be it enacted by the Legislature of West Virginia:

That section two, article six, chapter forty-four of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

Article 6. Investments by Fiduciaries.

Section 2. *In What Securities Fiduciaries May Invest*

2 *Trust Funds.* Any executor, administrator, guardian, curator,
3 committee, trustee, or other fiduciary whose duty it may be
4 to loan or invest money intrusted to him as such, may with-
5 out any order of any court, invest the same or any part

6 thereof in any of the following securities, and without liabil-
7 ity for any loss resulting from investments therein:

8 (a) In bonds or interest-bearing notes or obligations of
9 the United States, or those for which the faith of the United
10 States is distinctly pledged to provide for the payment of
11 the principal and interest thereof, including bonds issued un-
12 der the federal farm loan act;

13 (b) In bonds or interest-bearing notes or obligations of
14 this state;

15 (c) In bonds of any state of the United States which has
16 not within ten years previous to the making of such invest-
17 ment defaulted in the payment of any part of either prin-
18 cipal or interest on any of its bonds issued by authority of
19 the legislature of such state;

20 (d) In the bonds or interest-bearing notes or obligations
21 of any county, district, school district or independent school
22 district, municipality, or any other political division of
23 this state that have been issued pursuant to the authority of
24 any law of this state, since the ninth day of May of the year
25 one thousand nine hundred seventeen;

26 (e) In bonds and negotiable notes secured by first mort-

27 gage or first trust deed upon improved real estate in this
28 state where the amount secured by such mortgage or trust
29 deed shall not at the time of making the same exceed eighty
30 per cent of the assessed value, or fifty per cent of the appraised
31 value as determined by wholly disinterested and independent
32 appraisers, which ever value shall be the higher, of the real
33 estate covered by such mortgage or trust deed, and when such
34 mortgage or trust deed is accompanied by a satisfactory ab-
35 stract of title, certificate of title, or title insurance policy,
36 showing good title in the mortgagor when making such
37 mortgage or trust deed, and by a fire insurance policy in an
38 old line company with loss, if any, payable to the mortgagee
39 or trustee as his interest may appear: *Provided*, That the rate
40 of interest upon the above enumerated securities in this sub-
41 section (e), in which such investments may be made, shall
42 not be less than two per cent, nor more than seven per cent,
43 per annum.

44 (f) In savings accounts and time deposits of bank or trust
45 companies to the extent that such deposits are insured by the
46 federal deposit insurance corporation, or by any other similar
47 federal instrumentality that may be hereafter created, pro-

48 vided there shall be such an instrumentality in existence and
49 available for the purpose, or, by bonds of solvent surety com-
50 panies: *Provided*, That the rate of interest upon such savings
51 accounts or time deposits shall not be less than the rate paid
52 other depositors in such bank or trust company.

53 (g) In shares of state building and loan associations, or
54 federal savings and loan associations, to the extent that such
55 shares are insured by the Federal Savings and Loan Insur-
56 ance Corporation, or by any other similar federal instrumen-
57 tality that may be hereafter created, provided that there shall
58 be such an instrumentality in existence and available for the
59 purpose, or by bonds of solvent surety companies: *Provided*,
60 That the dividend rate upon such shares shall not be less
61 than the rate paid to other shareholders in such associations.

62 Trust funds received by executors, administrators, guar-
63 dians, curators, committees, trustees and other fiduciaries
64 may be kept invested in the securities originally received by
65 them, unless otherwise ordered by a court having jurisdiction
66 of the matter, as hereinafter provided, or unless the instru-
67 ment under which the trust was created shall direct that a
68 change of investment be made, and any such fiduciary shall

69 not be liable for any loss that may occur by depreciation of
70 such securities.

71 This section shall not apply where the instrument creating
72 the trust, or the last will and testament of any testator, or
73 any court having jurisdiction of the matter, specially directs
74 in what securities the trust funds shall be invested, and every
75 such court is hereby given power specially to direct by order
76 or orders, from time to time, additional securities in which
77 trust funds may be invested, and any investment thereof
78 made in accordance with any such special direction shall be
79 legal, and no executor, administrator, guardian, curator, com-
80 mittee, trustee, or other fiduciary, shall be held liable for any
81 loss resulting in any such case.

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

E. O. Wiseman

Chairman Senate Committee

Neil W. Walker

Chairman House Committee

Originated in the

House of Delegates

Takes effect

from

passage

Sherrill Jones

Clerk of the Senate

Geo. S. Hall

Clerk of the House of Delegates

Wm. M. ...

President of the Senate

James Tay ...

Speaker House of Delegates

The within this the

day of, 1933.



.....
Governor.

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 17th day of March,

1939...

Am S O'Brien
SECRETARY OF STATE