WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1939

ENROLLED

SENATE BILL No. 250

(By Mr. )

PASSED March 9th, 1939

In Effect

JARRETT PRINTING COMPANY, CHARLESTON, W. VA.
AN ACT to amend article five, chapter twelve of the code of West Virginia, one thousand nine hundred thirty-one, by adding thereto a new section to be designated as section six, relating to public and other securities and the appraisal of the value of such securities.

Be it enacted by the Legislature of West Virginia:

That article five, chapter twelve of the code of West Virginia, one thousand nine hundred thirty-one, be amended by adding thereto a new section to be designated as section six, to read as follows:
Section 6. (a) Whenever, by statute of this state, any public official, board, commission or department of this state is charged with the approval of securities required as collateral for the deposit of public or other funds, or required to be deposited with the state treasurer, or an investment of capital or surplus or a reserve or other fund, is required to be maintained consisting of designated securities deposited with the state treasurer, such securities shall, at the discretion of such public official, board, commission or department, be deemed to include and mean notes executed by the person or corporation required to make such deposit and made payable to the state of West Virginia upon demand, in the event of insolvency or default by such person or corporation, for the benefit of those for whom such securities are deposited, when such notes are secured by duly executed deeds of trust on improved, unencumbered real property located in the state and owned by the person or corporation executing such notes, said deeds of trust to be approved by the attorney general of the state as to sufficiency of form and manner of execution and accompanied by proper abstracts of title and fire insurance policies equal to the amounts of
such notes and recorded among the land records of the county in which the real property is located: Provided,

That whenever any such note so secured by a deed of trust on real property owned by any such person or corporation is approved by any public official, board, commission or department of this state, the real property shall have an appraised value of at least thirty per centum more than the amount of such note, said value to be determined by an appraisal of two landowners who are citizens of this state and generally recognized as experienced real estate appraisers appointed by the public official, board, commission or department, charged with the approval of such securities, the expenses of such appraisal to be borne by the person or corporation required to make such deposit, and each unit of such real property shall have an appraised value of at least fifty thousand dollars.

By improved real property as used herein is meant all real property within the limits of an incorporated city or town on which permanent buildings suitable for residential, industrial or commercial use are located.
Real property, for purposes hereof, shall not be deemed to be encumbered by reason of the existence of instruments reserving rights of way, sewer rights and rights in walls, nor by reason of building restrictions or other restrictive covenants, nor by reason of the fact that it, or any part thereof, is subject to lease under which rents or profits are reserved to the owner: Provided, That the deed of trust for such investment is a full and unrestricted first lien upon such property.

(b) Any such public official, board, commission or department of this state charged with the approval of securities required to be deposited as aforesaid, shall, at least annually and oftener if deemed proper, appoint a disinterested person or persons, not exceeding three, to make an examination and appraisal of the securities so deposited to determine if such securities meet the requirements of the law of this state, and the cost of such examination and appraisal, not less than ten dollars nor more than twenty-five dollars per diem for each person, and expenses, shall be borne by the person or corporation required to make such deposits as security.
The Joint Committee on Enrolled Bills hereby certifies that the
foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the Senate

Takes effect Ninety days from passage

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

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.

Governor

This the 17 day of March, 1939.

Secretary of State