

WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1939

ENROLLED

SENATE BILL No. 250

(By Mr. Robertson)

PASSED March 9th 1939

In Effect Twenty days Passage

ENROLLED
Senate Bill No. 250

(BY MR. ROBERTSON)

[Passed March 9, 1939; in effect ninety days from passage.]

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
2 public official, board, commission or department of this state
3 is charged with the approval of securities required as col-
4 lateral for the deposit of public or other funds, or required
5 to be deposited with the state treasurer, or an investment of
6 capital or surplus or a reserve or other fund, is required to
7 be maintained consisting of designated securities deposited
8 with the state treasurer, such securities shall, at the dis-
9 cretion of such public official, board, commission or depart-
10 ment, be deemed to include and mean notes executed by the
11 person or corporation required to make such deposit and
12 made payable to the state of West Virginia upon demand,
13 in the event of insolvency or default by such person or cor-
14 poration, for the benefit of those for whom such securities
15 are deposited, when such notes are secured by duly executed
16 deeds of trust on improved, unencumbered real property
17 located in the state and owned by the person or corporation
18 executing such notes, said deeds of trust to be approved by
19 the attorney general of the state as to sufficiency of form and
20 manner of execution and accompanied by proper abstracts
21 of title and fire insurance policies equal to the amounts of

22 such notes and recorded among the land records of the
23 county in which the real property is located: *Provided,*
24 That whenever any such note so secured by a deed of trust
25 on real property owned by any such person or corporation is
26 approved by any public official, board, commission or depart-
27 ment of this state, the real property shall have an appraised
28 value of at least thirty per centum more than the amount of
29 such note, said value to be determined by an appraisal of two
30 landowners who are citizens of this state and generally
31 recognized as experienced real estate appraisers appointed
32 by the public official, board, commission or department,
33 charged with the approval of such securities, the expenses
34 of such appraisal to be borne by the person or corporation
35 required to make such deposit, and each unit of such real
36 property shall have an appraised value of at least fifty
37 thousand dollars.

38 By improved real property as used herein is meant all real
39 property within the limits of an incorporated city or town
40 on which permanent buildings suitable for residential, in-
41 dustrial or commercial use are located.

42 Real property, for purposes hereof, shall not be deemed
43 to be encumbered by reason of the existence of instruments
44 reserving rights of way, sewer rights and rights in walls,
45 nor by reason of building restrictions or other restrictive
46 covenants, nor by reason of the fact that it, or any part
47 thereof, is subject to lease under which rents or profits are
48 reserved to the owner: *Provided*, That the deed of trust
49 for such investment is a full and unrestricted first lien
50 upon such property.

51 (b) Any such public official, board, commission or depart-
52 ment of this state charged with the approval of securities
53 required to be deposited as aforesaid, shall, at least annually
54 and oftener if deemed proper, appoint a disinterested person
55 or persons, not exceeding three, to make an examination and
56 appraisal of the securities so deposited to determine if such
57 securities meet the requirements of the law of this state, and
58 the cost of such examination and appraisal, not less than
59 ten dollars nor more than twenty-five dollars per diem for
60 each person, and expenses, shall be borne by the person or
61 corporation required to make such deposits as security.

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

E. O. Wiseman

Chairman Senate Committee

Wm B. Walter

Chairman House Committee

Originated in the *Senate*

Takes effect *Ninety days* after passage

Richard T. Riley

Clerk of the Senate

Wm O. Stace

Clerk of the House of Delegates

James M. McPherson

President of the Senate

James Taylor Thomas

Speaker House of Delegates

I certify that the foregoing act, ^{The within} this the day of 1939. which it originated within the time prescribed by the constitution of the state, has become a law without his approval. Governor

This the *17th* day of *March*, 1939

Wm S. O'Brien

SECRETARY OF STATE