

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1949

ENROLLED

SENATE BILL No. 153

(By Mr. Johnson Mr. President)

PASSED March 10 1949

In Effect July 1, 1949 Passage



153

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Senate Bill No. 153

(By MR. JOHNSTON, MR. PRESIDENT)

[Passed March 10, 1949; in effect July 1, 1949.]

AN ACT authorizing the issuance and sale of fifty million dollars of road bonds of the state of West Virginia to raise money for the construction of secondary roads under and by virtue of the "fifty million dollar bond issue for roads amendment" to the constitution adopted at the general election held in November, one thousand nine hundred forty-eight, providing for the disposition, allocation and expenditure of the proceeds of the sale thereof, and providing for the levy and collection of an annual state tax and other revenue sufficient to pay semi-annually the interest on such bonds and the principal thereof within twenty-five years.

Be it enacted by the Legislature of West Virginia:

Section 1. *Road Bonds; Amount Thereof and Authority*

2 *to Issue.*—Bonds of the state of West Virginia of the par
3 value of fifty million dollars are hereby authorized to be
4 issued and sold for the purpose of raising funds for the
5 building and construction, or for assisting in the building
6 and construction, of a system of state secondary roads and
7 highways provided for by the “fifty million dollar bond
8 issue for roads amendment” to the constitution adopted
9 at the general election held in November, one thousand
10 nine hundred forty-eight. Such bonds may be issued by
11 the governor in such amounts, not to exceed twenty-five
12 million dollars in any one biennium, in coupon or reg-
13 istered form, in such denominations, at such times and
14 bearing such date or dates as the governor may determine,
15 and shall become due and payable serially in equal
16 amounts beginning one year and ending not more than
17 twenty-five years from the date thereof.

Sec. 2. *Transfer, Fee; Registration, Fee; Where Pay-*

2 *able; Interest Rate; Tax Exempt.*—The auditor and the
3 treasurer are hereby authorized to arrange for the trans-

4 fer of registered bonds, and for each such transfer a fee of
5 fifty cents shall be charged by and paid to the state of
6 West Virginia, to the credit of the state road sinking fund.
7 Bonds taken in exchange shall be cancelled by the audi-
8 tor and treasurer and be carefully preserved by the treas-
9 urer. The treasurer shall make provisions for registering
10 "payable to bearer" bonds, and for each bond registered
11 a fee of fifty cents shall likewise be charged by and paid
12 to the state of West Virginia, to the credit of the state road
13 sinking fund. All of such bonds shall be payable at the
14 office of the treasurer of the state of West Virginia, or, at
15 the option of the holder, at some bank in the city of New
16 York to be designated by the governor. The bonds shall
17 bear interest at a rate not exceeding four and one-half
18 per cent per annum, payable semi-annually, on the first
19 day of ----- and the first day of -----, of each year,
20 to bearer, at the office of the treasurer of the state of West
21 Virginia, at the capitol of the state, or at the bank desig-
22 nated by the governor, upon presentation and surrender
23 of interest coupons then due, in the case of coupon bonds.
24 In the case of registered bonds the treasurer of the state

25 of West Virginia shall issue his check for the interest
26 then due on the first day of and the first day of
27, of each year, and mail it to the registered owner
28 at his address as shown by the record of registration.
29 Both the principal and interest of the bonds shall be pay-
30 able in lawful money of the United States of America
31 and the bonds shall be exempt from taxation by the state
32 of West Virginia, or by any county, district, or munici-
33 pality thereof, which facts shall appear on the face of the
34 bonds as part of the contract with the holder thereof.

Sec. 3. *Form of Bond.*—The bonds and coupons shall be
2 engraved and the bonds shall be signed on behalf of
3 the state of West Virginia, by the treasurer thereof, under
4 the great seal of the state, and countersigned by the
5 auditor of the state, and shall be in the following form
6 or to the following effect, as nearly as 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 \$..... SERIES C No.....

12 The state of West Virginia, under and by virtue of
13 authority of an act of the Legislature passed at the regu-
14 lar session of one thousand nine hundred forty-nine, on
15 the _____ day of _____, one
16 thousand nine hundred forty-nine, and approved by the
17 governor on the _____ day of _____,
18 one thousand nine hundred forty-nine, which is hereby
19 made a part hereof as fully as if set forth at length
20 herein, acknowledges itself to be indebted to, and here-
21 by promises to pay to the bearer hereof (in the case of
22 a coupon bond) or to _____ or
23 assigns (the owner of record, in case of registered bonds)
24 on the _____ day of _____, 19____, in
25 lawful money of the United States of America at the of-
26 fice of the treasurer of the state of West Virginia at
27 the capitol thereof, or at the option of the holder at
28 _____ bank in the city of New
29 York, the sum of _____ dollars,
30 with interest thereon at _____ per centum per annum
31 from date, payable semi-annually in like lawful money
32 of the United States of America at the treasurer's office

33 or bank aforesaid, on the first day of _____ and
34 the first day of _____ of each year, (and in
35 the case of coupon bonds) according to the tenor of the
36 annexed coupons, bearing the engraved facsimile signa-
37 ture of the treasurer of the state of West Virginia, upon
38 surrender of such coupons. This bond (in the case of a
39 coupon bond) may be exchanged for a registered bond
40 of like tenor upon application to the treasurer of the state
41 of West Virginia.

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

52 This bond is hereby made exempt from any taxation

53 by the state of West Virginia, or by any county, district,
54 or municipal corporation thereof.

55 In testimony whereof, witness the signature of the
56 treasurer of the state of West Virginia, and the counter-
57 signature of the auditor of the state, hereto affixed ac-
58 cording to law, dated the _____ day of _____,
59 one thousand nine hundred _____, and the seal of
60 the state of West Virginia.

61 (Seal)

62

63 _____
Treasurer of the State of West Virginia

64 Countersigned:

65 _____

66 Auditor of the State of West Virginia

Sec. 4. *Form of Coupon.*—The form of coupon shall be
2 substantially as follows, to-wit:

3 STATE OF WEST VIRGINIA

4 Bond No. _____ Coupon No. _____

5 On the first day of _____, 19____, the state
6 of West Virginia will pay to the bearer, in lawful money
7 of the United States of America, at the office of the

8 treasurer of the state, or at the option of the holder at
9 _____ bank in the city of New
10 York, the sum of _____ dollars,
11 the same being semi-annual interest on Road Bond No.
12 _____, series C.

13

14

Treasurer of the State of West Virginia

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

Sec. 5. *Listing by Auditor.*—All coupon and registered
2 bonds issued under this act shall be separately listed by
3 the auditor of the state in books provided for the purpose,
4 in each case giving the date, number, character and
5 amount of obligations issued, and in case of registered

6 bonds, the name and post office address of the person, firm
7 or corporation registered as the owner thereof.

Sec. 6. *State Road Sinking Fund, Sources; Used to pay*
2 *Bonds and Interest; Investment of Remainder.*—Into the
3 state road sinking fund there shall be paid all moneys
4 received from the annual state tax levy on the taxable
5 property in the state levied under the provisions of this
6 act, from any and all appropriations made by the state
7 from other sources for the purpose of paying the interest
8 on such bonds or paying off and retiring the bonds, from
9 fines, forfeitures and penalties, if any, made applicable by
10 law for the payment of such bonds or the interest thereon,
11 from transfer fees as herein provided, and from any
12 source whatsoever, which is made liable by law for the
13 payment of the principal of such bonds or the interest
14 thereon.

15 All such funds shall be kept by the treasurer in a sep-
16 arate account, under the designation aforesaid, and all
17 money belonging to the fund shall be deposited in the
18 state treasury to the credit thereof.

19 Such fund shall be applied by the treasurer of the state,
20 first to the payment of the semi-annual interest on such
21 bonds as it shall become due as herein provided. The
22 remainder of the fund shall be turned over by the state
23 treasurer to the state sinking fund commission, whose
24 duty it shall be to invest the same in bonds of the govern-
25 ment of the United States, bonds of the state of West
26 Virginia, or any political subdivision thereof: *Provided,*
27 *however,* That bonds so purchased by the state sinking
28 fund commission shall mature so as to provide sufficient
29 money to pay off all bonds herein provided to be issued
30 as they may become due; and the money so paid into the
31 state road sinking fund under the provisions of this act
32 shall be expended for the purpose of paying the interest
33 and principal of the bonds hereby provided for as they
34 severally become due and payable and for no other pur-
35 pose except that the fund may be invested until needed,
36 as herein provided.

Sec. 7. Tax Levy to Pay, Unless Other Funds Avail-
2 *able.*—In order to provide the revenue necessary for the
3 payment of the principal and interest of such bonds, as

4 hereinbefore provided, the board of public works, within
5 the limits prescribed by the constitution, is authorized,
6 empowered and directed to lay annually a tax upon
7 all real and personal property subject to taxation
8 within this state, sufficient to pay interest on the bonds
9 accruing during the current year and one twenty-fifth
10 of the total issue (at par value) of such bonds, for such
11 number of years, not exceeding twenty-five, as may be
12 necessary to pay the interest thereon and to pay off the
13 principal sum of the bonds; and such taxes, when so col-
14 lected, shall not be liable for or applicable to any other
15 purpose: *Provided, however,* That if there be other funds
16 in the state treasury, or in the state road funds, in any
17 fiscal year, not otherwise appropriated, or if other sources
18 of revenue be hereafter provided by law for the purpose,
19 the board of public works is authorized, empowered and
20 directed to set apart, in any year there be such funds, or
21 other sources of revenue provided for such purpose, a sum
22 sufficient to pay the interest on bonds accruing during
23 the current year, and to pay off, and retire the principal
24 of such bonds, or any part thereof, at maturity.

25 The authority hereby vested in the board of public
26 works shall be in addition to the authority now vested in
27 it by present law.

Sec. 8. *Sale by Governor; Minimum Price.*—The gov-
2 ernor shall sell the bonds herein mentioned at such time
3 or times as he may determine necessary to provide funds
4 for road construction as herein provided, upon recom-
5 mendation of the state road commission. All sales shall
6 be at not less than par and accrued interest. All interest
7 coupons becoming payable prior to the sale date shall be
8 cancelled by the treasurer and rendered ineffective, be-
9 fore the delivery of the bonds so sold.

Sec. 9. *Proceeds Paid Into State Road Fund; Alloca-*
2 *tion Among Counties; Expenditure.*—The proceeds of all
3 sales of bonds herein authorized shall be paid into the
4 state road fund, shall be distributed among the various
5 counties in conformity with the method of allocation here-
6 inafter provided, and shall be expended solely for the
7 construction of secondary roads.

8 The state road commissioner shall allocate to the vari-
9 ous counties the entire fifty million dollars to be raised by

10 sale of the bonds herein authorized, as follows: There
11 shall first be allocated to each county the sum of two hun-
12 dred thousand dollars. Eighty per cent of the remainder
13 shall then be allocated to the various counties on the
14 basis of the ratio of the unimproved mileage of secondary
15 roads in each county to the total unimproved mileage of
16 secondary roads in the state: *Provided, however,* That no
17 county shall receive under the initial allocations a sum
18 in excess of one million one hundred thousand dollars.
19 The amount still remaining shall from time to time be
20 allocated by the commissioner to such of the counties
21 and in such amounts as may in his opinion best serve the
22 interests of the whole state by equalizing inequities re-
23 sulting from the initial allocations and from varying costs
24 of road construction under different topographical con-
25 ditions.

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

Sec. 11. *Auditor to be Custodian of Unsold Bonds.*—

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

Sec. 12. *Interim Certificates.*—The governor may au-
2 thorize the issuance of interim certificates to be issued
3 to the purchasers of such bonds to be held by them in
4 lieu of engraved bonds. When interim certificates are
5 so issued, they shall become full and legal obligations of
6 the state of West Virginia under all of the provisions
7 of this act just as fully and completely as the engraved
8 and permanent bonds.

Sec. 13. *Payment of Expenses.* — All necessary ex-
2 penses incurred in the execution of this act shall be paid
3 out of the state road fund on warrants of the auditor
4 of the state drawn on the state treasury.

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

Joseph L. McNeer
Chairman Senate Committee

Donnaugh
Chairman House Committee

Originated in the Senate.

Takes effect

July 1, 1949

— passage.

Benjamin Myers
Clerk of the Senate

James H. Smith
Clerk of the House of Delegates

James H. Smith
President of the Senate

W. E. D. L.
Speaker House of Delegates

The within

APPROVED

this the

15th

day of

MARCH

, 1949.

Chas. L. Patton
Governor.



Filed in the Office of the Secretary of State
of West Virginia

MAR 16 1949
D. PITT O'BRIEN,
SECRETARY OF STATE