

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1951



ENROLLED

HOUSE BILL No. 219

(By Mr. Mc Elroy)



PASSED February 28 1951

In Effect from Passage



118

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**House Bill No. 219**

(By MR. McELWEE)

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[Passed February 28, 1951; in effect from passage.]

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AN ACT to amend and reenact section two, article one, chapter twelve of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to depository banks for state funds and depository bonds.

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

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

Section 2. *Bonds to Be Given by Depositories; Surety Accepted Thereon.*—Before allowing any money to be deposited with any depository the board of public works shall require such depository to give bond with good security to be approved by said board, in the penalty of not less than ten thousand dollars, payable to the state

7 of West Virginia, conditioned for the prompt payment,  
8 whenever lawfully required, of any state money, or part  
9 thereof, that may be deposited with such depository, or  
10 of any accrued interest on deposits, which bond shall  
11 expire on the thirtieth day of April next ensuing.

12 The board of public works may accept as surety on,  
13 or for the faithful performance of the conditions of such  
14 bonds, the following:

15 (a) A surety, fidelity or indemnity company author-  
16 ized to do business in this state and having a combined  
17 capital and surplus of not less than one million dollars,  
18 and all bonds so secured are here designated as surety  
19 bonds;

20 (b) Persons or corporations which are duly author-  
21 ized to become surety for another, who are owners of  
22 property situate in this state of an aggregate assessed  
23 valuation as shown on the current assessment books  
24 equal to the penalty of the bond plus all liens or charges  
25 against such property, and all bonds so secured are here  
26 designated as personal bonds. Any person or any officer  
27 of any corporation becoming or offering to become surety

28 on a personal bond may be required by the board of  
29 public works or the state treasurer to furnish to said  
30 board under oath in writing such data and documentary  
31 evidence as to the financial status of such surety as such  
32 board may request. Any person who shall knowingly  
33 make a false statement in the matter of supplying the in-  
34 formation so requested as aforesaid shall be guilty of  
35 a misdemeanor, and upon conviction thereof shall be  
36 fined not less than twenty-five dollars nor more than five  
37 hundred dollars, and may, at the discretion of the court,  
38 be confined in the county jail for not exceeding one year;

39 (c) Collateral security consisting of bonds of the  
40 United States, and its possessions, of the federal land  
41 banks, of the home owners' loan corporation, of the state  
42 of West Virginia or of any county, district or municipality  
43 of this state or other bonds or securities approved by the  
44 said board of public works. All bonds so secured are  
45 here designated as collaterally secured bonds. With-  
46 drawal or substitution of any collateral pledged as secur-  
47 ity for the performance of the conditions of such bond  
48 may be permitted with the approval in writing of the

49 treasurer of the state of West Virginia and three other  
50 members of the board of public works who shall report  
51 such withdrawal or substitution at the next meeting of  
52 the board. All depository bonds shall be recorded by the  
53 secretary of state in a book kept in his office for the pur-  
54 pose, and a copy of such record, certified by him, shall  
55 be prima facie evidence of the execution and contents  
56 of such bond in any suit or legal proceeding. All collateral  
57 securities shall be delivered to or deposited for the ac-  
58 count of the treasurer of the state of West Virginia, and  
59 in the event actual possession of said securities shall be  
60 delivered to the treasurer, then he shall receipt therefor  
61 to the owner thereof. The said treasurer and his bondsmen  
62 shall be liable to any person for any loss by reason of the  
63 embezzlement or misapplication of said securities by said  
64 treasurer or any of his official employees, and for the loss  
65 thereof due to his negligence or the negligence of any  
66 of his official employees; and such securities shall be  
67 delivered to the owner thereof when liability under the  
68 bond which they are pledged to secure has terminated.  
69 The treasurer may permit the deposit under proper re-

70 ceipt of such securities with one or more banking insti-  
71 tutions within or without the state of West Virginia and  
72 may contract with any such institution for safe keeping  
73 and exchange of any such collateral securities, and may  
74 prescribe the rules and regulations for handling and  
75 protecting the same, subject to the approval of the board  
76 of public works.

*[Faint handwritten signature]*

*[Faint stamp and illegible text at the bottom left]*

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

*Robert D. Boyd*  
Chairman Senate Committee

*James M. Loop*  
Chairman House Committee

Originated in the House of Delegates

Takes effect from passage.

*Stanley M. Hays*  
Clerk of the Senate

*J.R. Giff*  
Clerk of the House of Delegates

*W. B. Hunter*  
President of the Senate

*W. E. Ramo*  
Speaker House of Delegates

The within APPROVED this the 10<sup>th</sup>  
day of MARCH, 1951.

*Clayton L. Patterson*  
Governor



of West Virginia. **MAR 12 1951** **MAR 10 1951**  
D. PITT O'BRIEN,  
SECRETARY OF SYMM