WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1951

ENROLLED

HOUSE BILL No. 55

(By Mr. Speaker, Mr. Flannery)

PASSED February 4, 1951

In Effect from Passage
AN ACT authorizing the issuance and sale of ninety million dollars of bonds of the state of West Virginia to raise money for the purpose of paying a bonus to veterans under and by virtue of the "Veterans' Ninety Million Dollars Bonus Amendment" to the constitution adopted at the general election held in November, one thousand nine hundred fifty, providing for the disposition and expenditure of the proceeds of the sale thereof, and providing for the payment of such bonds and for the rights and security of the holders thereof.

Be it enacted by the Legislature of West Virginia:

Veterans' Bonus Bonds

Section 1. Veterans' Bonus Bonds; Amount Thereof and Authority to Issue.—Bonds of the state of West Virginia of the par value of ninety million dollars are hereby authorized to be issued and sold for the purpose of rais-
ing funds for the payment of a cash bonus to veterans,
including the costs of administration necessarily incident
thereto, under and by virtue of the "Veterans' Ninety
Million Dollars Bonus Amendment" to the constitution
adopted at the general election held in November, one
thousand nine hundred fifty. Such bonds may be issued
by the governor in such amounts, in coupon or regis-
tered form, in such denominations, at such times and
bearing such date or dates as the governor may deter-
mine, and shall become due and payable serially begin-
ing one year and ending not more than twenty years
from the date thereof. The amount of such bonds matur-
ing in each year shall be so arranged by the governor
that the aggregate amount of principal of and interest
on such bonds maturing and becoming due in each year
shall be approximately equal. A variation of not more
than three per cent in such aggregate amounts of prin-
cipal and interest maturing and becoming due in each
year shall be considered a proper compliance with such
requirement. All such bonds maturing more than ten
years after the date of issuance thereof shall be redeem-
able prior to maturity, at the option of the State of West
Virginia, at such time or times, at such premium or prem-
iums, and upon such other conditions as the governor
shall determine and prescribe in the notice of sale thereof.

Sec. 2. Transfer, Fee; Registration, Fee; Where Pay-
able; Interest Rate; Tax Exempt.—The auditor and the
treasurer are hereby authorized to arrange for the trans-
fer of registered bonds, and for each such transfer a fee
of fifty cents shall be charged by and paid to the state of
West Virginia, to the credit of the veterans' bonus sink-
ing fund. Bonds taken in exchange shall be cancelled by
the auditor and treasurer and be carefully preserved by
the treasurer. The treasurer shall make provisions for
registering "payable to bearer" bonds, and for each bond
registered a fee of fifty cents shall likewise be charged by
and paid to the state of West Virginia, to the credit of the
sinking fund. All of such bonds shall be payable at the
office of the treasurer of the state of West Virginia, or,
at the option of the holder, at some bank in the city of
New York to be designated by the governor. The bonds
shall bear interest payable semi-annually, on the first
day of __________ and the first day of __________, of each
year, to bearer, at the office of the treasurer of the state
of West Virginia at the capitol of the state, or at the bank
designated by the governor, upon presentation and sur-
render of interest coupons then due, in the case of coupon
bonds. In the case of registered bonds the treasurer of
the state of West Virginia shall issue his check for the
interest then due on the first day of __________ and the first
day of __________, of each year, and mail it to the registered
owner at his address as shown by the record of regis-
tration. Both the principal and interest of the bonds shall
be payable in lawful money of the United States of
America and the bonds shall be exempt from taxation
by the state of West Virginia, or by any county, district,
or municipality thereof, which facts shall appear on the
face of the bonds as part of the contract with the holder
thereof.

Sec. 3. Form of Bond.—The bonds and coupons shall
be engraved and the bonds shall be signed on behalf of
the state of West Virginia, by the treasurer thereof, under
the great seal of the state, and countersigned by the
The state of West Virginia, under and by virtue of authority of an act of the Legislature passed at the regular session of one thousand nine hundred fifty-one, on the day of , one thousand nine hundred fifty-one, and approved by the governor on the day of , one thousand nine hundred fifty-one, which is hereby made a part hereof as fully as if set forth at length herein, acknowledges itself to be indebted to, and hereby promises to pay to the bearer hereof (in the case of a coupon bond) or to or assigns (the owner of record, in case of a registered bond) on the day of , 19___, in lawful money of the United States of America at the office of the treasurer
of the state of West Virginia at the capitol thereof, or at the option of the holder at bank in the city of New York, the sum of dollars, with interest thereon at per centum per annum from date, payable semi-annually in like lawful money of the United States of America at the treasurer's office or bank aforesaid, on the first day of and the first day of of each year, (and in the case of a coupon bond) according to the tenor of the annexed coupons, bearing the engraved facsimile signature of the treasurer of the state of West Virginia, upon surrender of such coupons. This bond (in the case of a coupon bond) may be exchanged for a registered bond of like tenor upon application to the treasurer of the state of West Virginia.

This bond is hereby made exempt from any taxation by the state of West Virginia, or by any county, district, or municipal corporation thereof.

In testimony whereof, witness the signature of the treasurer of the state of West Virginia, and the counter-signature of the auditor of the state, hereto, affixed ac-
cording to law, dated the ______ day of _______, one thou-
sand nine hundred ___________, and the seal of the state
of West Virginia.

(Seal)

Treasurer of the State of West Virginia

Countersigned:

Auditor of the State of West Virginia

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

STATE OF WEST VIRGINIA

On the first day of ____________, 19________, the state of West
Virginia will pay to the bearer, in lawful money of the
United States of America, at the office of the treasurer of
the state, or at the option of the holder at ________________
bank in the city of New York, the sum of __________________
dollars, the same being semi-annual interest on Veterans'
Bonus Bond No. ______________, series ____________ .

Treasurer of the State of West Virginia
The signature of the treasurer to such coupon shall be by his engraved facsimile signature and the coupons shall be numbered in the order of their maturity, from number one consecutively. The bonds and coupons may be signed by the present treasurer and auditor, or by any of their respective successors in office, and bonds signed by the persons now in office may be sold by the governor or his successor in office without being signed by the successor in office of the present treasurer or auditor.

Sec. 5. Listing by Auditor.—All coupon and registered bonds issued under this act shall be separately listed by the auditor of the state in books provided for the purpose, in each case giving the date, number, character and amount of obligations issued, and in case of registered bonds, the name and post office address of the person, firm or corporation registered as the owner thereof.

Sec. 6. Veterans' Bonus Sinking Fund for Payment of Bonds and Interest; Investment Thereof.—There is hereby created a veterans' bonus sinking fund. Into such fund there shall be paid all moneys received from all taxes or
charges made applicable by law to the payment of such
bonds or the interest thereon, from transfer fees as here-
in provided, and from any other source which is made
liable by law for the payment of the principal of such
bonds or the interest thereon.
All such funds shall be kept by the treasurer in a sep-
arate account, under the designation aforesaid, and all
money belonging to the fund shall be deposited in the
state treasury to the credit thereof.
Such fund shall be applied by the treasurer of the state,
first to the payment of the principal and semi-annual in-
terest on such bonds as they shall become due as herein
provided. The remainder of the fund shall be turned over
by the state treasurer to the state sinking fund commis-
sion, whose duty it shall be to invest the same in bonds
of the government of the United States, bonds of the state
of West Virginia, or any political subdivision thereof:
Provided, however, That bonds so purchased by the state
sinking fund commission shall mature so as to provide
sufficient money to pay off all bonds herein provided to
be issued as they may become due. The money so paid
into the veterans' bonus sinking fund under the provisions of this act shall be expended for the purpose of paying the interest and principal of the bonds hereby provided for as they severally become due and payable and for no other purpose except that the fund may be invested until needed, as herein provided.

Sec. 7. Covenants of State.—The state of West Virginia hereby covenants and agrees with the holders of bonds issued pursuant hereto that all the provisions of this act shall be and constitute an irrevocable contract with the holders of such bonds from time to time; that the rates of additional taxes on cigarettes and nonintoxicating beer and the additional charge on the sale of each bottle of alcoholic liquor, otherwise provided by law exclusively for payment of such bonds, shall not be reduced so long as any of the bonds, or any interest thereon, are outstanding and unpaid, unless the payment thereof has been adequately provided for; and that to the full extent permitted by the constitution of West Virginia any of the covenants, agreements and provisions of this act may be enforced in any court of competent jurisdiction by any
holder of such bonds or of any interest coupon appertain-

ing thereto.

The state of West Virginia further covenants and agrees
that if in any fiscal year thereafter the aggregate amount
of moneys derived from such additional taxes on ciga-
rettes and beer and such additional charges on alcoholic
liquor are insufficient to meet all principal and interest
payments due on such bonds during that year, it will
levy and collect such additional taxes on cigarettes and
beer and such additional charges on alcoholic liquor, as
may be necessary to produce sufficient revenue to meet
such payments as the same shall become due, or that in
lieu of such increased taxes or charges on cigarettes, beer
and alcoholic liquor, it may levy and collect an additional
general consumers sales tax or a graduated income tax
in the amount necessary for such purpose.

Sec. 8. Sale by Governor; Minimum Price.—The gov-
ernor shall sell the bonds herein mentioned at such time
or times as he may determine necessary to provide funds
for payment of the bonus as herein provided. All sales
shall be at not less than par and accrued interest. All
interest coupons becoming payable prior to the sale date shall be cancelled by the treasurer and rendered ineffective, before the delivery of the bonds so sold.

Sec. 9. Proceeds Paid into Veterans' Bonus Fund; Expenditure.—The proceeds of all sales of bonds herein authorized shall be paid into the veterans' bonus fund, which is hereby created, and shall be expended solely for the payment of the veterans' bonus and the costs of administration necessarily incident thereto.

If deemed advisable, the governor may direct the state treasurer to invest a part of the moneys in the veterans' bonus fund, in direct obligations of the United States of America, having a maturity of not exceeding one hundred eighty-five days from date of purchase. Any interest or profit accruing from such purchases shall be credited to the veterans' bonus fund.

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

Sec. 11. Treasurer to Be Custodian of Unsold Bonds.—
The state treasurer shall be the custodian of all unsold bonds issued pursuant to the provisions of this act.

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

Sec. 13. Payment of Expenses.—All necessary expenses incurred in the execution of this act shall be paid out of the veterans' bonus fund on warrants of the auditor of the state drawn on the state treasury.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the House of Delegates

Takes effect upon passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within approved this the 13th day of February, 1951.

Governor

Not in the Office of the Secretary of State of West Virginia

D. Pitt O'Brien, Secretary of State

FEB 13 1951