

# WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1951



# ENROLLED

HOUSE BILL No. 55

(By Mr. Speaker, Mr. Flannery)



PASSED February 6, 1951

In Effect from Passage



**ENROLLED**

**House Bill No. 55**

(By MR. SPEAKER, MR. FLANNERY)

[Passed February 6, 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*  
2 *and Authority to Issue.*—Bonds of the state of West Vir-  
3 ginia of the par value of ninety million dollars are hereby  
4 authorized to be issued and sold for the purpose of rais-

5 ing funds for the payment of a cash bonus to veterans,  
6 including the costs of administration necessarily incident  
7 thereto, under and by virtue of the "Veterans' Ninety  
8 Million Dollars Bonus Amendment" to the constitution  
9 adopted at the general election held in November, one  
10 thousand nine hundred fifty. Such bonds may be issued  
11 by the governor in such amounts, in coupon or regis-  
12 tered form, in such denominations, at such times and  
13 bearing such date or dates as the governor may deter-  
14 mine, and shall become due and payable serially begin-  
15 ning one year and ending not more than twenty years  
16 from the date thereof. The amount of such bonds matur-  
17 ing in each year shall be so arranged by the governor  
18 that the aggregate amount of principal of and interest  
19 on such bonds maturing and becoming due in each year  
20 shall be approximately equal. A variation of not more  
21 than three per cent in such aggregate amounts of prin-  
22 cipal and interest maturing and becoming due in each  
23 year shall be considered a proper compliance with such  
24 requirement. All <sup>OK</sup> such bonds maturing more than ten  
25 years after the date of issuance thereof shall be redeem-

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26 able prior to maturity, at the option of the State of West  
27 Virginia, at such time or times, at such premium or prem-  
28 iums, and upon such other conditions as the governor  
29 shall determine and prescribe in the notice of sale 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  
5 of fifty cents shall be charged by and paid to the state of  
6 West Virginia, to the credit of the veterans' bonus sink-  
7 ing fund. Bonds taken in exchange shall be cancelled by  
8 the auditor and treasurer and be carefully preserved by  
9 the treasurer. The treasurer shall make provisions for  
10 registering "payable to bearer" bonds, and for each bond  
11 registered a fee of fifty cents shall likewise be charged by  
12 and paid to the state of West Virginia, to the credit of the  
13 sinking fund. All of such bonds shall be payable at the  
14 office of the treasurer of the state of West Virginia, or,  
15 at the option of the holder, at some bank in the city of  
16 New York to be designated by the governor. The bonds  
17 shall bear interest payable semi-annually, on the first

18 day of \_\_\_\_\_ and the first day of \_\_\_\_\_, of each  
19 year, to bearer, at the office of the treasurer of the state  
20 of West Virginia at the capitol of the state, or at the bank  
21 designated by the governor, upon presentation and sur-  
22 render of interest coupons then due, in the case of coupon  
23 bonds. In the case of registered bonds the treasurer of  
24 the state of West Virginia shall issue his check for the  
25 interest then due on the first day of \_\_\_\_\_ and the first  
26 day of \_\_\_\_\_, of each year, and mail it to the registered  
27 owner at his address as shown by the record of regis-  
28 tration. Both the principal and interest of the bonds shall  
29 be payable in lawful money of the United States of  
30 America and the bonds shall be exempt from taxation  
31 by the state of West Virginia, or by any county, district,  
32 or municipality thereof, which facts shall appear on the  
33 face of the bonds as part of the contract with the holder  
34 thereof.

Sec. 3. *Form of Bond.*—The bonds and coupons shall  
2 be 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 substantially in the fol-  
6 lowing form or to the following effect, namely:

7 VETERANS' BONUS

8 COUPON BOND

9 (Or registered bond, as the case may be)

10 OF THE

11 STATE OF WEST VIRGINIA

12 \$ \_\_\_\_\_ SERIES \_\_\_\_\_ No. \_\_\_\_\_

13 The state of West Virginia, under and by virtue of au-  
14 thority of an act of the Legislature passed at the regular  
15 session of one thousand nine hundred fifty-one, on the  
16 \_\_\_\_\_ day of \_\_\_\_\_, one thousand nine hundred fifty-  
17 one, and approved by the governor on the \_\_\_\_\_ day of  
18 \_\_\_\_\_, one thousand nine hundred fifty-one, which is  
19 hereby made a part hereof as fully as if set forth at  
20 length herein, acknowledges itself to be indebted to, and  
21 hereby promises to pay to the bearer hereof (in the case  
22 of a coupon bond) or to \_\_\_\_\_ or assigns (the  
23 owner of record, in case of a registered bond) on the  
24 \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_, in lawful money of the  
25 United States of America at the office of the treasurer

26 of the state of West Virginia at the capitol thereof, or at  
27 the option of the holder at ..... bank in the city  
28 of New York, the sum of ..... dollars, with in-  
29 terest thereon at ..... per centum per annum from  
30 date, payable semi-annually in like lawful money of the  
31 United States of America at the treasurer's office or bank  
32 aforesaid, on the first day of ..... and the first day  
33 of ..... of each year, (and in the case of a  
34 coupon bond) according to the tenor of the annexed  
35 coupons, bearing the engraved facsimile signature of the  
36 treasurer of the state of West Virginia, upon surrender  
37 of such coupons. This bond (in the case of a coupon bond)  
38 may be exchanged for a registered bond of like tenor  
39 upon application to the treasurer of the state of West  
40 Virginia.

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

44 In testimony whereof, witness the signature of the  
45 treasurer of the state of West Virginia, and the counter-  
46 signature of the auditor of the state, hereto, affixed ac-

47 cording to law, dated the ..... day of ....., one thou-  
 48 sand nine hundred ....., and the seal of the state  
 49 of West Virginia.

50 (Seal)

51 \_\_\_\_\_

52 Treasurer of the State of West Virginia

53 Countersigned:

54 \_\_\_\_\_

55 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 of West  
 6 Virginia will pay to the bearer, in lawful money of the  
 7 United States of America, at the office of the treasurer of  
 8 the state, or at the option of the holder at \_\_\_\_\_  
 9 bank in the city of New York, the sum of \_\_\_\_\_

10 dollars, the same being semi-annual interest on Veterans'

11 Bonus Bond No. \_\_\_\_\_, series \_\_\_\_\_

12 \_\_\_\_\_

13 Treasurer of the State of West Virginia



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

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,  
7 firm or corporation registered as the owner thereof.

Sec. 6. *Veterans' Bonus Sinking Fund for Payment of*  
2 *Bonds and Interest; Investment Thereof.*—There is here-  
3 by created a veterans' bonus sinking fund. Into such fund  
4 there shall be paid all moneys received from all taxes or

5 charges made applicable by law to the payment of such  
6 bonds or the interest thereon, from transfer fees as here-  
7 in provided, and from any other source which is made  
8 liable by law for the payment of the principal of such  
9 bonds or the interest thereon.

10 All such funds shall be kept by the treasurer in a sep-  
11 arate account, under the designation aforesaid, and all  
12 money belonging to the fund shall be deposited in the  
13 state treasury to the credit thereof.

14 Such fund shall be applied by the treasurer of the state,  
15 first to the payment of the principal and semi-annual in-  
16 terest on such bonds as they shall become due as herein  
17 provided. The remainder of the fund shall be turned over  
18 by the state treasurer to the state sinking fund commis-  
19 sion, whose duty it shall be to invest the same in bonds  
20 of the government of the United States, bonds of the state  
21 of West Virginia, or any political subdivision thereof:  
22 *Provided, however,* That bonds so purchased by the state  
23 sinking fund commission shall mature so as to provide  
24 sufficient money to pay off all bonds herein provided to  
25 be issued as they may become due. The money so paid

26 into the veterans' bonus sinking fund under the provis-  
27 ions of this act shall be expended for the purpose of pay-  
28 ing the interest and principal of the bonds hereby pro-  
29 vided for as they severally become due and payable and  
30 for no other purpose except that the fund may be invested  
31 until needed, as herein provided.

Sec. 7. *Covenants of State.*—The state of West Virginia  
2 hereby covenants and agrees with the holders of bonds  
3 issued pursuant hereto that all the provisions of this act  
4 shall be and constitute and <sup>6</sup>irrevocable contract with the  
5 holders of such bonds from time to time; that the rates  
6 of additional taxes on cigarettes and nonintoxicating beer  
7 and the additional charge on the sale of each bottle of  
8 alcoholic liquor, otherwise provided by law exclusively  
9 for payment of such bonds, shall not be reduced so long  
10 as any of the bonds, or any interest thereon, are out-  
11 standing and unpaid, unless the payment thereof has  
12 been adequately provided for; and that to the full extent  
13 permitted by the constitution of West Virginia any of  
14 the covenants, agreements and provisions of this act may  
15 be enforced in any court of competent jurisdiction by any

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16 holder of such bonds or of any interest coupon appertain-  
17 ing thereto.

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

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 payment of the bonus as herein provided. All sales  
5 shall be at not less than par and accrued interest. All

6 interest coupons becoming payable prior to the sale date  
7 shall be cancelled by the treasurer and rendered ineffec-  
8 tive, before the delivery of the bonds so sold.

Sec. 9. *Proceeds Paid into Veterans' Bonus Fund; Ex-*  
2 *penditure.*—The proceeds of all sales of bonds herein au-  
3 thorized shall be paid into the veterans' bonus fund, which  
4 is hereby created, and shall be expended solely for the  
5 payment of the veterans' bonus and the costs of adminis-  
6 tration necessarily incident thereto.

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

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

Sec. 11. *Treasurer to Be Custodian of Unsold Bonds.*—

2 The state treasurer 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 to  
3 the purchasers of such bonds to be held by them in lieu  
4 of engraved bonds. When interim certificates are so is-  
5 sued, they shall become full and legal obligations of the  
6 state of West Virginia under all of the provisions of this  
7 act just as fully and completely as the engraved and per-  
8 manent bonds.

Sec. 13. *Payment of Expenses.*—All necessary expenses  
2 incurred in the execution of this act shall be paid out of  
3 the veterans' bonus fund on warrants of the auditor of the  
4 state drawn on the state treasury.

APPROVED  
FEB 13 1921  
J. H. O'BRIEN  
REGISTRAR OF DEEDS

