WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1951

ENROLLED

SENATE BILL NO. 268

(By Mr. [Signature])

PASSED March 6, 1951
In Effect from Passage
ENROLLED

Senate Bill No. 268

(By MR. JOHNSTON, MR. PRESIDENT)

[Passed March 6, 1951; in effect from passage.]

AN ACT authorizing the state treasurer to deposit the proceeds from the sales of veterans' bonus bonds in banks in this state and prescribing the conditions upon which banks may qualify as depositories of such funds.

Be it enacted by the Legislature of West Virginia:

Section 1. Deposit of Proceeds of Sales of Veterans' Bonus Bonds.—Notwithstanding any other provision of law, the treasurer is authorized, as provided in this act to establish an account, to be known as the veterans' bonus account, in state or national banks within the State of West Virginia. To the credit of such accounts he shall deposit all proceeds from the sale of veterans' bonus bonds, authorized by the provisions of
9 Engrossed House Bill number fifty-five, an Act of the
10 Legislature, regular session, one thousand nine hundred
11 fifty-one.

Sec. 2. Bond to be Executed by Depository Banks;
2 Penalty Thereof; Approval; Action Thereon; Recordation.
3 —Before the treasurer shall deposit any money in the
4 veterans' bonus accounts authorized to be established
5 by section one of this act, the bank or banks designated
6 by him shall execute a bond, to be accepted and approved
7 by the board of public works, payable to the State of
8 West Virginia, in a penalty in excess of the maximum
9 amount of money that shall be deposited in the account
10 at any one time, as hereinafter provided, and conditioned
11 for the prompt payment, whenever lawfully required,
12 of any state money, or part thereof, that may be deposited
13 with such depository, such bond to continue in full force
14 and effect until the veterans' bonus account has been
15 closed with such bank by the treasurer.
16 An action shall lie on such bond at the instance of the
17 board of public works or the treasurer for the recovery
18 of any money deposited in the depository, upon failure
or default of the depository to fully and faithfully ac-
count for and pay over any and all state moneys deposited
by the treasurer therein. The bond shall not be accepted
by the board of public works until it shall have been
submitted to the attorney general, and certified by him
to be in due and legal form, and conformable to the
provisions of this act, which certificate shall be endorsed
thereon. After acceptance and approval by the board
of public works, the bond shall be recorded by the secre-
tary of state in the book kept in his office for the purpose
of recording bonds to secure other state accounts.

Sec. 3. Collateral Security; Amount; Where Deposited;
Sale Thereof in Case of Default.—The board of public
works shall accept, for the faithful performance of the
conditions of such bonds, collateral negotiable securities
consisting of direct obligations of the United States,
bonds of federal land banks, bonds of the State of West
Virginia or of any county or municipality thereof, or any
other bonds or securities approved by the board of public
works. All collateral deposited by a bank in the manner
required by the following provisions of this section and
hereunder accepted, is hereby designated to secure the bond executed by the depository bank under the provisions of section two of this act, and in the event of an action on the bond by the board of public works or the treasurer, if sufficient money is not realized therefrom to fully reimburse the state for losses caused by the inability of the depository bank to pay over promptly all state moneys as required, the board of public works shall have the authority to place on the market and sell any or all securities deposited by the defaulting bank to secure its bond. The proceeds from such sale, or so much thereof as is necessary, shall be retained by the board of public works and applied to reimburse the state for the losses resulting from such default. Any funds remaining after such sale, and all securities belonging to the bank not sold, shall then be promptly turned over or released to the owner thereof.

The amount of state funds on deposit in any bank shall at no time be permitted to exceed ninety per cent of the value of the collateral pledged to secure any bond, and the value thereof shall be determined by the board of public works.
All collateral securities may be delivered to the treasurer of the State of West Virginia, who shall receipt therefor to the owner thereof, and the treasurer and his bondsmen shall be liable to any person for any loss by reason of embezzlement or misapplication of such securities by the treasurer or any of his official employees, and for the loss thereof due to his negligence or the negligence of any of his official employees; or, with the permission of the treasurer, the depository bank may deposit for safekeeping the collateral in a bank or banks within or without the State of West Virginia. \textit{Provided}, That the bank holding such securities shall set aside the collateral so pledged and hold it for the account of the treasurer of the State of West Virginia, and in addition thereto issue to the treasurer an escrow receipt or contract evidencing that such has been done; and \textit{Provided further}, That the bank or banks holding the collateral shall comply with such rules and regulations for handling and protecting the securities as the treasurer may make, with the approval of the board of public works.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the Senate.

Takes effect upon passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within bill is approved this the 12th day of March, 1951.

Governor.