

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1951

ENROLLED

SENATE BILL NO. 268

(By Mr. Johnston, Mr. President)

PASSED March 6, 1951

In Effect from Passage



268

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'*

2 *Bonus Bonds.*—Notwithstanding any other provision of
3 law, the treasurer is authorized, as provided in this act
4 to establish an account, to be known as the veterans'
5 bonus account, in state or national banks within the
6 State of West Virginia. To the credit of such ac-
7 counts he shall deposit all proceeds from the sale of
8 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

19 or default of the depository to fully and faithfully ac-
20 count for and pay over any and all state moneys deposited
21 by the treasurer therein. The bond shall not be accepted
22 by the board of public works until it shall have been
23 submitted to the attorney general, and certified by him
24 to be in due and legal form, and conformable to the
25 provisions of this act, which certificate shall be endorsed
26 thereon. After acceptance and approval by the board
27 of public works, the bond shall be recorded by the secre-
28 tary of state in the book kept in his office for the purpose
29 of recording bonds to secure other state accounts.

Sec. 3. *Collateral Security; Amount; Where Deposited;*
2 *Sale Thereof in Case of Default.*—The board of public
3 works shall accept, for the faithful performance of the
4 conditions of such bonds, collateral negotiable securities
5 consisting of direct obligations of the United States,
6 bonds of federal land banks, bonds of the State of West
7 Virginia or of any county or municipality thereof, or any
8 other bonds or securities approved by the board of public
9 works. All collateral deposited by a bank in the manner
10 required by the following provisions of this section and

11 hereunder accepted, is hereby designated to secure the
12 bond executed by the depository bank under the pro-
13 visions of section two of this act, and in the event of an
14 action on the bond by the board of public works or the
15 treasurer, if sufficient money is not realized therefrom
16 to fully reimburse the state for losses caused by the in-
17 ability of the depository bank to pay over promptly all
18 state moneys as required, the board of public works shall
19 have the authority to place on the market and sell any
20 or all securities deposited by the defaulting bank to se-
21 cure its bond. The proceeds from such sale, or so much
22 thereof as is necessary, shall be retained by the board
23 of public works and applied to reimburse the state for
24 the losses resulting from such default. Any funds re-
25 maining after such sale, and all securities belonging to
26 the bank not sold, shall then be promptly turned over
27 or released to the owner thereof.

28 The amount of state funds on deposit in any bank shall
29 at no time be permitted to exceed ninety per cent of the
30 value of the collateral pledged to secure any bond, and
31 the value thereof shall be determined by the board of
32 public works.

33 All collateral securities may be delivered to the treas-
34 urer of the State of West Virginia, who shall receipt
35 therefor to the owner thereof, and the treasurer and his
36 bondsmen shall be liable to any person for any loss by
37 reason of embezzlement or misapplication of such secur-
38 ities by the treasurer or any of his official employees, and
39 for the loss thereof due to his negligence or the negligence
40 of any of his official employees; or, with the permission
41 of the treasurer, the depository bank may deposit for
42 safekeeping the collateral in a bank or banks within or
43 without the State of West Virginia: *Provided*, That the
44 bank holding such securities shall set aside the collateral
45 so pledged and hold it for the account of the treasurer of
46 the State of West Virginia, and in addition thereto issue
47 to the treasurer an escrow receipt or contract evidencing
48 that such has been done: and *Provided further*, That the
49 bank or banks holding the collateral shall comply with
50 such rules and regulations for handling and protecting
51 the securities as the treasurer may make, with the ap-
52 proval of the board of public works.

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

Robert C. Boyd
Chairman Senate Committee

James M. Loop
Chairman House Committee

Originated in the Senate.

Takes effect

from passage.

Howard Myers
Clerk of the Senate

W. R. Adiff
Clerk of the House of Delegates

W. B. Hanner
President of the Senate

W. E. Hanner
Speaker House of Delegates

The within approved this the 12th
day of MARCH, 1951.

Clay L. Patterson
Governor.



of West Virginia

MAR 12 1951

D. PIIT O'BRIEN,
SECRETARY OF STATE