WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1953

ENROLLED

HOUSE BILL No. 387

(By Mr. Heaton. Mr. Hamory)

PASSED March 17, 1953

In Effect 21 days from Passage
AN ACT to amend chapter twenty of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article, to be designated article eight-b, relating to the issuance and payment of revenue bonds to finance the construction of self-liquidating recreational facilities in state parks and forests.

Be it enacted by the Legislature of West Virginia:

That chapter twenty of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new article, to be designated article eight-b, to read as follows:

Article 8-b. Revenue Bonds for Park Development.

Section 1. Definitions.—"Director" shall mean the director of conservation or any board or officer succeeding to the powers now conferred by law upon the director of conservation.
“Recreational facilities” shall mean and embrace cabins, lodges, swimming pools, golf courses, restaurants, commissaries and other revenue producing facilities in any state park or forest.

“Bonds” shall mean bonds issued by the director pursuant to this article.

“Project” shall be deemed to mean collectively the acquisition of land, the construction of any buildings or other works, together with incidental approaches, structures and facilities, reasonably necessary and useful in order to provide new or improved recreational facilities.

“Cost of project” shall embrace the cost of construction, the cost of all land, property, material and labor which are deemed essential thereto, cost of improvements, financing charges, interest during construction, and all other expenses, including legal fees, trustees’, engineers’ and architects’ fees which are necessarily or properly incidental to the project.

“Rent or rental” shall include all moneys received for the use of any recreational facility.

Sec. 2. Authority of Director to Issue Park Development
Revenue Bonds; Grants and Gifts.—The director, with the approval of the governor, is hereby empowered to raise the cost of any project, as defined hereinabove, by the issuance of park development revenue bonds of the state, the principal of and interest on which bonds shall be payable solely from the special fund herein provided for such payment. Such bonds shall be authorized by order of the director, approved by the governor, which shall recite an estimate by the director of the cost of the project, and shall provide for the issuance of bonds in an amount sufficient, when sold as hereinafter provided, to produce such cost, less the amount of any grant or grants, gift or gifts received, or in the opinion of the director expected to be received from the United States of America or from any other source. The acceptance by the director of any and all such grants and gifts, whether in money or in land, labor or materials, is hereby expressly authorized. All such bonds shall have and are hereby declared to have all the qualities of negotiable instruments under the law merchant. Such bonds shall bear interest at not more than four per cent per annum, payable semi-annually, and
shall mature in not more than twenty-five years from their date or dates, and may be made redeemable at the option of the state, to be exercised by the director at such price and under such terms and conditions as the director may fix prior to the issuance of such bonds. The director shall determine the form of such bonds, including coupons to be attached thereto to evidence the right of interest payments, which bonds shall be signed by the director, under the great seal of the state, attested by the secretary of state, and the coupons attached thereto shall bear the facsimile signature of the director. In case any of the officers whose signatures appear on the bonds or coupons shall cease to be such officers before the delivery of such bonds, such signatures shall nevertheless be valid and sufficient for all purposes the same as if they had remained in office until such delivery. The director shall fix the denominations of the bonds, the principal and interest of which shall be payable at the office of the treasurer of the state of West Virginia, at the capitol of the state, or, at the option of the holder, at some bank or trust company in the city of New York to be named in the bonds in such
medium as may be determined by the director. Such bonds shall be exempt from taxation by the state of West Virginia, or any county or municipality therein. The director may provide for the registration of such bonds in the name of the owner as to principal alone, and as to both principal and interest under such terms and conditions as the director may determine, and shall sell such bonds in such manner as he may determine to be for the best interest of the state, taking into consideration the financial responsibility of the purchaser, and the terms and conditions of the purchase, and especially the availability of the proceeds of the bonds when required for payment of the cost of the project, such sale to be made at a price not lower than a price which, computed upon standard tables of bond values, will show a net return of five percent per annum to the purchaser upon the amount paid therefor. The proceeds of such bonds shall be used solely for the payment of the cost of the project, and shall be deposited and checked out as provided by section four of this article, and under such further restrictions, if any, as the director may provide. If the proceeds of such bonds,
by error in calculation or otherwise, shall be less than the

cost of the project, additional bonds may in like manner

be issued to provide the amount of the deficiency, and

unless otherwise provided for in the trust agreement here-

inafter mentioned, shall be deemed to be of the same issue,

and shall be entitled to payment from the same fund,

without preference or priority as the bonds before issued.

If the proceeds of bonds issued for the project shall ex-

ceed the cost thereof, the surplus shall be paid into a

special fund to be established for payment of the principal

and interest of such bonds as specified in the trust agree-

ment provided for in the following section. Such fund

may be used for the purchase of any of the outstanding

bonds payable from such fund at the market price, but

at not exceeding the price, if any, at which such bonds

shall in the same year be redeemable, and all bonds re-

demeed or purchased shall forthwith be cancelled, and

shall not again be issued. Prior to the preparation of de-

finitive bonds, the director may, under like restrictions,

issue temporary bonds with or without coupons, exchange-

able for definitive bonds upon the issuance of the latter.
Such revenue bonds may be issued without any other proceedings or the happening of any other conditions or things than those proceedings, conditions and things which are specified and required by this article, or by the constitution of the state. Revenue bonds issued under the authority herein granted shall be eligible as investments for the workmen's compensation fund and as security for the deposit of all public funds.

Sec. 3. Trustee for Holders of Bonds.—The director may enter into an agreement or agreements with any trust company, or with any bank having the powers of a trust company, either within or outside the state, as trustee for the holders of bonds issued hereunder, setting forth there-in such duties of the state and of the director in respect to the acquisition, construction, improvement, maintenance, operation, repair and insurance of the project, the conservation and application of all moneys, the insurance of moneys on hand or on deposit, and the rights and remedies of the trustee and the holders of the bonds, as may be agreed upon with the original purchasers of such bonds, and including therein provisions restricting the individual
right of action of bondholders as is customary in trust agreements respecting bonds and debentures of corporations, protecting and enforcing the rights and remedies of the trustee and the bondholders, and providing for approval by the original purchasers of the bonds of the appointment of consulting architects, and of the security given by those who contract to construct the project, and by any bank or trust company in which the proceeds of bonds or rentals shall be deposited, and for approval by the consulting architects of all contracts for construction. All expenses incurred in carrying out such agreement may be treated as a part of the cost of maintenance, operation and repair of the project.

Sec. 4. Proceeds of Bonds, Grants and Gifts.—The proceeds of all bonds sold as provided in this article for any park development project and the proceeds of any grant or gift received by the director for such project shall be paid to the treasurer of the state of West Virginia, who shall not commingle such funds with any other moneys, but shall deposit them in a separate bank account or accounts. The moneys in such accounts shall be paid out
on check of the treasurer on requisition of the director, or of such other person as the director may authorize to make such requisition. All deposits of such moneys shall, if required by the treasurer or the director, be secured by obligations of the United States, of the state of West Virginia, or of the director, of a market value equal at all times to the amount of the deposit, and all banking institutions are authorized to give such security for such deposits.

Sec. 5. Authority of Director to Pledge Revenue as Security.—The director shall have authority to pledge all revenue derived from any project as security for any bonds issued under this article to defray the cost of such project. In any case in which the director may deem it advisable, he shall also have the authority to pledge the revenue derived from any existing recreational facilities in any state park or forest as additional security for the payment of any bonds issued under the provisions of this article to pay the cost of any park development project at such park or forest.

Sec. 6. Management and Control of Project.—The com-
mission shall properly maintain repair, operate, manage
and control the project, fix the rates of rental, and estab-
lish by-laws and rules and regulations for the use and
operation of the project, and may make and enter into
all contracts or agreements necessary and incidental to
the performance of its duties and the execution of its
powers under this article.

Sec. 7. Article Not Authority to Create State Debt.—
Nothing in this article contained shall be so construed or
interpreted as to authorize or permit the incurring of
state debt of any kind or nature as contemplated by the
provisions of the constitution of the state of West Virginia
in relation to state debt.

Sec. 8. Compliance with This Article and State Consti-
tution Only Restrictions on Construction and Manage-
ment of Project.—It shall not be necessary to secure from
any officer or board not named in this article any approval
or consent, or any certificate or finding, or to hold an
election, or to take any proceedings whatever, either for
the construction of any project, or the improvement,
maintenance, operation or repair thereof, or for the issu-
ance of bonds hereunder, except such as are prescribed by this article or are required by the constitution of the state.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

[Signature]
Chairman Senate Committee

[Signature]
Chairman House Committee

Originated in the House of Delegates

[Signature]
Clerk of the Senate

[Signature]
Clerk of the House of Delegates

[Signature]
President of the Senate

[Signature]
Speaker House of Delegates

The within approved this the 20th day of March, 1953.

[Signature]
Governor

[Stamp]
MAR 20 1953

[Signature]
Secretary of State