

WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1955



ENROLLED

HOUSE BILL No. 223

(By Mr. Arnos)



PASSED Mar 3 1955

In Effect 90 days from Passage



Filed in the Office of the Secretary of State
of West Virginia
MAR 9 1955
D. PITT O'BRIEN
SECRETARY OF STATE

ENROLLED
House Bill No. 223
(By MR. BURKE)

[Passed March 3, 1955; in effect ninety days from passage.]

AN ACT to amend and reenact section one, chapter twenty-five, acts of the Legislature of West Virginia, first extraordinary session, one thousand nine hundred thirty-three, as amended, and to further amend said chapter twenty-five by adding thereto three new sections, to be designated sections twenty-two-e, twenty-two-f and twenty-two-g, all relating to municipal sewerage systems, so as to provide for the acquisition, construction, extension and improvement of municipal sewerage systems and the issuance of revenue bonds in connection therewith and providing for the rights and remedies of the holders of said bonds.

Be it enacted by the Legislature of West Virginia:

That section one, chapter twenty-five, acts of the Legislature of West Virginia, first extraordinary session, one thou-

sand nine hundred thirty three, as amended, be amended and reenacted, and that said chapter twenty-five be further amended by adding thereto three new sections, to be designated sections twenty-two-e, twenty-two-f and twenty-two-g, all to read as follows:

Section 1. *Acquisition, Operation, Etc.; Issuance of*

2 *Bonds.*—Any municipal corporation and/or sanitary dis-
3 trict in the state of West Virginia is hereby authorized
4 and empowered to own, acquire, construct, equip, operate
5 and maintain within and/or without the corporate limits
6 of such municipal corporations, a sewage collection system
7 and/or a sewage treatment plant or plants, intercepting
8 sewers, outfall sewers, force mains, pumping stations,
9 ejector stations, and all other appurtenances necessary
10 or useful and convenient for the collection and/or treat-
11 ment, purification and disposal, in a sanitary manner, of
12 the liquid and solid waste, sewage, night soil and indus-
13 trial waste of such municipal corporation and/or sanitary
14 district, and shall have authority to acquire by gift, grant,
15 purchase, condemnation, or otherwise, all necessary lands,
16 rights-of-way and property therefor, within and/or with-

17 out the corporate limits of such municipal corporation
18 and/or sanitary district, and to issue revenue bonds to pay
19 the cost of such works and property, any such munici-
20 pality may serve and supply the facilities of such sewer-
21 age system within the corporate limits of such munici-
22 pality and within the area extending twenty miles beyond
23 the corporate limits of such municipality: *Provided, how-*
24 *ever,* That such municipality shall not serve or supply
25 the facilities of such sewerage system within the corpor-
26 ate limits of any other municipality without the consent
27 of the governing body thereof. No obligations shall be
28 incurred by any such municipality and/or sanitary dis-
29 trict in such construction or acquisition except such as
30 is payable solely from the funds provided under the au-
31 thority of this article.

Sec. 22-e. *Operating Contract.*—Any such municipality
2 may enter into contracts or agreements with any persons,
3 firms or corporations for the operation and management
4 of the facilities and properties of said sewerage system.
5 or any part thereof, for such period of time and under
6 such terms and conditions as shall be agreed upon be-

7 tween such municipality and such persons, firms or cor-
8 porations. Such municipality shall have power to provide
9 in the resolution authorizing the issuance of bonds here-
10 under, or in any trust indenture, securing such bonds,
11 that such contracts or agreements shall be valid and bind-
12 ing upon the municipality as long as any of said bonds,
13 or interest thereon, are outstanding and unpaid.

Sec. 22-f. *Exemption From Taxation.*—Said bonds and
2 the interest thereon, together with all properties and
3 facilities of said municipality owned or used in connec-
4 tion with sewerage system, and all the moneys, revenues
5 and other income of such municipality derived from such
6 sewerage system shall be exempt from all taxation by
7 the state of West Virginia or any county, municipality,
8 political subdivision or agency thereof.

Sec. 22-g. *Covenants With Bond Holders.*—Any resolu-
2 tion authorizing the issuance of bonds hereunder, or any
3 trust indenture with any bank or trust company within
4 or without the state, for the security of said bonds, may
5 contain covenants with the holders of such bonds as to:
6 (a) The purpose or purposes to which the proceeds of

7 sale of such bonds, or the revenues derived from said
8 sewerage system, may be applied and the securing, use
9 and disposition thereof, including, if deemed desirable,
10 the appointment of a trustee or depositary for any of
11 such funds;

12 (b) The pledging of all or any part of the revenues
13 derived from the ownership, operation or control of such
14 sewerage systems, including any part thereof heretofore
15 or hereafter constructed or acquired or derived from any
16 other sources, to the payment of the principal of or inter-
17 est thereon of bonds issued hereunder and for such reserve
18 or other funds as may be deemed necessary or desirable;

19 (c) The fixing, establishing and collecting of such fees,
20 rentals or other charges for the use of the services and fa-
21 cilities of such sewerage system, including the parts there-
22 of heretofore or hereafter constructed or acquired and the
23 revision of same from time to time, as will always provide
24 revenues at least sufficient to provide for all expenses of
25 operation, maintenance and repair of such sewerage sys-
26 tem, the payment of the principal of and interest on all
27 bonds or other obligations payable from the revenues of

28 such sewerage system, and all reserve and other funds
29 required by the terms of the ordinance authorizing the
30 issuance of such bonds;

31 (d) The transfer from the general funds of the mu-
32 nicipality to the account or accounts of such sewerage
33 system of an amount equal to the cost of furnishing the
34 municipality or any of its departments, boards or agencies
35 with the services and facilities of such sewerage system;

36 (e) Limitations or restrictions upon the issuance of
37 additional bonds or other obligations payable from the
38 revenue of such sewerage system, and the rank or priority,
39 as to lien and source and security for payment from the
40 revenues of such sewerage system, between bonds payable
41 from such revenues;

42 (f) The manner and terms upon which all bonds and
43 other obligations issued hereunder may be declared im-
44 mediately due and payable upon the happening of a de-
45 fault in the payment of the principal of or interest there-
46 on, or in the performance of any covenant or agreement
47 with bondholders, and the manner and terms upon which

48 such defaults may be declared cured and the acceleration
49 of the maturity of such bonds rescinded and repealed;

50 (g) Budgets for the annual operation, maintenance
51 and repair of such sewerage system and restrictions and
52 limitations upon expenditures for such purposes, and the
53 manner of adoption, modification, repeal or amendment
54 thereof, including the approval of such budgets by con-
55 sulting engineers designated by holders of bonds issued
56 hereunder;

57 (h) The amounts of insurance to be maintained upon
58 such sewerage system, or any part thereof, and the use
59 and disposition of the proceeds of any insurance;


60 (i) The keeping of books of account, relating to such
61 undertakings and the audit and inspection thereof, and
62 the furnishing to the holders of bonds issued hereunder
63 or their representatives, reports prepared, certified, or
64 approved by accountants designated or approved by the
65 holders of bonds issued hereunder;

66 (j) Such other additional covenants as shall be deemed
67 necessary or desirable for the security of the holders of
68 bonds issued hereunder, notwithstanding that such other

69 covenants are not expressly enumerated hereunder, it be-
70 ing the intention hereof to grant to such municipalities
71 the power to make any and all covenants or agreements
72 necessary in order to secure greater marketability for
73 bonds issued hereunder as fully and to the same extent
74 as such covenants or agreements could be made by a pri-
75 vate corporation rendering similar services and facilities
76 and to grant such municipalities full and complete power
77 to enter into any contracts, covenants or agreements with
78 holders of bonds issued hereunder not inconsistent with
79 the constitution of the state of West Virginia.

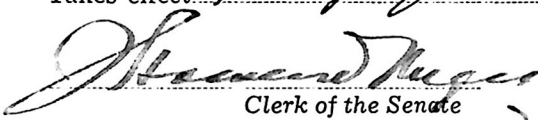
The Joint Committee on Enrolled Bills hereby certifies that
the foregoing bill is correctly enrolled.

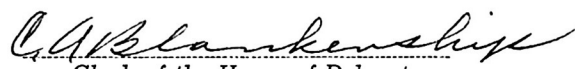

Chairman Senate Committee



Chairman House Committee

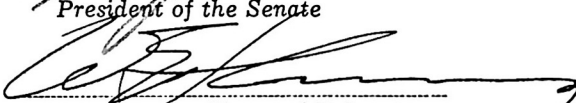
Originated in the House of Delegates

Takes effect 90 days from passage.

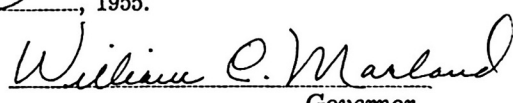

Clerk of the Senate


Clerk of the House of Delegates


President of the Senate


Speaker House of Delegates

The within approved this the 8
day of March, 1955.


Governor



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of West Virginia. **MAR 9 1955**

D. PITT O'BRIEN
SECRETARY OF STATE