WEST VIRGINIA LEGISLATURE
REGULAR THIRTY-DAY SESSION, 1956

ENROLLED
Comm. Sub. for
SENATE BILL NO. 21
Appropriating in Finance Committee
(By Mr.______________________________)

PASSED February 9, 1956
In Effect 90 days [handwritten]

Filed in the Office of the Secretary of State
of West Virginia  FEB 15 1956
D. Pitt O'Brien
Secretary of State
AN ACT to amend chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended; by adding thereto a new article, to be designated article twelve-a, relating to the authority of the West Virginia board of education to issue revenue bonds to finance the construction of a new building for Marshall college and to pledge as security for such bonds the revenue collected at Marshall college from certain student fees.

Be it enacted by the Legislature of West Virginia:

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


Section 1. West Virginia Board of Education Authorized to Issue Revenue Bonds for Certain Capital Improvements.—The West Virginia Board of Education shall have authority, as provided in this article, to issue revenue bonds of the state, not to exceed nine hundred fifty thousand dollars in principal amount thereof, to finance the cost of providing a health and physical education building for Marshall college. The principal of and interest on such bonds shall be payable solely from the special nonrevolving fund herein provided for such payment. The costs of any such building or buildings shall include the cost of acquisition of land, the construction and equipment of any such building or buildings, and the provision of roads, utilities and other services necessary, appurtenant or incidental to such building or buildings; and shall also include all other charges or expenses necessary, appurtenant or incidental to the construction, financing and placing in operation of any such building or buildings.
Sec. 2. Special Marshall College Capital Improvement

Fund Created in State Treasury; Collections to Be Paid Into Special Fund; Authority of West Virginia Board of Education to Pledge Such Collections as Security for Revenue Bonds.—There is hereby created in the state treasury a special nonrevolving Marshall College capital improvements fund. On and after the first day of July, one thousand nine hundred fifty-seven, there shall be paid into such special fund all fees collected under the provisions of section one, article one-a, chapter twenty-five of this code, from students at Marshall college, except such fees as are required by that section to be paid into other special funds.

The board of education shall have authority to pledge all or such part of the revenue paid into the special Marshall college capital improvement fund as may be needed to meet the requirements of the sinking fund established in connection with any revenue bond issue authorized by this article, including a reserve fund for the payment of the principal of and interest on such revenue bond issue when other moneys in the sinking fund are insufficient
therefor; and may provide in the resolution authorizing any issue of such bonds, and in any trust agreement made in connection therewith, for such priorities on the revenues paid into the special fund as may be necessary for the protection of the prior rights of the holders of bonds issued at different times under the provisions of this article.

If any balance shall remain in the special Marshall college capital improvement fund after the board has issued the maximum of nine hundred fifty thousand dollars worth of bonds authorized by this article, and after the requirements of all sinking funds and reserve funds established in connection with the issue of such bonds have been satisfied, such balance may and shall be used solely for the redemption of any of the outstanding bonds issued hereunder which by their terms are then redeemable, or for the purchase of bonds 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 redeemed or purchased shall forthwith be cancelled and shall not again be issued. Whenever all outstanding bonds
issued hereunder shall have been paid, the special Mar-
shall college capital improvement fund shall cease to
exist and any balance then remaining in such fund shall
be transferred to the general revenue fund of the state.
Thereafter all fees formerly paid into such special fund
shall be paid into the general revenue fund of the state.

Sec. 3. Issuance of Revenue Bonds.—The issuance of
bonds under the provisions of this article shall be au-
thorized by a resolution of the board of education, which
shall recite an estimate by the board of the cost of the
proposed building or buildings; and shall provide for the
issuance of bonds in an amount sufficient, when sold as
hereinafter provided, to provide moneys sufficient to pay
such cost, less the amount of any other funds available
for the construction of the building or buildings from any
appropriation, grant or gift therefor. Such resolution
shall prescribe the rights and duties of the bondholders
and the board, and for such purpose may prescribe the
form of the trust agreement hereinafter referred to. The
bonds shall be of such series, bear such date or dates,
mature at such time or times not exceeding thirty years
from their respective dates, bear interest at such rate or rates not exceeding five per cent per annum, payable semi-annually; be in such denominations; be in such form, either coupon or fully registered without coupons, carrying such registration exchangeability and interchangeability privileges; be payable in such medium of payment and at such place or places; be subject to such terms of redemption at such prices not exceeding one hundred five per cent of the principal amount thereof, and be entitled to such priorities on the revenues paid into the special state colleges capital improvements fund as may be provided in the resolution authorizing the issuance of the bonds or in any trust agreement made in connection therewith. The bonds shall be signed by the governor, and by the president of the board of education, 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 president of the board. In case any of the officers whose signatures appear on the bonds or coupons 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 such officers had remained in office until such delivery.

Such bonds shall be sold in such manner as the board may determine to be for the best interests of the state, taking into consideration the financial responsibility of the purchaser, 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 such building or buildings, such sale to be made at a price not lower than a price which, when computed upon standard tables of bond values, will show a net return of not more than six per cent 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 such building or buildings, and shall be deposited in the state treasury in a special fund and checked out as provided by law for the disbursement of other state funds. If the proceeds of such bonds, by error in calculation or otherwise, shall be less than the cost of such building or buildings, additional bonds may in like manner be issued to provide the amount of the deficiency, but in no case to
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58 exceed nine hundred fifty thousand dollars as provided
59 in section one of this article; and unless otherwise pro-
60 vided for in this resolution or trust agreement herein-
61 after mentioned, shall be deemed to be of the same issue,
62 and shall be entitled to payment from the same fund,
63 without preference or priority, as the bonds before issued
64 for such building or buildings. If the proceeds of bonds
65 issued for such building or buildings shall exceed the
66 cost thereof, the surplus shall be paid into the sinking
67 fund to be established for payment of the principal and
68 interest of such bonds as hereinafter provided. Prior
69 to the preparation of definitive bonds, the board may,
70 under like restrictions, issue temporary bonds with or
71 without coupons, exchangeable for definitive bonds upon
72 their issuance.
73 The bonds issued under the provisions of this article
74 shall be and have all the qualities of negotiable instru-
75 ments under the law merchant and under the negotiable
76 instruments law of this state.

Sec. 4. Trust Agreement For Holders of Bonds.—The
2 board may enter into an agreement or agreements with
9 

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 therein such duties of the board in respect

to the payment of the bonds, the fixing, establishing and

collecting of the fees hereinbefore referred to, the ac-

quisition, construction, improvement, maintenance, oper-

ation, repair and insurance of such building or buildings,

the conservation and application of all moneys, the se-

curity for 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 cus-

tomary in trust agreements respecting bonds and deben-

tures 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 engineers and of

the security given by those who contract to construct

such building or buildings, and for approval by the con-
suting engineers of all contracts for construction. Any such agreement entered into by the board shall be binding in all respects on such board and its successors from time to time in accordance with its terms; and all the provisions thereof shall be enforceable by appropriate proceedings at law or in equity, or otherwise.

Sec. 5. Sinking Fund for Payment of Bonds.—From the special Marshall college capital improvement fund the board shall make periodic payments to the state sinking fund commission in an amount sufficient to meet the requirements of any issue of bonds sold under the provisions of this article, as specified in the resolution of the board authorizing the issue and in any trust agreement entered into in connection therewith. The payments so made shall be placed by the commission in a special sinking fund which is hereby pledged to and charged with the payment of the principal of the bonds of such issue and the interest thereon, and to the redemption or repurchase of such bonds, such sinking fund to be a fund for all bonds of such issue without distinction or priority of one over another. The moneys in the special sinking
16 fund, less such reserve for payment of principal and in-
17 terest as may be required by the resolution of the board
18 authorizing the issue and any trust agreement made in
19 connection therewith, may be used for the redemption of
20 any of the outstanding bonds payable from such fund
21 which by their terms are then redeemable, or for the
22 purchase of bonds at the market price; but at not exceed-
23 ing the price, if any, at which such bonds shall in the
24 same year be redeemable; and all bonds redeemed or pur-
25 chased shall forthwith be cancelled and shall not again
26 be issued.

Sec. 6. *Credit of State Not Pledged.*—No provisions of
2 this article shall be construed to authorize the board at
3 any time or in any manner to pledge the credit or taxing
4 power of the state, nor shall any of the obligations or
5 debts created by the board under the authority herein
6 granted be deemed to be obligations of the state.

Sec. 7. *Bonds Exempt from Taxation.*—All bonds issued
2 by the board under the provisions of this article shall be
3 exempt from taxation by the state of West Virginia, or
4 by any county, school district or municipality thereof.
Sec. 8. Conflicting Laws Repealed.—The powers conferred by this article shall be in addition and supplemental to the existing powers of the board of education. The provisions of any other law or laws conflicting with the provisions of this article shall be and the same are hereby superseded to the extent of any such conflict.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

[Signature]

Chairman House Committee

[Signature]

Originated in the Senate.

Takes effect [90 days from passage].

Clerk of the Senate

[Signature]

Clerk of the House of Delegates

[Signature]

President of the Senate

[Signature]

Speaker House of Delegates

[Signature]

The within [approved this the] [14] day of February, 1956.

[Signature]

Governor

[Stamp: Filed in the office of Secretary of State]