

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1957



ENROLLED

HOUSE BILL No. 304

(By Mr. Whaley)



PASSED March 8 1957

In Effect 90 days from Passage



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(By MR. WHALEY)

{Passed March 8, 1957; in effect ninety days from passage.}

AN ACT to amend and reenact section three, article thirteen, chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to municipal combined waterworks and sewerage systems and the issuance of revenue bonds in connection therewith.

Be it enacted by the Legislature of West Virginia:

That section three, article thirteen, chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

Section 3. *Refund of Outstanding Obligations or Securities; Issuance of Bonds.*—Whenever a waterworks and sewerage system is included in a combined waterworks and sewerage system under this article and there are unpaid and outstanding revenue bonds or any other obligations or securities previously issued which are payable

7 solely from the revenues of such waterworks or such
8 sewerage system or any part thereof, such outstanding
9 bonds, obligations or securities may be refunded by the
10 issue and sale or exchange therefor of revenue bonds to
11 be issued under the provisions of this article. For the
12 purpose of defraying the cost of acquiring or constructing
13 any such waterworks or sewerage systems, or both, and
14 for the purpose of paying the cost of constructing any
15 extensions or improvements to any such combined water-
16 works and sewerage system any such municipality may
17 issue revenue bonds under the provisions of this article.
18 All such bonds may be authorized, issued and sold pur-
19 suant to ordinance in installments at different times or
20 an entire issue or series may be sold at one time. Such
21 bonds shall bear interest at a rate not to exceed six per
22 cent per annum payable semi-annually and shall mature
23 within the period of usefulness of the project involved,
24 to be determined by the governing body and in any event
25 not more than forty years. Such bonds may be in such
26 denomination or denominations, may be in such form,
27 either coupon or registered, may carry such registration

28 and conversion privileges, may be executed in such man-
29 ner, may be payable in such medium of payment, at such
30 place or places, may be subject to such terms of redemp-
31 tion, with or without a premium, may be declared to be-
32 come due before the maturity date thereof, may provide
33 for the replacement of mutilated, destroyed, stolen, or lost
34 bonds, may be authenticated in such manner and upon
35 compliance with such conditions, and may contain such
36 other terms and covenants, as may be provided by ordi-
37 nance of the governing body of the municipality. Not-
38 withstanding the form or tenor thereof, and in the absence
39 of an express recital on the face thereof that the bond is
40 non-negotiable, all such bonds shall at all times be, and
41 shall be treated as, negotiable instruments for all pur-
42 poses. Such bonds may be sold in such manner as the
43 governing body shall determine and if issued to bear
44 interest at the rate of six per cent per annum shall be
45 sold for not less than par and accrued interest. If any
46 such bonds shall be issued to bear interest at a rate of
47 less than six per cent per annum, the minimum price
48 at which they may be sold shall be such that the interest

49 cost to such municipality of the proceeds of such bonds
50 shall not exceed six per cent per annum computed to
51 maturity according to the standard table of bond values,
52 *Provided*, That if the governing body of the municipality
53 determines to sell any revenue bonds of such combined
54 waterworks and sewerage system for refunding purposes
55 such bonds shall be sold at not less than par and accrued
56 interest and the proceeds deposited at the place of pay-
57 ment of the bonds, obligations or securities being refunded
58 thereby. In case any officer whose signature appears on
59 such bonds or coupons attached thereto shall cease to be
60 such officer before the delivery of the bonds to the pur-
61 chaser, such signature shall nevertheless be valid and
62 sufficient for all purposes, with the same effect as if he
63 had remained in office until the delivery of the bonds.
64 Such bonds shall have all the qualities of negotiable in-
65 struments under the law of this state. Whenever any
66 outstanding bonds, obligations or securities previously
67 issued which are payable solely from the revenues of any
68 waterworks or sewerage system included in a combined
69 waterworks and sewerage system under this article are

70 refunded, if the refunding is to be accomplished by ex-
71 change such outstanding bonds, obligations or securities
72 shall be surrendered and exchanged for revenue bonds
73 of such combined waterworks and sewerage system of a
74 total principal amount which shall not be more and may
75 be less than the principal amount of the bonds, obliga-
76 tions or securities surrendered and exchanged plus the
77 interest to accrue thereon to the date of surrender and
78 exchange, and if the refunding is to be accomplished
79 through the sale of revenue bonds of such combined
80 waterworks and sewerage system the total principal
81 amount of such revenue bonds which may be sold for
82 refunding purposes shall not exceed the principal amount
83 of the bonds, obligations or securities being refunded plus
84 the interest to accrue thereon to the retirement date or
85 the next succeeding interest payment date, whichever
86 date may be the earlier. Provision may be made that each
87 bond to be exchanged for refunding bonds shall be kept
88 intact and shall not be cancelled or destroyed until the
89 refunding bonds, and interest thereon, have been finally
90 paid and discharged; but shall be stamped with a legend

91 to the effect that such bonds have been refunded pursuant
92 to this article.

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

E. H. McCourt
Chairman Senate Committee

Whakellan
Chairman House Committee

Originated in the House of Delegates

Takes effect 90 days from passage.

J. H. Underwood
Clerk of the Senate

C. A. Blenkinship
Clerk of the House of Delegates

Ralph J. Bum
President of the Senate

W. J. Canary
Speaker, House of Delegates

The within approved this the 15th day of March, 1957.

Jeff D. Huderwood
Governor



Filed in the Office of the Secretary of State
of West Virginia MAR 15 1957
D. PITT O'BRIEN
SECRETARY OF STATE