

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1957


ENROLLED

HOUSE BILL No. 362

(By Mr. Flannery)

PASSED March 8 1957

In Effect July 1, 1957 Passage



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House Bill No. 362

(By MR. SPEAKER, MR. FLANNERY)

[Passed March 8, 1957; in effect July 1, 1957.]

AN ACT authorizing the issuance and sale of bonds of the state of West Virginia to raise money for the purpose of paying a bonus to veterans under and by virtue of the "Korean Veterans Bonus Amendment" to the constitution adopted at the general election held in November, one thousand nine hundred fifty-six, providing for the disposition and expenditure of the proceeds of the sale thereof, and providing for the payment of such bonds and for the rights and security of the holders thereof.

Be it enacted by the Legislature of West Virginia:

Korean Veterans Bonus Bonds

Section 1. *Korean Veterans Bonus Bonds; Authority to*
2 *Issue.*—Bonds of the state of West Virginia are hereby
3 authorized to be issued and sold for the purpose of raising
4 funds for the payment of a cash bonus to veterans, in-

5 cluding the costs of administration necessarily incident
6 thereto, under and by virtue of the "Korean Veterans
7 Bonus Amendment" to the constitution adopted at the
8 general election held in November, one thousand nine
9 hundred fifty-six. Such bonds may be issued by the gov-
10 ernor in such amounts, in coupon or registered form, in
11 such denominations, at such times and bearing such date
12 or dates as the governor may determine, and shall become
13 due and payable serially beginning one year and ending
14 not more than twenty years from the date thereof. The
15 amount of such bonds maturing in each year shall be so
16 arranged by the governor that the aggregate amount of
17 principal of and interest on such bonds maturing and
18 becoming due in each year shall be approximately equal.
19 A variation of not more than three per cent in such aggre-
20 gate amounts of principal and interest maturing and be-
21 coming due in each year shall be considered a proper
22 compliance with such requirement. All of such bonds
23 maturing more than ten years after the date of issuance
24 thereof shall be redeemable prior to maturity, at the option
25 of the state of West Virginia, at such time or times, at

26 such premium or premiums, and upon such other condi-
27 tions as the governor shall determine and prescribe in
28 the notice of sale thereof.

29 The principal amount of bonds so issued shall not ex-
30 ceed the maximum amount fixed in the Korean veterans
31 bonus amendment. These bonds shall constitute a legal
32 investment for the workmen's compensation fund and the
33 teachers' retirement fund.

Sec. 2. Transfer, Fee; Registration, Fee; Where Payable;

2 *Interest Rate; Tax Exempt.*—The auditor and the treasurer
3 are hereby authorized to arrange for the transfer of reg-
4 istered bonds, and for each such transfer a fee of fifty
5 cents shall be charged by and paid to the state of West
6 Virginia, to the credit of the Korean veterans bonus sink-
7 ing fund. Bonds taken in exchange shall be canceled by
8 the auditor and treasurer and be carefully preserved by
9 the treasurer. The treasurer shall make provisions for
10 registering "payable to bearer" bonds, and for each bond
11 registered a fee of fifty cents shall likewise be charged
12 by and paid to the state of West Virginia, to the credit
13 of the sinking fund. All of such bonds shall be payable at

14 the office of the treasurer of the state of West Virginia,
15 or, at the option of the holder, at some bank in the city
16 of New York to be designated by the governor. The bonds
17 shall bear interest payable semi-annually, on the first
18 day of.....and the first day of,
19 of each year, to bearer, at the office of the treasurer of the
20 state of West Virginia at the capitol of the state, or at
21 the bank designated by the governor, upon presentation
22 and surrender of interest coupons then due, in the case of
23 coupon bonds. In the case of registered bonds the treas-
24 urer of the state of West Virginia shall issue his check for
25 the interest then due on the first day of.....
26 and the first day of....., of each year, and
27 mail it to the registered owner at his address as shown by
28 the record of registration. Both the principal and interest
29 of the bonds shall be payable in lawful money of the
30 United States of America and the bonds shall be exempt
31 from taxation by the state of West Virginia, or by any
32 county, district, or municipality thereof, which facts shall
33 appear on the face of the bonds as part of the contract
34 with the holder thereof.

Sec. 3. *Form of Bond.*—The bonds and coupons shall be
2 engraved and the bonds shall be signed on behalf of the
3 state of West Virginia, by the treasurer thereof, under
4 the great seal of the state, and countersigned by the
5 auditor of the state, and shall be substantially in the fol-
6 lowing form or to the following effect, namely:

7 KOREAN VETERANS BONUS

8 COUPON BOND

9 (Or registered bond, as the case may be)

10 OF THE

11 STATE OF WEST VIRGINIA

12 \$ _____ SERIES _____ No. _____

13 The state of West Virginia, under and by virtue of
14 authority of an act of the Legislature passed at the regu-
15 lar session of one thousand nine hundred fifty-seven, on
16 the _____ day of _____, one thousand nine
17 hundred fifty-seven, and approved by the governor on
18 the _____ day of _____, one thousand nine
19 hundred fifty-seven, which is hereby made a part hereof
20 as fully as if set forth at length herein, acknowledges
21 itself to be indebted to, and hereby promises to pay to the

22 the bearer hereof (in the case of a coupon bond) or to
23or assigns (the owner of record, in
24 case of a registered bond) on the.....day of.....,
25 19....., in lawful money of the United States of
26 America at the office of the treasurer of the state of West
27 Virginia at the capitol thereof, or at the option of the
28 holder at.....bank in the city of New
29 York, the sum of.....dollars, with interest thereon
30 at.....per cent per annum from date, payable
31 semi-annually in like lawful money of the United States
32 of America at the treasurer's office or bank aforesaid, on
33 the first day of.....and the first day of
34 of each year, (and in the case of a coupon bond) according
35 to the tenor of the annexed coupons, bearing the engraved
36 facsimile signature of the treasurer of the state of West
37 Virginia, upon surrender of such coupons. This bond (in
38 the case of a coupon bond) may be exchanged for a reg-
39 istered bond of like tenor upon application to the treasurer
40 of the state of West Virginia.

41 This bond is hereby made exempt from any taxation

42 by the state of West Virginia, or by any county, district,
43 or municipal corporation thereof.

44 In testimony whereof, witness the signature of the
45 treasurer of the state of West Virginia, and the counter-
46 signature of the auditor of the state, hereto, affixed ac-
47 cording to law, dated the.....day of.....,
48 one thousand nine hundred....., and the seal
49 of the state of West Virginia.

50 (Seal)

51

52 Treasurer of the State of West Virginia

53 Countersigned:

54

55 Auditor of the State of West Virginia

Sec. 4. *Form of Coupon*.—The form of coupon shall be
2 substantially as follows, to-wit:

3 STATE OF WEST VIRGINIA

4 Bond No..... Coupon No.....

5 On the first day of....., 19....., the state of
6 West Virginia will pay to the bearer, in lawful money of
7 the United States of America, at the office of the treasurer

8 of the state, or at the option of the holder at.....
9 bank in the city of New York, the sum of.....
10 dollars, the same being semi-annual interest on Korean
11 Veterans Bonus Bond No....., series.....
12

13 Treasurer of the State of West Virginia

14 The signature of the treasurer to such coupon shall be
15 by his engraved facsimile signature and the coupons shall
16 be numbered in the order of their maturity, from number
17 one consecutively. The bonds and coupons may be signed
18 by the present treasurer and auditor, or by any of their
19 respective successors in office, and bonds signed by the
20 persons now in office may be sold by the governor or his
21 successor in office without being signed by the successor
22 in office of the present treasurer or auditor.

Sec. 5. *Listing by Auditor.*—All coupon and registered
2 bonds issued under this act shall be separately listed by
3 the auditor of the state in books provided for the purpose,
4 in each case giving the date, number, character and
5 amount of obligations issued, and in case of registered

6 bonds, the name and post office address of the person, firm
7 or corporation registered as the owner thereof.

Sec. 6. *Korean Veterans Bonus Sinking Fund for Pay-*
2 *ment of Bonds and Interest; Investment Thereof.*—There
3 is hereby created a Korean veterans bonus sinking fund.
4 Into such fund there shall be paid all moneys received from
5 all taxes or charges made applicable by law to the pay-
6 ment of such bonds or the interest thereon, from transfer
7 fees as herein provided, and from any other source which
8 is made liable by law for the payment of the principal
9 of such bonds or the interest thereon.

10 All such funds shall be kept by the treasurer in a
11 separate account, under the designation aforesaid, and all
12 money belonging to the fund shall be deposited in the
13 state treasury to the credit thereof.

14 Such fund shall be applied by the treasurer of the state,
15 first to the payment of the principal and semi-annually in-
16 terest on such bonds as they shall become due as herein
17 provided. The remainder of the fund shall be turned over
18 by the state treasurer to the state sinking fund commis-
19 sion, whose duty it shall be to invest the same in bonds

20 of the government of the United States, bonds of the state
21 of West Virginia, or any political subdivision thereof: *Pro-*
22 *vided, however,* That bonds so purchased by the state
23 sinking fund commission shall mature so as to provide
24 sufficient money to pay off all bonds herein provided for as
25 they may become due. The money so paid into the Korean
26 veterans bonus sinking fund under the provisions of this
27 act shall be expended for the purpose of paying the in-
28 terest and principal of the bonds hereby provided for as
29 they severally become due and payable and for no other
30 purpose except that the fund may be invested until
31 needed, as herein provided.

Sec. 7. *Covenants of State.*—The state of West Virginia
2 hereby covenants and agrees with the holders of bonds
3 issued pursuant hereto that all the provisions of this act
4 shall be and constitute an irrevocable contract with the
5 holders of such bonds from time to time; that the addi-
6 tional charge on the sale of each bottle of alcoholic liquor,
7 otherwise provided by law for payment of such bonds,
8 shall not be reduced so long as any of the bonds, or
9 any interest thereon, are outstanding and unpaid, unless

10 the payment thereof has been adequately provided for;

11 ~~and~~ that to the full extent permitted by the constitution of

12 West Virginia any of the covenants, agreements and pro-

13 visions of this act may be enforced in any court of com-

14 petent jurisdiction by any holder of such bonds or of any

15 interest coupon ~~appertaining~~ thereto.

16 The state of West Virginia further covenants and agrees

17 that if in any fiscal year thereafter the amount of money

18 derived from such tax or charge, is insufficient to meet all

19 principal and interest payments due on such bonds during

20 that year, it will levy and collect such additional tax or

21 charge on alcoholic liquor as may be necessary to produce

22 sufficient revenue to meet such payments as the same

23 shall become due; or that in lieu of such increased tax or

24 charge on alcoholic liquor, it may levy and collect an

25 additional tax on cigarettes, on beer, an additional general

26 consumers sales tax, or a graduated income tax, or a

27 combination of such taxes and charges, in an amount

28 necessary for such purpose.

Sec. 8. *Sale by Governor; Minimum Price.*—The gover-

2 nor shall sell the bonds herein mentioned at such time or

3 times as he may determine necessary to provide funds for
4 payment of the bonus as herein provided. All sales shall
5 be at not less than par and accrued interest and an interest
6 cost not to exceed three and one-fourth per cent. All inter-
7 est coupons becoming payable prior to the sale date shall
8 be cancelled by the treasurer and rendered ineffective,
9 before the delivery of the bonds so sold.

Sec. 9. *Proceeds Paid into Korean Veterans Bonus Fund;*
2 *Expenditure.*—The proceeds of all sales of bonds herein
3 authorized shall be paid into the Korean veterans bonus
4 fund, which is hereby created, and shall be expended
5 solely for the payment of the veterans bonus and the costs
6 of administration necessarily incident thereto.

7 If deemed advisable, the governor may direct the state
8 treasurer to invest a part of the moneys in the Korean
9 veterans bonus fund, in direct obligations of the United
10 States of America, having a maturity of not exceeding one
11 hundred eighty-five days from date of purchase. Any
12 interest or profit accruing from such purchases shall be
13 credited to the Korean veterans bonus fund.

Sec. 10. *Plates Property of State.*—The plates from

2 which the bonds authorized by this act are engraved
3 shall be the property of the state of West Virginia.

Sec. 11. *Treasurer to Be Custodian of Unsold Bonds.*—

2 The state treasurer shall be the custodian of all unsold
3 bonds issued pursuant to the provisions of this act.

Sec. 12. *Interim Certificates.*—The governor may au-
2 thorize the issuance of interim certificates to be issued
3 to the purchasers of such bonds to be held by them in lieu
4 of engraved bonds. When interim certificates are so is-
5 sued, they shall become full and legal obligations of the
6 state of West Virginia under all of the provisions of this
7 act just as fully and completely as the engraved and per-
8 manent bonds.

Sec 13. *Payment of Expenses.*—All necessary expenses
2 incurred in the execution of this act shall be paid out of
3 the Korean veterans bonus fund on warrants of the auditor
4 of the state drawn on the state treasury.

Sec. 14. *Refunding Bonds.*—Whenever it shall be ad-
2 vantageous to do so, authority is hereby conferred for the
3 issuance of refunding bonds of the state of West Virginia
4 in an amount sufficient to refund all unpaid veterans

5 bonus bonds heretofore issued under and by virtue of the
6 veterans ninety million dollar bonus amendment to the
7 constitution, adopted at the general election held in No-
8 vember, one thousand nine hundred fifty. Whenever such
9 refunding bonds are issued, all taxes and charges hereto-
10 fore imposed, collected and pledged for the payment of
11 such bonds heretofore issued, are hereby dedicated and
12 may be pledged for the payment of such refunding bonds:
13 *Provided however,* That such bonds issued under the pro-
14 visions of section one of the article may be funded or re-
15 funded at any time in the manner provided in this para-
16 graph for funding or refunding bonds of the "Veterans
17 Bonus Amendment of one thousand nine hundred fifty".

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

E. H. McCourt
Chairman Senate Committee

Wickham
Chairman House Committee

Originated in the House of Delegates

Takes effect July 1, 1957 passage.

Thomas Meyer
Clerk of the Senate

C. Blankenship
Clerk of the House of Delegates

Ralph J. Bran
President of the Senate

W. E. Hammy
Speaker, House of Delegates

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

Jeff W. Henderson
Governor



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