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 Issue.—Bonds of the state of West Virginia are hereby authorized to be issued and sold for the purpose of raising funds for the payment of a cash bonus to veterans, in-
cluding the costs of administration necessarily incident thereto, 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. Such bonds may be issued by the governor in such amounts, in coupon or registered form, in such denominations, at such times and bearing such date or dates as the governor may determine, and shall become due and payable serially beginning one year and ending not more than twenty years from the date thereof. The amount of such bonds maturing in each year shall be so arranged by the governor that the aggregate amount of principal of and interest on such bonds maturing and becoming due in each year shall be approximately equal. A variation of not more than three per cent in such aggregate amounts of principal and interest maturing and becoming due in each year shall be considered a proper compliance with such requirement. All of such bonds maturing more than ten years after the date of issuance thereof shall be redeemable prior to maturity, at the option of the state of West Virginia, at such time or times, at
such premium or premiums, and upon such other conditions as the governor shall determine and prescribe in the notice of sale thereof.

The principal amount of bonds so issued shall not exceed the maximum amount fixed in the Korean veterans bonus amendment. These bonds shall constitute a legal investment for the workmen's compensation fund and the teachers' retirement fund.

Sec. 2. Transfer, Fee; Registration, Fee; Where Payable; Interest Rate; Tax Exempt.—The auditor and the treasurer are hereby authorized to arrange for the transfer of registered bonds, and for each such transfer a fee of fifty cents shall be charged by and paid to the state of West Virginia, to the credit of the Korean veterans bonus sinking fund. Bonds taken in exchange shall be canceled by the auditor and treasurer and be carefully preserved by the treasurer. The treasurer shall make provisions for registering "payable to bearer" bonds, and for each bond registered a fee of fifty cents shall likewise be charged by and paid to the state of West Virginia, to the credit of the sinking fund. All of such bonds shall be payable at
the office of the treasurer of the state of West Virginia, or, at the option of the holder, at some bank in the city of New York to be designated by the governor. The bonds shall bear interest payable semi-annually, on the first day of ______________ and the first day of ______________, of each year, to bearer, at the office of the treasurer of the state of West Virginia at the capitol of the state, or at the bank designated by the governor, upon presentation and surrender of interest coupons then due, in the case of coupon bonds. In the case of registered bonds the treasurer of the state of West Virginia shall issue his check for the interest then due on the first day of ______________ and the first day of ______________, of each year, and mail it to the registered owner at his address as shown by the record of registration. Both the principal and interest of the bonds shall be payable in lawful money of the United States of America and the bonds shall be exempt from taxation by the state of West Virginia, or by any county, district, or municipality thereof, which facts shall appear on the face of the bonds as part of the contract with the holder thereof.
Sec. 3. Form of Bond.—The bonds and coupons shall be engraved and the bonds shall be signed on behalf of the state of West Virginia, by the treasurer thereof, under the great seal of the state, and countersigned by the auditor of the state, and shall be substantially in the following form or to the following effect, namely:

KOREAN VETERANS BONUS COUPON BOND

(Or registered bond, as the case may be)

OF THE

STATE OF WEST VIRGINIA

$_________ SERIES_________ No._________
the bearer hereof (in the case of a coupon bond) or to ____________________________ or assigns (the owner of record, in case of a registered bond) on the __________ day of ____________________, 19 ___, in lawful money of the United States of America at the office of the treasurer of the state of West Virginia at the capitol thereof, or at the option of the holder at ___________________________ bank in the city of New York, the sum of _______________________ dollars, with interest thereon at _____________________ per cent per annum from date, payable semi-annually in like lawful money of the United States of America at the treasurer's office or bank aforesaid, on the first day of ___________________ and the first day of ______________ of each year, (and in the case of a coupon bond) according to the tenor of the annexed coupons, bearing the engraved facsimile signature of the treasurer of the state of West Virginia, upon surrender of such coupons. This bond (in the case of a coupon bond) may be exchanged for a registered bond of like tenor upon application to the treasurer of the state of West Virginia. This bond is hereby made exempt from any taxation
by the state of West Virginia, or by any county, district, or municipal corporation thereof.

In testimony whereof, witness the signature of the treasurer of the state of West Virginia, and the counter-signature of the auditor of the state, hereto, affixed according to law, dated the ______ day of ________, one thousand nine hundred _______, and the seal of the state of West Virginia.

Treasurer of the State of West Virginia

Countersigned:

Auditor of the State of West Virginia

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

STATE OF WEST VIRGINIA

On the first day of _______, 19____, the state of West Virginia will pay to the bearer, in lawful money of the United States of America, at the office of the treasurer
of the state, or at the option of the holder at

bank in the city of New York, the sum of

dollars, the same being semi-annual interest on Korean

Veterans Bonus Bond No., series

Treasurer of the State of West Virginia

The signature of the treasurer to such coupon shall be

by his engraved facsimile signature and the coupons shall

be numbered in the order of their maturity, from number

one consecutively. The bonds and coupons may be signed

by the present treasurer and auditor, or by any of their

respective successors in office, and bonds signed by the

persons now in office may be sold by the governor or his

successor in office without being signed by the successor

in office of the present treasurer or auditor.

Sec. 5. Listing by Auditor.—All coupon and registered

bonds issued under this act shall be separately listed by

the auditor of the state in books provided for the purpose,

in each case giving the date, number, character and

amount of obligations issued, and in case of registered
bonds, the name and post office address of the person, firm
or corporation registered as the owner thereof.

Sec. 6. Korean Veterans Bonus Sinking Fund for Payment of Bonds and Interest; Investment Thereof.—There
is hereby created a Korean veterans bonus sinking fund.
Into such fund there shall be paid all moneys received from
all taxes or charges made applicable by law to the payment
of such bonds or the interest thereon, from transfer
fees as herein provided, and from any other source which
is made liable by law for the payment of the principal
of such bonds or the interest thereon.
All such funds shall be kept by the treasurer in a
separate account, under the designation aforesaid, and all
money belonging to the fund shall be deposited in the
state treasury to the credit thereof.
Such fund shall be applied by the treasurer of the state,
first to the payment of the principal and semi-annually in-
terest on such bonds as they shall become due as herein
provided. The remainder of the fund shall be turned over
by the state treasurer to the state sinking fund commis-
sion, whose duty it shall be to invest the same in bonds
of the government of the United States, bonds of the state of West Virginia, or any political subdivision thereof: Provided, however, That bonds so purchased by the state sinking fund commission shall mature so as to provide sufficient money to pay off all bonds herein provided for as they may become due. The money so paid into the Korean veterans bonus sinking fund under the provisions of this act shall be expended for the purpose of paying the interest and principal of the bonds hereby provided for as they severally become due and payable and for no other purpose except that the fund may be invested until needed, as herein provided.

Sec. 7. Covenants of State.—The state of West Virginia hereby covenants and agrees with the holders of bonds issued pursuant hereto that all the provisions of this act shall be and constitute an irrevocable contract with the holders of such bonds from time to time; that the additional charge on the sale of each bottle of alcoholic liquor, otherwise provided by law for payment of such bonds, shall not be reduced so long as any of the bonds, or any interest thereon, are outstanding and unpaid, unless
the payment thereof has been adequately provided for; that to the full extent permitted by the constitution of West Virginia any of the covenants, agreements and provisions of this act may be enforced in any court of competent jurisdiction by any holder of such bonds or of any interest coupon pertaining thereto.

The state of West Virginia further covenants and agrees that if in any fiscal year thereafter the amount of money derived from such tax or charge, is insufficient to meet all principal and interest payments due on such bonds during that year, it will levy and collect such additional tax or charge on alcoholic liquor as may be necessary to produce sufficient revenue to meet such payments as the same shall become due; or that in lieu of such increased tax or charge on alcoholic liquor, it may levy and collect an additional tax on cigarettes, on beer, an additional general consumers sales tax, or a graduated income tax, or a combination of such taxes and charges, in an amount necessary for such purpose.

Sec. 8. Sale by Governor; Minimum Price.—The governor shall sell the bonds herein mentioned at such time or
3 times as he may determine necessary to provide funds for payment of the bonus as herein provided. All sales shall be at not less than par and accrued interest and an interest cost not to exceed three and one-fourth per cent. All interest coupons becoming payable prior to the sale date shall be cancelled by the treasurer and rendered ineffective, before the delivery of the bonds so sold.

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

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

Sec. 10. Plates Property of State.—The plates from
which the bonds authorized by this act are engraved
shall be the property of the state of West Virginia.

Sec. 11. Treasurer to Be Custodian of Unsold Bonds.—
The state treasurer shall be the custodian of all unsold
bonds issued pursuant to the provisions of this act.

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

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

Sec. 14. Refunding Bonds.—Whenever it shall be ad-
vantageous to do so, authority is hereby conferred for the
issuance of refunding bonds of the state of West Virginia
in an amount sufficient to refund all unpaid veterans
bonus bonds heretofore issued under and by virtue of the veterans ninety million dollar bonus amendment to the constitution, adopted at the general election held in November, one thousand nine hundred fifty. Whenever such refunding bonds are issued, all taxes and charges heretofore imposed, collected and pledged for the payment of such bonds heretofore issued, are hereby dedicated and may be pledged for the payment of such refunding bonds: Provided however, That such bonds issued under the provisions of section one of the article may be funded or refunded at any time in the manner provided in this paragraph for funding or refunding bonds of the “Veterans 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

[Signature]
Chairman House Committee

Originated in the House of Delegates

Takes effect July 1, 1957

[Signature]
Clerk of the Senate

[Signature]
Clerk of the House of Delegates

Ralph J. Brown
President of the Senate

[Signature]
Speaker, House of Delegates

The within approved this the 15th

day of March, 1957.

[Signature]
Governor

Filed in the Office of the Secretary of State
MAR 15 1957

D. Pitt O'Brien
Secretary of State