WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1957

ENROLLED

SENATE BILL NO. 247

(By Mr. Martin)

PASSED March 7, 1957

In Effect 90 days after Passage
ENROLLED

Senate Bill No. 247
(By MR. MARTIN)

[Passed March 7, 1957; in effect ninety days from passage.]

AN ACT to amend and reenact section two, article six, chapter seven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to bonds of banking institutions designated as county depositories.

Be it enacted by the Legislature of West Virginia:

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

Section 2. Bond of Depositories.—No such designation shall be binding on such county, nor shall any public money be deposited thereunder, until the banking institution designated shall execute bond with good and suf-
ficient sureties, to be accepted and approved by the
county court, payable to the state of West Virginia, in
such sum as the county court shall direct, and which
shall not be less than the maximum sum that shall be de-
posited in the depository at any one time. Such bond
shall be executed by at least four resident freeholders as
sureties owning in the aggregate unencumbered real
estate having an assessed valuation thereon equal to the
penalty of the bond, or by a fidelity or indemnity com-
pany authorized to do such business within the state,
satisfactory to and acceptable by the county court, and
having not less than six hundred thousand dollars capital;
and such bond shall be conditioned for the receipt, safe-
keeping and payment over of all money which may be
deposited in or come under the custody of the banking
institution designated a county depository under the pro-
visions hereof, together with the interest thereon at the
rate specified by this article; and such bond shall be fur-
ther conditioned for the faithful performance, by the
banking institution so designated, of all the duties im-
posed by this article upon a depository of public moneys:
Provided, however, That the clerk of the county court shall keep a record of each surety on all personal bonds given as hereinbefore provided for, and the clerk shall notify the county court of every recorded conveyance of real estate made by any surety on said personal bond.

An action shall lie on such bond at the instance of the county court, or the sheriff, for the recovery of any money deposited in the depository, upon failure or default of the depository to fully and faithfully account for and pay over any and all public moneys deposited by the sheriff and of all interests earned and accrued thereon as required by this article. Such bond shall not be accepted by the county court until it shall have been submitted to the prosecuting attorney, and certified by him to be in due and legal form, and conformable to the provisions of this article, which certificate shall be indorsed thereon:

Provided, however, That the county court may, in lieu of the bond provided for hereinbefore, accept as security for money deposited as aforesaid, interest-bearing securities of the United States, or of a state, county, district or municipal corporation, or of the federal land banks, or in-
dorsed county and district warrants of the county in which the depository is located; the face value of which securities shall not be less than the sum hereinbefore specified as the amount to be named in the bond in lieu of which such securities are accepted; or the county court may accept such securities as partial security to the extent of their face value for the money so deposited, and require bond for the remainder of the full amount hereinbefore specified, to be named in the bond, and in the bond so required, such acceptance of securities as partial security, and the extent thereof, shall be set forth. The hypothecation of such securities shall be by proper legal transfer as collateral security to protect and indemnify by trust any and all loss in case of any default on the part of the banking institution in its capacity as depository as aforesaid. All such securities shall be delivered to or deposited for the account of the county court, and withdrawal or substitution thereof may be permitted from time to time upon approval by the county court by order of record, but such collateral security shall be released only by order of record of the county court when satisfied
that full and faithful accounting and payment of all the moneys has been made under the provisions hereof. In the event actual possession of such hypothecated securities are delivered to the county court, it shall make ample provision for the safekeeping thereof, and the interest thereon when paid shall be turned over to the banking institution, so long as it is not in default as aforesaid. The county court may permit the deposit under proper receipt of such securities with one or more banking institutions within or without the state of West Virginia and may contract with any such institution for safekeeping and exchange of any such hypothecated securities, and may prescribe the rules and regulations for handling and protecting the same.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

[Signature]
Chairman Senate Committee

[Signature]
Chairman House Committee

Originated in the Senate.

Takes effect [90 days from] passage.

[Signature]
Clerk of the Senate

[Signature]
Clerk of the House of Delegates

Ralph J. Beamer
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 of West Virginia, [MAR 15 1957]

D. Pitt O'Brien
Secretaries of State