

WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1957

ENROLLED

SENATE BILL NO. 247

(By Mr. Martin)

PASSED March 7 1957

In Effect Today's Speech 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
2 shall be binding on such county, nor shall any public
3 money be deposited thereunder, until the banking insti-
4 tution designated shall execute bond with good and suf-

5 ficient sureties, to be accepted and approved by the
6 county court, payable to the state of West Virginia, in
7 such sum as the county court shall direct, and which
8 shall not be less than the maximum sum that shall be de-
9 posited in the depository at any one time. Such bond
10 shall be executed by at least four resident freeholders as
11 sureties owning in the aggregate unencumbered real
12 estate having an assessed valuation thereon equal to the
13 penalty of the bond, or by a fidelity or indemnity com-
14 pany authorized to do such business within the state,
15 satisfactory to and acceptable by the county court, and
16 having not less than six hundred thousand dollars capital;
17 and such bond shall be conditioned for the receipt, safe-
18 keeping and payment over of all money which may be
19 deposited in or come under the custody of the banking
20 institution designated a county depository under the pro-
21 visions hereof, together with the interest thereon at the
22 rate specified by this article; and such bond shall be fur-
23 ther conditioned for the faithful performance, by the
24 banking institution so designated, of all the duties im-
25 posed by this article upon a depository of public moneys:

26 *Provided, however,* That the clerk of the county court
27 shall keep a record of each surety on all personal bonds
28 given as hereinbefore provided for, and the clerk shall
29 notify the county court of every recorded conveyance of
30 real estate made by any surety on said personal bond.

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

42 *Provided, however,* That the county court may, in lieu of
43 the bond provided for hereinbefore, accept as security for
44 money deposited as aforesaid, interest-bearing securities
45 of the United States, or of a state, county, district or mu-
46 nicipal corporation, or of the federal land banks, or in-

47 dorsed county and district warrants of the county in
48 which the depository is located; the face value of which
49 securities shall not be less than the sum hereinbefore
50 specified as the amount to be named in the bond in lieu
51 of which such securities are accepted; or the county court
52 may accept such securities as partial security to the
53 extent of their face value for the money so deposited, and
54 require bond for the remainder of the full amount herein-
55 before specified, to be named in the bond, and in the bond
56 so required, such acceptance of securities as partial se-
57 curity, and the extent thereof, shall be set forth. The
58 hypothecation of such securities shall be by proper legal
59 transfer as collateral security to protect and indemnify
60 by trust any and all loss in case of any default on the part
61 of the banking institution in its capacity as depository as
62 aforesaid. All such securities shall be delivered to or
63 deposited for the account of the county court, and with-
64 drawal or substitution thereof may be permitted from
65 time to time upon approval by the county court by order
66 of record, but such collateral security shall be released
67 only by order of record of the county court when satisfied

68 that full and faithful accounting and payment of all the
69 moneys has been made under the provisions hereof. In
70 the event actual possession of such hypothecated securi-
71 ties are delivered to the county court, it shall make ample
72 provision for the safekeeping thereof, and the interest
73 thereon when paid shall be turned over to the banking
74 institution, so long as it is not in default as aforesaid.
75 The county court may permit the deposit under proper
76 receipt of such securities with one or more banking in-
77 stitutions within or without the state of West Virginia
78 and may contract with any such institution for safekeep-
79 ing and exchange of any such hypothecated securities,
80 and may prescribe the rules and regulations for handling
81 and protecting the same.

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

C. A. McCourt

Chairman Senate Committee

Whittaker

Chairman House Committee

Originated in the Senate.

Takes effect 90 days from passage.

Howard Meyer

Clerk of the Senate

W. B. Blankenship

Clerk of the House of Delegates

Ralph J. Bean

President of the Senate

W. E. Fleming

Speaker House of Delegates

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

Deif A. Henderson

Governor



Filed In the Office of the Secretary of State of West Virginia. **MAR 15 1957**

D. PITT O'BRIEN
SECRETARY OF STATE