

# WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1957

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## ENROLLED

SENATE BILL NO. 247

(By Mr. Martin)

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PASSED March 7 1957

In Effect Today & Hereon Passage



**ENROLLED**  
**Senate Bill No. 247**  
**(By MR. MARTIN)**

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

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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. McCauley*

Chairman Senate Committee

*W. H. Hutcheson*

Chairman House Committee

Originated in the Senate.

Takes effect 90 days from passage.

*Howard Hughes*

Clerk of the Senate

*W. B. Blankenship*

Clerk of the House of Delegates

*Ralph J. Bean*

President of the Senate

*W. E. Hanning*

Speaker House of Delegates

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

*Jeff A. Hudson*

Governor



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

D. PITT O'BRIEN

SECRETARY OF STATE