

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1958



ENROLLED

HOUSE BILL No. 46

(By Mr. Christian of Cabell and Mr. Rife)



PASSED February 5, 1958

In Effect from Passage



FEB 11 1958

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House Bill No. 46

(By MR. CHRISTIAN, of Cabell, and MR. RIFE)

[Passed February 5, 1958; in effect from passage.]

AN ACT to amend and reenact sections one, two and three, article twelve-a, chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to authorization to issue revenue bonds for certain capital improvements at Marshall college.

Be it enacted by the Legislature of West Virginia:

That sections one, two and three, article twelve-a, chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

- Section 1. *West Virginia Board of Education Authorized*
2 *to Issue Revenue Bonds for Certain Capital Improvements.*
3 —The West Virginia board of education shall have au-
4 thority, as provided in this article, to issue revenue bonds
5 of the state, not to exceed one million three hundred fifty

6 thousand dollars in principal amount thereof, to finance
7 the cost of providing a health and physical education
8 building for Marshall college. The principal of and inter-
9 est on such bonds shall be payable solely from the special
10 non-revolving fund herein provided for such payment.
11 The costs of any such building or buildings shall include
12 the cost of acquisition of land, the construction and equip-
13 ment of any such building or buildings, and the provision
14 of roads, utilities and other services necessary, appur-
15 tenant or incidental to such building or buildings; and
16 shall also include all other charges or expenses necessary,
17 appurtenant or incidental to the construction, financing
18 and placing in operation of any such building or buildings.

Sec. 2. Special Marshall College Capital Improvements

2 *Fund Created in State Treasury; Collections to Be Paid*
3 *Into Special Fund; Authority of West Virginia Board of*
4 *Education to Pledge Such Collections as Security for Reve-*
5 *nue Bonds.*—There is hereby created in the state treasury
6 a special non-revolving Marshall college capital improve-
7 ments fund. On and after the first day of July, one thou-
8 sand nine hundred fifty-seven, there shall be paid into

9 such special fund all fees collected under the provisions
10 of section one, article one-a, chapter twenty-five of this
11 code, from students at Marshall college, except such fees
12 as are required by that section to be paid into other special
13 funds.

14 The board of education shall have authority to pledge
15 all or such part of the revenue paid into the special Mar-
16 shall college capital improvements fund as may be needed
17 to meet the requirements of the sinking fund established
18 in connection with any revenue bond issue authorized
19 by this article, including a reserve fund for the payment
20 of the principal of and interest on such revenue bond issue
21 when other moneys in the sinking fund are insufficient
22 therefor; and may provide in the resolution authorizing
23 any issue of such bonds, and in any trust agreement made
24 in connection therewith, for such priorities on the revenues
25 paid into the special fund as may be necessary for the
26 protection of the prior rights of the holders of bonds issued
27 at different times under the provisions of this article.

28 If any balance shall remain in the special Marshall
29 college capital improvements fund after the board has

30 issued the maximum of one million three hundred fifty
31 thousand dollars worth of bonds authorized by this
32 article, and after the requirements of all sinking funds
33 and reserve funds established in connection with the issue
34 of such bonds have been satisfied, such balance may and
35 shall be used solely for the redemption of any of the out-
36 standing bonds issued hereunder which by their terms
37 are then redeemable, or for the purchase of bonds at the
38 market price, but at not exceeding the price, if any, at
39 which such bonds shall in the same year be redeemable;
40 and all bonds redeemed or purchased shall forthwith be
41 cancelled and shall not again be issued. Whenever all
42 outstanding bonds issued hereunder shall have been paid,
43 the special Marshall college capital improvements fund
44 shall cease to exist and any balance then remaining in
45 such fund shall be transferred to the general revenue fund
46 of the state. Thereafter all fees formerly paid into such
47 special fund shall be paid into the general revenue fund
48 of the state.

Sec. 3. *Issuance of Revenue Bonds.*—The issuance of
2 bonds under the provisions of this article shall be author-

3 ized by a resolution of the board of education, which shall
4 recite an estimate by the board of the cost of the proposed
5 building or buildings; and shall provide for the issuance
6 of bonds in an amount sufficient, when sold as hereinafter
7 provided, to provide moneys sufficient to pay such cost,
8 less the amount of any other funds available for the con-
9 struction of the building or buildings from any appropria-
10 tions, grant or gift therefor. Such resolution shall pre-
11 scribe the rights and duties of the bondholders and the
12 board, and for such purpose may prescribe the form of the
13 trust agreement hereinafter referred to. The bonds shall
14 be of such series, bear such date or dates, mature at such
15 time or times not exceeding thirty years from their respec-
16 tive dates, bear interest at such rate or rates not exceeding
17 five per cent per annum, payable semi-annually; be in
18 such denominations; be in such form, either coupon or
19 fully registered without coupons, carrying such registra-
20 tion exchangeability and interchangeability privileges; be
21 payable in such medium of payment and at such place or
22 places; be subject to such terms of redemption at such
23 prices not exceeding one hundred five per cent of the

24 principal amount thereof, and be entitled to such priorities
25 on the revenues paid into the special state colleges capital
26 improvements fund as may be provided in the resolution
27 authorizing the issuance of the bonds or in any trust
28 agreement made in connection therewith. The bonds shall
29 be signed by the governor, and by the president of the
30 board of education, under the great seal of the state, at-
31 tested by the secretary of state, and the coupons attached
32 thereto shall bear the facsimile signature of the president
33 of the board. In case any of the officers whose signatures
34 appear on the bonds or coupons cease to be such officers
35 before the delivery of such bonds, such signatures shall
36 nevertheless be valid and sufficient for all purposes the
37 same as if such officers had remained in office until such
38 delivery.

39 Such bonds shall be sold in such manner as the board
40 may determine to be for the best interests of the state,
41 taking into consideration the financial responsibility of
42 the purchaser, the terms and conditions of the purchase,
43 and especially the availability of the proceeds of the
44 bonds when required for payment of the cost of such

45 building or buildings, such sale to be made at a price
46 not lower than a price which, when computed upon stand-
47 ard tables of bond values, will show a net return of not
48 more than six per cent per annum to the purchaser upon
49 the amount paid therefor. The proceeds of such bonds
50 shall be used solely for the payment of the cost of such
51 building or buildings, and shall be deposited in the state
52 treasury in a special fund and checked out as provided
53 by law for the disbursement of other state funds. If the
54 proceeds of such bonds, by error in calculation or other-
55 wise, shall be less than the cost of such building or build-
56 ings, additional bonds may in like manner be issued to
57 provide the amount of the deficiency, but in no case to
58 exceed one million three hundred fifty thousand dollars
59 as provided in section one of this article; and unless other-
60 wise provided for in the resolution or trust agreement
61 hereinafter mentioned, shall be deemed to be of the same
62 issue, and shall be entitled to payment from the same
63 fund, without preference or priority, as the bonds before
64 issued for such building or buildings. If the proceeds of
65 bonds issued for such building or buildings shall exceed

66 the cost thereof, the surplus shall be paid into the sinking
67 fund to be established for payment of the principal and
68 interest of such bonds as hereinafter provided. Prior to
69 the preparation of definitive bonds, the board may, under
70 like restrictions, issue temporary bonds with or without
71 coupons, exchangeable for definitive bonds upon their
72 issuance.

73 The bonds issued under the provisions of this article
74 shall be and have all the qualities of negotiable instru-
75 ments under the law merchant and under the negotiable
76 instruments law of this state.

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

E. H. McCreest
Chairman Senate Committee

W. E. Chilton
Chairman House Committee

Originated in the House of Delegates

Takes effect from passage.

M. H. ...
Clerk of the Senate

C. A. Blankenship
Clerk of the House of Delegates

Ralph Bean
President of the Senate

W. E. ...
Speaker House of Delegates

The within approved this the 11th day of February, 1958.

Geoff H. Underwood
Governor



Filed in Office of the Secretary of State
of West Virginia FEB 11 1958
HELEN HOLT
SECRETARY OF STATE