WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1959

ENROLLED

HOUSE BILL No. 242

(By Mr. King and Mr. Bias)

PASSED Feb 26 1959

In Effect

Filed in Office of the Secretary of State
FEB 27 1959
of West Virginia
JOE F. BURDETT
SECRETARY OF STATE
ENROLLED

House Bill No. 242
(By Mr. Kincaid and Mr. Bias)

[Passed February 16, 1959; 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 the authorization of the construction or acquisition of certain capital improvements at Marshall college and the issuance of revenue bonds therefor.

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 to Issue Revenue Bonds for Certain Capital Improvements.—The West Virginia board of education shall have authority, as provided in this article, to issue revenue
5 bonds of the state, not to exceed one million nine hundred
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, appurten-
15 ant or incidental to such building or buildings; and shall
16 also include all other charges or expenses necessary, ap-
17 purtenant or incidental to the construction, financing and
18 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 Collection 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-
sand nine hundred fifty-seven, there shall be paid into such special fund all fees collected under the provisions of section one, article one-a, chapter twenty-five of this code, from students at Marshall college, except such fees as are required by that section to be paid into other special funds.

The board of education shall have authority to pledge all or such part of the revenue paid into the special Marshall college capital improvements fund as may be needed to meet the requirements of the sinking fund established in connection with any revenue bond issue authorized by this article, including a reserve fund for the payment of the principal of and interest on such revenue bond issue when other moneys in the sinking fund are insufficient therefor; and may provide in the resolution authorizing any issue of such bonds, and in any trust agreement made in connection therewith, for such priorities on the revenues paid into the special fund as may be necessary for the protection of the prior right of the holders of bonds issued at different times under the provisions of this article. The board of education shall also have authority
to use all or any or any part of the revenue paid into
the special Marshall college capital improvements fund
for the payment of all or any part of the cost of providing
said health and physical education building for Marshall
college: Provided, however, That in the event all or any
part of such revenue is so used and applied, the amount
of revenue bonds which the board of education may issue
pursuant to this article shall be correspondingly reduced
so that the total amount expended pursuant to this article
for the payment of the cost of providing said health and
physical education building for Marshall college shall not
exceed one million nine hundred thousand dollars exclu-
sive of any appropriations, grants, gifts, or contributions
therefor.

If any balance shall remain in the special Marshall
college capital improvements fund after the board has
issued the maximum of one million nine hundred thou-
sand dollars worth of bonds authorized by this article,
and after the requirements of all sinking funds and re-
serve funds established in connection with the issue of such
bonds have been satisfied, such balance may and shall be
used solely for the redemption of any of the outstanding
bonds issued hereunder which by their terms are then
redeemable, or for the purchase of bonds at the market
price, but at not exceeding the price, if any, at which such
bonds shall in the same year be redeemable; and all bonds
redeemed or purchased shall forthwith be cancelled and
shall not again be issued. Whenever all outstanding bonds
issued hereunder shall have been paid, the special Mar-
shall college capital improvements fund shall cease to
exist and any balance then remaining in such fund shall
be transferred to the general revenue fund of the state.
Thereafter all fees formerly paid into such special fund
shall be paid into the general revenue fund of the state.

Sec. 3. Issuance of Revenue Bonds.—The issuance of
bonds under the provisions of this article shall be author-
ized by a resolution of the board of education, which shall
recite an estimate by the board of the cost of the proposed
building or buildings; and shall provide for the issuance
of bonds in an amount sufficient, when sold as hereinafter
provided, to provide moneys sufficient to pay such cost,
less the amount of revenue paid into the special Marshall
9 college capital improvements fund which is used to pay
10 any part of the cost of providing said health and physical
11 education building for Marshall college as authorized by
12 section two of this article and less the amount of any
13 other funds available for the construction of the building
14 or buildings from any appropriation, grant, gift, or con-
15 tribution therefor. Such resolution shall prescribe the
16 rights and duties of the bondholders and the board, and
17 for such purpose may prescribe the form of the trust
18 agreement hereinafter referred to. The bonds shall be of
19 such series, bear such date or dates, mature at such time
20 or times not exceeding thirty years from their respective
21 dates, bear interest at such rate or rates not exceeding
22 five per cent per annum, payable semi-annually; be in
23 such denominations; be in such form, either coupon or
24 fully registered without coupons, carrying such registra-
25 tion exchangeability and interchangeability privileges;
26 be payable in such medium of payment and at such place
27 or places; be subject to such terms of redemption at such
28 prices not exceeding one hundred five per cent of the prin-
29 cipal amount thereof, and be entitled to such priorities on
the revenues paid into the special Marshall college capital
improvements fund as may be provided in the resolution
authorizing the issuance of the bonds or in any trust
agreement made in connection therewith. The bonds shall
be signed by the governor, and by the president of the
board of education, under the great seal of the state, at-
tested by the secretary of state, and the coupons attached
thereto shall bear the facsimile signature of the president
of the board. In case any of the officers whose signatures
appear on the bonds or coupons cease to be such officers
before the delivery of such bonds, such signatures shall
nevertheless be valid and sufficient for all purposes the
same as if such officers had remained in office until such
delivery.

Such bonds shall be sold in such manner as the board
may determine to be for the best interest of the state,
taking into consideration the financial responsibility of
the purchaser, the terms and conditions of the purchase,
and especially the availability of the proceeds of the bonds
when required for payment of the cost of such building
or buildings, such sale to be made at a price not lower
Enr. H. B. No. 242] 8

than a price, which when computed upon standard tables
of bond values, will show a net return of not more than
six per cent per annum to the purchaser upon the amount
paid therefor. The proceeds of such bonds shall be used
solely for the payment of the cost of such building or
buildings, and shall be deposited in the state treasury in
a special fund and checked out as provided by law for the
disbursement of other state funds. If the proceeds of such
bonds, by error in calculation or otherwise, shall, together
with any other funds used therefore as hereinbefore in
this article authorized, be less than the cost of such build-
ing or buildings, additional bonds may in like manner be
issued to provide the amount of the deficiency, but in no
case to exceed one million nine hundred thousand dollars
less the amount of any other funds used therefor as here-
inbefore in this article authorized; and unless otherwise
provided for in the resolution or trust agreement herein-
after mentioned, shall be deemed to be of the same issue,
and shall be entitled to payment from the same fund,
without preference or priority, as the bonds before issued
for such building or buildings. If the proceeds of bonds
issued for such building or buildings shall, together with
the amount of any other funds used therefor as herein-
before in this article authorized, exceed the cost thereof,
the surplus shall be paid into the sinking fund to be estab-
ished for payment of the principal and interest of such
bonds as hereinafter provided. Prior to the preparation
of definitive bonds, the board may, under like restrictions,
issue temporary bonds with or without coupons, ex-
changeable for definitive bonds upon their issuance.
The bonds issued under the provisions of this article
shall be and have all the qualities of negotiable instru-
ments under the law merchant and under the negotiable
instruments law of this state.
The Joint Committee on Enrolled Bills hereby certifies that
the foregoing bill is correctly enrolled.

[Signatures]

Chairman Senate Committee

Chairman House Committee

Originated in the House of Delegates.

Takes effect from passage.

[Signatures]

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within approved this the 35th
day of February, 1959.

[Signature]

Governor