

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1961

ENROLLED

SENATE BILL NO. 40

(By Mr.

Carson, Mr. President

PASSED

March 8th

1961

In Effect

July 1st, 1961

Passage

Filed in Office of the Secretary of State
of West Virginia

MAR 17 1961

JOE F. BURDETT

SECRETARY OF STATE

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Senate Bill No. 40

(By MR. CARSON, MR. PRESIDENT)

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AN ACT to amend chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article designated article fifteen, relating to the promotion and expansion of industrial developments in the state of West Virginia and the creation of a public corporation to be known as the West Virginia industrial development authority to allocate funds for and make secured loans to industrial development agencies for the payment of a part of the cost of industrial development projects in the state of West Virginia; authorizing the authority to enter into agreement with the government of the United States or any federal agency or industrial development agency; empowering the authority to take title

to, sell, convey and lease industrial development projects where necessary to protect loans made by the West Virginia industrial development authority on industrial development projects; providing for the establishment of industrial development projects in the state of West Virginia; providing that no debt of the state, its municipalities and political subdivisions shall be incurred in the exercise of any powers granted by this act; and providing for the examination of the accounts and affairs of the authority; and the authorization for appropriations for the establishment of an industrial development fund.

Be it enacted by the Legislature of West Virginia:

That chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new article designated article fifteen, to read as follows:

Article 15. The West Virginia Industrial Development Authority Act.

Section 1. *Short Title.*—This act shall be known and
2 may be cited as the “West Virginia Industrial Develop-
3 ment Authority Act.”

Sec. 2. *Legislative Findings.*—It is hereby determined
2 and declared as a matter of legislative finding: (a) that
3 critical conditions of unemployment exist in many areas
4 of the state and that such conditions may well come about,
5 from time to time, in other areas of the state; (b) that in
6 some areas of the state such conditions are chronic and
7 have been so for so long a period of time that, without
8 remedial measures, they may become so in other areas of
9 the state; (c) that economic insecurity due to unemploy-
10 ment is a serious menace to the health, safety, morals
11 and general welfare of the people of the entire state;
12 (d) that widespread industry unemployment produces
13 indigency which falls with crushing force upon all un-
14 employed workers and ultimately upon the state in the
15 form of public assistance and unemployment compensa-
16 tion; (e) that the absence of employment and business
17 opportunities for the youth of such areas is a serious
18 threat to the strength and permanence of their faith in
19 our American political and economic institutions and the
20 philosophy of freedom on which those institutions are
21 based; (f) that lack of employment and business oppor-

22 tunities in such areas has resulted in thousands of workers
23 and their families leaving the state to find such oppor-
24 tunities, and that this exodus has adversely affected the
25 tax base of counties and municipalities within such areas
26 resulting in an impairment of their financial ability to
27 support education and other local government services;
28 (g) that security against unemployment and the resulting
29 spread of indigency and economic stagnation in affected
30 areas can best be provided by the promotion, attraction,
31 stimulation, rehabilitation and revitalization of commerce,
32 industry and manufacturing in such areas; (h) that the
33 present and future health, safety, morals, right to gainful
34 employment and general welfare of the people of the state
35 require as a public purpose the promotion and develop-
36 ment of new and expanded industrial and manufacturing
37 enterprises within areas of critical unemployment; (i)
38 that the device under which private community industrial
39 development organizations in the state acquire or build
40 industrial buildings with funds raised through popular
41 subscription, loans, or otherwise for lease and sale to new
42 or expanding industries has proven effective in creating

43 new employment and business opportunities locally, is in
44 accord with the American tradition of community initia-
45 tive and enterprise, and requires and deserves encourage-
46 ment and support from the state, as a means toward
47 alleviation of unemployment and chronic economic dis-
48 tress; (j) that community industrial development cor-
49 porations in the state have invested substantial funds in
50 successful industrial development projects and are ex-
51 perienicing difficulty in undertaking additional projects
52 by reason of the partial inadequacy of their own funds
53 potentially available from local subscription sources and
54 by reason of limitations of local financial institutions in
55 providing additional and sufficiently sizeable first deed of
56 trust or mortgage loans; (k) that an urgent need exists
57 to stimulate a larger flow of private investment funds
58 from banks, investment houses, insurance companies and
59 other financial institutions into such community indus-
60 trial building programs in areas of chronic and critical
61 distress; and (1) that by increasing the number of com-
62 munity industrial building projects presenting attractive
63 opportunities for private investment in such areas, a

64 larger portion of the private capital available in this state
65 for investment can be put to use in the general economic
66 development of the state.

Sec. 3. *Purposes.*—The purposes of this article shall be
2 to provide for the formation of a public industrial devel-
3 opment authority to promote, assist, encourage and, in
4 conjunction with such banking corporations or institu-
5 tions, trust companies, savings banks, building and loan
6 associations, insurance companies, or related corporations,
7 partnerships, foundations, or other institutions to de-
8 velop and advance the business prosperity and economic
9 welfare of the state of West Virginia; to encourage and
10 assist in the location of new business and industry; to
11 stimulate and assist in the expansion of all kinds of busi-
12 ness activity which will tend to promote the business de-
13 velopment and maintain the economic stability of this
14 state, provide maximum opportunities for employment,
15 encourage thrift and improve the standard of living of
16 the citizens of this state; to cooperate and act in conjunc-
17 tion with other organizations, public or private, the ob-
18 jects of which are the promotion and advancement of

19 industrial, commercial or manufacturing developments
20 in this state; to furnish money and credit to approved in-
21 dustrial development agencies in this state, thereby es-
22 tablishing a source of credit not otherwise available there-
23 for. Such purposes are hereby declared to be public
24 purposes for which public money may be spent and are
25 purposes which will promote the health, safety, morals,
26 right to gainful employment, business opportunities and
27 general welfare of the inhabitants of the state.

Sec. 4. *Definitions.*—The following terms, whenever
2 used or referred to in this article, shall have the following
3 meanings:

4 (a) The term “authority” shall mean the public cor-
5 poration created by this article.

6 (b) The term “board” shall mean the governing body
7 of the authority.

8 (c) The term “county” shall mean any county of this
9 state.

10 (d) The term “critical economic area” shall mean the
11 area encompassing any municipality or group of munici-
12 palities, county, group of counties or region of the state

13 reasonably defined by the authority wherein critical con-
14 ditions of unemployment, economic depression, wide-
15 spread reliance on public assistance and unemployment
16 compensation are found to exist by the authority. Prior
17 to determination and designation of any area of the state
18 as a critical economic area the authority shall conduct
19 such investigations of the area and of the records and
20 statistical indices of the department of employment se-
21 curity, department of labor, conservation commission, de-
22 partment of public assistance and other applicable state
23 agencies, as well as the declarations and statistics of any
24 federal agencies as shall be necessary to establish the
25 existence of the above conditions in such area and to es-
26 tablish that an average of not less than six per cent of the
27 labor force of such area has been unemployed for a period
28 of not less than three years, or an average of not less than
29 nine per cent of the labor force of such area has been un-
30 employed for a period of not less than eighteen months,
31 immediately prior to the date of such investigations and
32 findings. No area of the state shall be designated a critical
33 economic area without such investigations and findings

34 having been first made and certified to the permanent
35 records of the authority.

36 (e) The term "federal agency" shall mean and include
37 the United States of America, the president of the United
38 States of America, and any department of, or corporation,
39 agency or instrumentality heretofore or hereafter created,
40 designated or established by the United States of America.

41 (f) The term "government" shall mean the state and
42 federal governments, or any political subdivision, agency
43 or instrumentality, corporate or otherwise, of either of
44 them.

45 (g) The term "industrial development agency" shall
46 mean any incorporated organization, foundation, associa-
47 tion or agency, regardless of the particular name, and to
48 whose members or shareholders no profit shall inure,
49 which shall have as its primary function the promotion,
50 encouragement and development of industrial and manu-
51 facturing enterprises in a critical economic area.

52 (h) The term "industrial development fund" shall
53 mean the account created by section nine of this act.

54 (i) The term "industrial development project" shall

55 mean any site, structure, facility or undertaking compris-
56 ing or being connected with or being a part of an indus-
57 trial or manufacturing enterprise established or to be es-
58 *applied (by the)* tablished ~~or~~ by an industrial development agency in a
59 critical economic area.

60 (j) The term "municipality" shall mean any city or
61 town of the state.

62 (k) The term "responsible buyer" shall mean any per-
63 son, partnership, firm, company or corporation organized
64 for profit deemed by the authority, after proper investi-
65 gation, to be financially responsible to assume all obliga-
66 tions prescribed by the authority in the acquisition of an
67 industrial development project from an industrial devel-
68 opment agency, and in the operation of an industrial or
69 manufacturing enterprise therein or thereon.

70 (l) The term "responsible tenant" shall mean any per-
71 son, partnership, firm, company or corporation organized
72 for profit deemed by the authority, after proper investi-
73 gation, to be financially responsible to assume all rental
74 and all other obligations prescribed by the authority in
75 the leasing of an industrial development project and in

76 the operation of an industrial or manufacturing enter-
77 prise therein or thereon.

78 (m) The words "cost of establishing an industrial de-
79 velopment project" shall embrace any or all of the follow-
80 ing: The cost of construction, the cost of all lands, prop-
81 erty rights, easements and franchises acquired which are
82 deemed necessary for such construction, financing charges,
83 interest prior to and during construction, cost of engineer-
84 ing and legal expense, plans, specifications, surveys, esti-
85 mates of costs and other expenses necessary or incident
86 to determining the feasibility or practicability of any in-
87 dustrial development project, together with such other
88 expenses as may be necessary or incidental to the financ-
89 ing and the construction of the industrial development
90 project and the placing of the same in operation; the cost
91 of all machinery and equipment and its installation and
92 maintenance shall not be included in the cost of establish-
93 ing an industrial development project, but shall be pro-
94 vided by the responsible buyer.

Sec. 5. *The West Virginia Industrial Development Au-*
2 *thority.*—There is hereby created a body corporate and

3 politic, constituting a public corporation and government
4 instrumentality by the name of "The West Virginia In-
5 dustrial Development Authority", the board of members
6 of which shall be composed of the following: The com-
7 missioner of commerce, who shall serve as chairman, the
8 state tax commissioner, the state banking commissioner
9 and the director of the conservation commission, and their
10 respective successors in office, and five additional members
11 who shall be appointed by the governor with the advice
12 and consent of the senate who shall represent the general
13 public and the public interest. The members of the au-
14 thority initially appointed by the governor shall continue
15 in office for terms of one to five years, respectively, from
16 the date of their appointment and until their respective
17 successors shall be duly appointed and qualified, the term
18 of each appointed member to be designated by the gov-
19 ernor at the time of his appointment; but their successors
20 shall each be appointed for a term of five years, except
21 that any person appointed to fill a vacancy shall serve
22 only for the unexpired term, and any appointed member
23 of the authority shall be eligible for reappointment. Said

24 members of the authority shall be entitled to no compen-
25 sation for their services as members, but shall be entitled
26 to reimbursement for all necessary expenses incurred in
27 connection with the performance of their duties as mem-
28 bers.

Sec. 6. *Powers of Authority.*—The authority, as a pub-
2 lic corporation and governmental instrumentality exer-
3 cising public powers of the state, is hereby granted and
4 shall have and may exercise all powers necessary or ap-
5 propriate to carry out and effectuate the purposes of this
6 act, including the following powers, in addition to others
7 herein granted:

8 (a) To make determination and designation of critical
9 economic areas.

10 (b) To cooperate with industrial development agencies
11 in their efforts to promote the expansion of industrial and
12 manufacturing activity in critical economic areas.

13 (c) To determine, upon proper application of indus-
14 trial development agencies, whether the declared public
15 purpose of this act has been accomplished or will be ac-
16 complished by the establishment by such industrial de-

17 velopment agencies of an industrial development project
18 in a critical economic area.

19 (d) To conduct examinations and investigations and to
20 hear testimony and take proof, under oath or affirmation,
21 at public or private hearings, on any matter material for
22 its information and necessary to the determination and
23 designation of critical economic areas and the establish-
24 ment of industrial development projects therein.

25 (e) To issue subpoenas requiring the attendance of
26 witnesses and the production of books and papers pertin-
27 ent to any hearing before such authority, or before one or
28 more members of the authority appointed by it to con-
29 duct such hearings.

30 (f) To apply to any court, having territorial jurisdic-
31 tion of the offense, to have punished for contempt any
32 witness who refuses to obey a subpoena, or who refuses
33 to be sworn or affirmed or to testify, or who is guilty of
34 any contempt after summons to appear.

35 (g) To authorize any member or members of such au-
36 thority to conduct hearings and to administer oaths, take
37 affidavits and issue subpoenas.

38 (h) To make, upon proper application of industrial de-
39 velopment agencies, loans to such industrial development
40 agencies of moneys held in the industrial development
41 fund for industrial development projects in critical eco-
42 nomic areas and to provide for the repayment and rede-
43 posit of such allocations and loans in the manner herein-
44 after provided.

45 (i) To have existence for a term of fifty years.

46 (j) To sue and be sued, implead and be impleaded,
47 complain and defend in all courts.

48 (k) To adopt, use and alter at will a corporate seal.

49 (l) To make by-laws for the management and regula-
50 tion of its affairs.

51 (m) To appoint officers, agents, employees and servants.

52 (n) To make contracts of every name and nature and
53 to execute all instruments necessary or convenient for
54 carrying on its business.

55 (o) Without limitation of the foregoing, accept grants
56 from and enter into contracts or other transactions with
57 any federal agency.

58 (p) To take title by foreclosure to any industrial devel-

59 opment project where such acquisition is necessary to
60 protect any loan previously made therefor by the au-
61 thority and to sell, transfer and convey any such industrial
62 development project to any responsible buyer; in the
63 event such sale, transfer and conveyance cannot be ef-
64 fected with reasonable promptness, the authority may,
65 in order to minimize financial losses and sustain employ-
66 ment, lease such industrial development project to a re-
67 sponsible tenant or tenants; the authority shall not lease
5) 68 industrial development project except under the condi-
69 tions and for the purposes cited in this section: *Provided,*
70 *however,* That the authority shall have no power at any
71 time to borrow money or in any manner to pledge the
72 credit or taxing power of the state or any of its munici-
73 palities or political subdivisions, nor shall any of its obli-
74 gations be deemed to be obligations of the state or any
75 of its political subdivisions.

Sec. 7. *Loans.*—Loans to industrial development agen-

2 cies: When it has been determined by the authority upon
3 application of an industrial development agency and upon
4 hearing thereon in the manner hereinafter provided that

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5 the establishment of a particular industrial development
6 project (of such industrial development agency) in a
7 critical economic area has accomplished or will accom-
8 plish the public purposes of this act, the authority may
9 contract to loan such industrial development agency an
10 amount not in excess of thirty percent of the cost, or esti-
11 mated cost, of such industrial development project, as
12 established or to be established, subject, however, to the
13 following conditions:

14 (A) Industrial development projects to be established.

15 1. The authority shall have first determined that the
16 industrial development agency holds funds in an amount
17 equal to, or property of a value equal to, not less than
18 twenty per cent of the estimated cost of establishing the
19 industrial development project, which funds or property
20 are available for and shall be applied to the establishment
21 of such project; and

22 2. The authority shall have also determined that the
23 industrial development agency has obtained from other
24 independent and responsible sources, such as banks and
25 insurance companies or otherwise, a firm commitment for

26 all other funds, over and above the loan of the authority
27 and such funds or property as the industrial development
28 agency may hold, necessary for payment of all the esti-
29 mated cost of establishing the industrial development
30 project, and that the sum of all these funds together with
31 machinery and equipment to be provided by the responsi-
32 ble tenant or responsible buyer is adequate to insure com-
33 pletion and operation of the plant or facility.

34 (B) Industrial development projects established with
35 initial authority loan participation.

36 1. The authority shall have first determined that the
37 industrial development agency has expended funds in an
38 amount equal to, or has applied property of a value equal
39 to, not less than twenty percent of the cost of establishing
40 the industrial development project; and

41 2. The authority shall have also determined that the
42 industrial development agency obtained from other inde-
43 pendent and responsible sources, such as banks and insur-
44 ance companies or otherwise, other funds necessary for
45 payment of all the cost of establishing the industrial de-
46 velopment project, and that the industrial development

47 agency participation and these funds, together with the
48 machinery and equipment provided by the responsible
49 tenant or responsible buyer, has been adequate to insure
50 completion and operation of the plant or facility: *Pro-*
51 *vided, however,* That the proceeds of any loan made by
52 the authority to the industrial development agency pur-
53 suant to this subsection (B) shall be used only for the
54 establishment of additional industrial development proj-
55 ects in furtherance of the public purposes of this act.

56 Any such loan of the authority shall be for such period
57 of time and shall bear interest at such rate as shall be de-
58 termined by the authority and shall be secured by bond
59 of the industrial development agency and by deed of trust
60 on the industrial development project for which such loan
61 was made, such deed of trust to be second and subordinate
62 only to the deed of trust securing the first lien obligation
63 issued to secure the commitment of funds from the afore-
64 said independent and responsible sources and used in the
65 financing of the industrial development project.

66 Moneys so loaned by the authority to industrial develop-
67 ment agencies shall be withdrawn from the industrial de-

68 velopment fund and paid over to the industrial develop-
69 ment agency in such manner as shall be provided and pre-
70 scribed by the rules and regulations of the authority.

71 All payments of interest on said loans and the principal
72 thereof shall be deposited by the authority in the indus-
73 trial development fund.

74 Loans by the authority to an industrial development
75 agency for an industrial development project shall be
76 made only in the manner and to the extent as in this sec-
77 tion seven provided, except, however, in those instances
78 wherein an agency of the federal government participates
79 in the financing of an industrial development project by
80 loan, grant or otherwise of federal funds. When any fed-
81 eral agency does so participate the authority may adjust
82 the required ratios of financial participation by the in-
83 dustrial development agency, the source of independent
84 funds, and the authority in such manner as to insure the
85 maximum benefit available to the industrial development
86 agency, the authority, or both, by the participation of the
87 federal agency: *Provided, however,* That no such adjust-
88 ment of such ratios shall cause the authority to grant a

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89 loan to the industrial development agency in excess of
90 thirty percent of the cost or estimated cost of the indus-
91 trial development project.

92 Where any federal agency participating in the financ-
93 ing of an industrial development project is not permitted
94 to take as security for such participation a deed of trust
95 the lien ~~on~~ which is junior to the deed of trust of the au-
96 thority, the authority shall, in such instances, be author-
97 ized to take as security for its loan to the industrial de-
98 velopment agency a deed of trust junior in lien to that of
99 the federal agency.

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Sec. 8. *Loan Application Requirements.*—Prior to the
2 loaning of any funds to an industrial development agency
3 for an industrial development project in a critical eco-
4 nomic area, the authority shall receive from such indus-
5 trial development agency a loan application in form adopt-
6 ed by the authority which shall contain, without being
7 limited to, the following provisions:

8 (a) A general description of the industrial develop-
9 ment project and a general description of the industrial
10 or manufacturing enterprise for which the industrial de-

11 velopment project has been or is to be established.

12 (b) A legal description of all real estate necessary for
13 the industrial development project.

14 (c) Such plans and other documents as may be required
15 to show the type, structure and general character of the
16 industrial development project.

17 (d) A general description of the type, classes and num-
18 ber of employees employed or to be employed in the op-
19 eration of the industrial development project.

20 (e) Cost or estimates of cost of establishing the indus-
21 trial development project.

22 (f) A general description and statement of value of
23 any property, real or personal, of the industrial develop-
24 ment agency applied or to be applied to the establishment
25 of the industrial project.

26 (g) A statement of cash funds previously applied, or
27 then held by the industrial development agency which
28 are available for and are to be applied, to the establish-
29 ment of the industrial development project.

30 (h) Evidence of the arrangement made by the indus-
31 trial development agency for the financing of all cost of

32 the industrial development project over and above the
33 participation of the industrial agency.

34 (i) A general description of the responsible tenant to
35 which the industrial development agency has leased or
36 will lease the industrial development project or of the
37 responsible buyer to which the industrial development
38 agency has sold or will sell the project.

39 (j) A general description of the form of lease or sales
40 agreement entered into or to be entered into by and be-
41 tween the industrial development agency and its responsi-
42 ble tenant or responsible buyer.

43 (k) Evidence that the establishment of the industrial
44 development project will not cause the removal of an in-
45 dustrial or manufacturing plant or facility from one area
46 of the state to another area of the state.

47 The board of the authority shall hold such hearings and
48 examinations as to each loan application received as shall
49 be necessary to determine whether the public purposes
50 of this act will be accomplished by the granting of loans
51 within such applications requested.

52 When the board shall have determined said facts favor-

53 able as to any application, it is authorized and empow-
54 ered, having due regard to the promotion of the public
55 purposes herein declared, to grant a loan to an industrial
56 development agency in the manner and to the extent as
57 in this act provided.

Sec. 9. *Industrial Development Fund.*—There is hereby
2 created a special account in the treasury of the state to be
3 known as the industrial development fund to which shall
4 be accredited the above provided appropriation and any
5 subsequent appropriation made by the Legislature to the
6 authority, as well as such other deposits as in this section
7 provided.

8 As often as may be necessary, the authority shall requi-
9 sition from the industrial development fund such amounts
10 as may be necessary to provide adequate funds for the
11 payment of the administration of the purposes of this act.

12 The authority shall also requisition, from time to time,
13 from the industrial development fund such amounts as
14 shall be allocated and appropriated by the authority for
15 loans to industrial development agencies for industrial
16 development projects. When and as the amounts so al-

17 located and appropriated by the authority as loans to in-
18 dustrial development agencies are repaid to the authority
19 pursuant to the terms of the mortgages and other agree-
20 ments made and entered into by the authority, the au-
21 thority shall pay such amounts into the industrial devel-
22 opment fund, it being the intent of this act that the in-
23 dustrial development fund shall operate as a revolving
24 fund whereby all appropriations and payments made
25 thereto may be applied and reapplied to the purposes of
26 this act.

27 At any time that the authority shall determine that
28 funds held for the credit of the industrial development
29 fund are in excess of the amount needed by the authority
30 to carry out the purposes of this act, the authority shall
31 take such action as shall be required to release such excess
32 from the industrial development fund and transfer the
33 same to the general fund of the state treasury.

Sec. 10. *Governing Body.*—The powers of the authority
2 shall be exercised by a governing body consisting of the
3 members of the authority acting as a board. Within
4 ninety (90) days after this act shall become effective the

5 board shall meet and organize. The commissioner of com-
6 merce and his successor in office shall be the chairman and
7 chief executive officer and the board shall elect a secretary
8 and a treasurer from their number. At the first meeting
9 in each year thereafter they shall elect from their num-
10 ber a secretary and treasurer.

11 A majority of the members shall constitute a quorum
12 of the board for the purpose of organizing the authority
13 and conducting the business thereof, and, except in the
14 instance of loan applications, all action may be taken by a
15 vote of a majority of the members present, unless in any
16 case the by-laws shall require a larger number; approval
17 or rejection of loan applications shall be by a majority
18 vote of the full membership of the board.

19 The board shall have full authority to manage the prop-
20 erties and business of the authority, and to prescribe,
21 amend and repeal by-laws, rules and regulations govern-
22 ing the manner in which the business of the authority
23 may be conducted, and the powers granted to it may be
24 exercised and embodied.

25 The department of commerce shall provide staff serv-

26 ices to the authority for its administration of the act, in-
27 cluding liaison between the authority and industrial de-
28 velopment agencies and related organizations, and be-
29 tween the authority and other agencies of the state whose
30 facilities and services may be useful to the authority in
31 its work.

32 The authority is authorized to make reimbursement to
33 any agency of the state for such special expenses as may
34 be incurred in the provision of any services or the use of
35 any facilities required by the authority.

36 In addition, the authority may employ an executive di-
37 rector, appoint its own counsel and legal staff, and, as re-
38 quired for special studies and surveys, retain such temp-
39 orary engineering, finance and other consultants and tech-
40 nicians as it may require.

Sec. 11. *Moneys of the Authority.*—All moneys of the
2 authority, from whatever source derived, shall be paid to
3 the treasurer of the authority. Said moneys shall be de-
4 posited in the first instance by the treasurer in one or
5 more banks or trust companies, in one or more special ac-
6 counts, and each of such special accounts shall be con-

7 tinuously secured by a pledge of direct obligations of the
8 United States of America or of the state, having an ag-
9 gregate market value, exclusive of accrued interest, at
10 all times at least equal to the balance on deposit in such
11 account. Such securities shall either be deposited with
12 the treasurer or be held by a trustee or agent satisfactory
13 to the authority. All banks and trust companies are au-
14 thorized to give such security for such deposits. The
15 moneys in said accounts shall be paid out on the warrant
16 or other order of the treasurer of the authority, or of such
17 other person or persons as the authority may authorize to
18 execute such warrants or orders.

Sec. 12. *Conflict of Interest.*—No member of the au-
2 thority or officer or employee thereof shall either directly
3 or indirectly be a party to or be in any manner interested
4 in any contract or agreement with the authority for any
5 matter, cause or thing whatsoever by reason thereof any
6 liability or indebtedness shall in any way be created
7 against such authority. If any contract or agreement
8 shall be made in violation of the provisions of this section

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9 the same shall be null and void and no action shall be
10 maintained thereon against such authority.

Sec. 13. *Limitation of Powers.*—The state does hereby
2 pledge to and agree with the United States and any other
3 federal agency that in the event ~~that~~ any federal agency
4 shall construct or loan or contribute any funds for the
5 construction, extension, improvement or enlargement of
6 any industrial development project, or any portion there-
7 of, the state will not alter or limit the rights and powers
8 of the authority in any manner which would be incon-
9 sistent with the due performance of any agreements be-
10 tween the authority and any such federal agency, and the
11 authority shall continue to have and may exercise all
12 powers herein granted, so long as the same shall be neces-
13 sary or desirable for the carrying out of the purposes of
14 this act.

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Sec. 14. *Audit.*—The accounts and books of the author-
2 ity, including its receipts, disbursement, contracts, mort-
3 gages and/or deeds of trust, investments and other mat-
4 ters relating to its finances, operation and affairs, shall be
5 examined and audited from time to time by the state tax

15, o.k. J.H.W.
(4/7/76)

6 commissioner in accordance with statutes applicable to
7 audits of other state agencies.

Sec. 15. *Severability and Construction.*—The provisions
2 of this article are considered remedial and shall be lib-
3 erally construed and interpreted so as to effect the gen-
4 eral purposes and objectives hereof. The provisions of the
5 article shall be severable, and if any of the provisions
6 thereof shall be held unconstitutional, such decisions shall
7 not affect the validity of any of the remaining provisions
8 of this article. It is hereby declared as the legislative in-
9 tent that this article would have been adopted had such
10 unconstitutional provisions not been included herein.

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

Thomas Davis, Jr.
Chairman Senate Committee

Mrs. H. H. Withrow
Chairman House Committee

Originated in the Senate.

Takes effect *July 1st, 1961* passage.

Thomas M. Mize
Clerk of the Senate

C. A. Blankenship
Clerk of the House of Delegates

Howard W. Carson
President of the Senate

Julius W. Singleton, Jr.
Speaker House of Delegates

The within *approved* this the *17th*
day of *March*, 1961.

Wm. Barr
Governor



Filed in Office of the Secretary of State
of West Virginia **MAR 17 1961**
JOE F. BURDETT
SECRETARY OF STATE