

WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1963

ENROLLED

SENATE BILL NO. 347

(By Mr. Lambert & Mr. Carigini)

PASSED March 8 1963

In Effect From Passage



Filed in Office of the Secretary of State
of West Virginia 3-15-63
JOE F. BURDETT
SECRETARY OF STATE

347

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Senate Bill No. 347

(BY MR. LAMBERT and MR. CARRIGAN)

[Passed March 8, 1963; in effect from passage.]

AN ACT to amend and reenact section seven, article fifteen, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to the West Virginia industrial development authority, and loans to industrial development agencies.

Be it enacted by the Legislature of West Virginia:

That section seven, article fifteen, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

Section 7. Loans to Industrial Development Agencies.—

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

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 article, the authority
9 may contract to loan such industrial development agency
10 an amount not in excess of thirty per cent of the cost,
11 or estimated cost, of such industrial development project,
12 as established or to be established, subject, however,
13 to the 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
19 the industrial development project, which funds or prop-
20 erty are available for and shall be applied to the estab-
21 lishment 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 is adequate
31 to insure completion and operation of the industrial de-
32 velopment project.

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

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

40 2. The authority shall have also determined that the
41 industrial development agency obtained from other in-
42 dependent and responsible sources, such as banks and in-
43 surance companies or otherwise, other funds necessary
44 for payment of all the cost of establishing the industrial
45 development project, and that the industrial develop-
46 ment agency participation and these funds, has been ade-

47 quate to insure completion and operation of the indus-
48 trial development project: *Provided*, That the proceeds
49 of any loan made by the authority to the industrial de-
50 velopment agency pursuant to this subsection (B) shall
51 be used only for the establishment of additional indus-
52 trial development projects in furtherance of the public
53 purposes of this article.

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

65 Moneys so loaned by the authority to industrial develop-
66 ment agencies shall be withdrawn from the industrial de-
67 velopment fund and paid over to the industrial develop-

68 ment agency in such manner as shall be provided and pre-
69 scribed by the rules and regulations of the authority.

70 All payments of interest on said loans and the prin-
71 cipal thereof shall be deposited by the authority in the
72 industrial development fund.

73 Loans by the authority to an industrial development
74 agency for an industrial development project shall be
75 made only in the manner and to the extent as in this
76 section provided, except, however, in those instances
77 wherein an agency of the federal government participates
78 in the financing of an industrial development project by
79 loan, grant, or otherwise, or in those instances where any
80 bank, insurance company, lending agency, or combination
81 thereof, participates in any industrial development proj-
82 ect in an amount equal to sixty per cent of the cost of
83 the project. Where any bank, insurance company, lend-
84 ing agency, or combination thereof, participates in an
85 amount equal to sixty per cent of the cost of the indus-
86 trial development project, the authority may adjust the
87 required ratios of financial participation by the local in-
88 dustrial development agency to an amount not less than

89 ten per cent of the estimated cost of establishing the in-
90 dustrial development project. When any federal agency
91 participates, the authority may adjust the required ratios
92 of financial participation by the industrial development
93 agency, the source of independent funds and the authority
94 in such a manner as to insure the maximum benefit avail-
95 able to the industrial development agency, the authority,
96 or both, by the participation of the federal agency. When
97 ratios are adjusted in the manner set forth above, no such
98 adjustment shall be made which shall cause the authority
99 to grant a loan to the industrial development agency in
100 excess of thirty per cent of the cost, or estimated cost of
101 the industrial development project.

102 Where any federal agency participating in the financ-
103 ing of an industrial development project is not permitted
104 to take as security for such participation a deed of trust
105 the lien of which is junior to the deed of trust of the
106 authority, the authority shall, in such instances, be au-
107 thorized to take as security for its loan to the industrial
108 development agency a deed of trust junior in lien to that
109 of the federal agency.

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

O Ray Parker
Chairman Senate Committee

Ethel L. Randall
Chairman House Committee

Originated in the Senate.

Takes effect From passage.

Howard Meyer
Clerk of the Senate

A Blankenship
Clerk of the House of Delegates

Howard Roberson
President of the Senate

Julius W Singleton Jr.
Speaker House of Delegates

The within approved this the 14th
day of March, 1963.

W. W. Baum
Governor

