

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1965

ENROLLED

SENATE BILL NO. 30

(By Mr. Casson, Mr. President
and Mr. Barnett)

PASSED February 16, 1965

In Effect from Passage



FILED IN THE OFFICE OF
JOE F. BURDETT
SECRETARY OF STATE
THIS DATE 2-24-65

#30

ENROLLED

Senate Bill No. 30

(By MR. CARSON, MR. PRESIDENT, and MR. BARNETT)

[Passed February 16, 1965; in effect from passage.]

AN ACT authorizing the issuance and sale by the governor of bonds of the state of West Virginia in an amount not exceeding twenty million dollars during the fiscal year ending June thirtieth, one thousand nine hundred sixty-five, and in an amount not exceeding twenty million dollars during the fiscal year ending June thirtieth, one thousand nine hundred sixty-six, for the sole purpose of raising funds for the building and construction of free state roads and highways as provided for by the constitution and the laws enacted thereunder; specifying the powers of and limitations upon the governor in the issuance and sale of such

bonds; prescribing the duties of the auditor and treasurer with respect to such bonds; providing for transfer and registration fees with respect to registered bonds and the disposition of such fees; providing for places of payment of principal and interest on such bonds; exempting such bonds from taxation by the state, or by any county, district, or municipality thereof; setting forth the form of coupon and registered bonds and coupons; stating what moneys shall be paid into the state road sinking fund; providing for the disposition and investment of the state road sinking fund; providing a covenant between the state and the bondholders; providing that the proceeds from the sale of the bonds shall be paid into a separate and distinct account in the state road fund and for expenditures from such account; providing that the plates, etc., from which the bonds are produced or made shall be the property of the state; providing for interim certificates in lieu of permanent bonds; and declaring that all necessary expenses incurred in the execution of the act shall be paid out of the state road fund on warrants of the auditor drawn on the state treasurer.

Be it enacted by the Legislature of West Virginia:

Section 1. Road Bonds; Amount; When May Issue.—

2 Bonds of the state of West Virginia of the par value
3 not to exceed twenty million dollars during the fiscal
4 year ending June thirtieth, one thousand nine hundred
5 sixty-five, and of the par value not to exceed twenty
6 million dollars during the fiscal year ending June thir-
7 tieth, one thousand nine hundred sixty-six, are hereby
8 authorized to be issued and sold for the sole purpose of
9 raising funds for the building and construction of free
10 state roads and highways as provided for by the constitu-
11 tion and the laws enacted thereunder. Such bonds may
12 be issued by the governor in such amounts, in coupon or
13 registered form, in such denominations, at such time and
14 bearing such date or dates as the governor may deter-
15 mine, based upon an examination of the state road com-
16 mission's yearly program which justifies the issuance by
17 the governor of said bonds, and shall become due and
18 payable serially in equal amounts beginning one year
19 and ending twenty-five years from the date thereof:
20 *Provided*, That such bonds shall not be issued and sold

21 in any one fiscal year in an aggregate amount exceeding
22 twenty million dollars.

Sec. 2. Transfer Fee; Registration Fee; Where Payable;

2 **Interest Rate; Tax Exempt.**—The auditor and the treas-
3 urer are hereby authorized to arrange for the transfer
4 of registered bonds and for each such transfer a fee of fifty
5 cents shall be charged by and paid to the state of West
6 Virginia, to the credit of the state road sinking fund.
7 Bonds taken in exchange shall be cancelled by the au-
8 ditor and treasurer and be carefully preserved by the
9 treasurer. The treasurer shall make provisions for regis-
10 tering “payable to bearer” bonds, and for each bond reg-
11 istered a fee of fifty cents shall likewise be charged by
12 and paid to the state of West Virginia, to the credit of
13 the state road sinking fund. All such bonds shall be
14 payable at the office of the treasurer of the state of West
15 Virginia, or, at the option of the holder, at some bank
16 in the city of New York to be designated by the gov-
17 ernor. The bonds shall bear interest at a rate not exceed-
18 ing four and one-half per cent per annum, payable semi-
19 annually, to bearer, at the office of the treasurer of the

20 state of West Virginia, at the capitol of the state, or at the
21 bank designated by the governor, upon presentation and
22 surrender of interest coupons, then due, in the case of
23 coupon bonds. For the payment of interest on registered
24 bonds, the treasurer of the state of West Virginia shall
25 requisition a warrant from the auditor of the state to
26 be drawn on the state treasurer, and shall mail such
27 warrant to the registered owner at the address as shown
28 by the record of registration. Both the principal and
29 interest of the bonds shall be payable in lawful money
30 of the United States of America and the bonds shall be
31 exempt from taxation by the state of West Virginia, or
32 by any county, district, or municipality thereof, which
33 facts shall appear on the face of the bonds as part of the
34 contract with the holder thereof.

Sec. 3. Form of Bond.—The bonds shall be signed on
2 behalf of the state of West Virginia, by the treasurer
3 thereof, under the great seal of the state, and counter-
4 signed by the auditor of the state, and shall be in the
5 following form or to the following effect, as nearly as may
6 be, namely:

COUPON ROAD BOND

(Or registered road bond, as the case may be)

OF THE

STATE OF WEST VIRGINIA

\$_____ No. _____

The state of West Virginia, under and by virtue of authority of an amendment to the constitution, which was proposed by House Joint Resolution No. 10, adopted the seventh day of March, one thousand nine hundred sixty-three, and was ratified by a vote of the people at the general election on the third day of November, one thousand nine hundred sixty-four, which is hereby made a part hereof as fully as if set forth at length herein, acknowledges itself to be indebted to and hereby promises to pay to the bearer hereof (in case of a coupon bond) or to _____ or assigns (the owner of record, in case of registered bonds) on the _____ day of _____, 19____, in lawful money of the United States of America at the office of the treasurer of the state of West Virginia at the capitol of said state, or at the option of the holder at _____, bank in the city of New York, the sum

28 of _____ dollars, with interest thereon at _____ per centum
29 per annum from the date, payable semi-annually in like
30 lawful money of the United States of America at the
31 treasurer's office or bank aforesaid, on the first day of
32 _____ and the first day of _____ of each year,
33 (and in the case of coupon bonds) according to the tenor
34 of the annexed coupons bearing the facsimile signature
35 of the treasurer of the state of West Virginia, upon sur-
36 render of such coupons. This bond (in case of a coupon
37 bond) may be exchanged for a registered bond of like
38 tenor upon application to the treasurer of the state of
39 West Virginia.

40 To secure the payment of the principal and interest of
41 this bond, the state of West Virginia covenants and agrees
42 with the holder as follows: (1) That this bond shall con-
43 stitute a direct and general obligation of the state of West
44 Virginia; (2) that the full faith and credit of the state is
45 pledged to secure the payment of the principal and inter-
46 est of this bond; (3) that an annual state tax shall be
47 collected in an amount sufficient to pay as it may accrue
48 the interest on this bond and the principal thereof; and

49 (4) that such tax shall be levied in any year only to the
50 extent that the moneys in the state road fund irrevocably
51 set aside and appropriated for and applied to the payment
52 of the interest on and principal of this bond becoming due
53 and payable in such year are insufficient therefor.

54 This bond is hereby made exempt from any taxation
55 by the state of West Virginia, or by any county, district,
56 or municipal corporation thereof.

57 In testimony whereof, witness the signature of the
58 treasurer of the state of West Virginia, and the counter-
59 signature of the auditor of the state, hereto affixed accord-
60 ing to law, dated the _____ day of _____, one
61 thousand nine hundred _____, and the seal of the
62 state of West Virginia.

63 (SEAL)

64 _____

65 Treasurer of the State of West Virginia

66 Countersigned:

67 _____

68 Auditor of the State of West Virginia

Sec. 4. Form of Coupon.—The form of coupon shall be substantially as follows, to-wit:

STATE OF WEST VIRGINIA

Bond No. _____ Coupon No. _____

On the first day of _____, 19____, the state of West Virginia will pay to the bearer, in lawful money of the United States of America, at the office of the treasurer of the state, or at the option of the holder at _____ bank in the city of New York, the sum of _____ dollars, the same being semi-annual interest on Road Bond No. _____.

Treasurer of the State of West Virginia

The signature of the treasurer to such coupon shall be by his facsimile signature and the coupons shall be numbered in the order of their maturity, from number one consecutively. The bonds and coupons may be signed by the present treasurer and auditor, or by any of their respective successors in office, and the bonds signed by the persons now in the office may be sold by the governor or his successor in office without being signed by the suc-

cessor in office of the present treasurer or auditor.

Sec. 5. Listing by Auditor.—All coupons and registered bonds issued under this bill shall be separately listed by the auditor of the state in books provided for the purpose, in each case giving the date, number, character and amount of obligations issued, and in case of registered bonds, the name and post office address of the person, firm or corporation registered as the owner thereof.

Sec. 6. State Road Sinking Fund Sources Used to Pay Bonds and Interest; Investment of Remainder.—Into the state road sinking fund there shall be paid all money from any and all appropriations made by the state from the state road fund for the purpose of paying the interest on such bonds or paying off and retiring the bonds, from transfer and registration fees as herein provided, and from any other source whatsoever which is made liable by law for the payment of the principal of such bonds or the interest thereon.

All such funds shall be kept by the treasurer in a separate account, under the designation aforesaid, and all money belonging to the fund shall be deposited in the state treasury to the credit thereof.

15 Such fund shall be applied by the treasurer of the state
16 first to the payment of the semi-annual interest on such
17 bonds as it shall become due as herein provided. The
18 remainder of the fund shall be turned over by the state
19 treasurer to the state sinking fund commission, whose
20 duty it shall be to invest the same in obligations of the
21 government of the United States, bonds of the state of
22 West Virginia, or any political subdivision thereof: *Pro-*
23 *vided*, That bonds or other obligations so purchased by the
24 state sinking fund commission shall mature so as to pro-
25 vide sufficient money to pay off all bonds herein provided
26 to be issued as they become due; and the money so paid
27 into the state road sinking fund under the provisions of
28 this act shall be expended for the purpose of paying the
29 interest and principal of the bonds hereby provided for
30 as they severally become due and payable and for no
31 other purpose except that the fund may be invested until
32 needed, as herein provided.

Sec. 7. Covenants of State.—The state of West Virginia
2 covenants and agrees with the holders of the bonds issued
3 pursuant hereto as follows: (1) That such bonds shall con-

4. stitute direct and general obligation of the state of West
5. Virginia; (2) that the full faith and credit of the state
6. is hereby pledged to secure the payment of the principal
7. and interest of such bonds; (3) that an annual state tax
8. shall be collected in an amount sufficient to pay as it may
9. accrue the interest on such bonds and the principal
10. thereof; and (4) that such tax shall be levied in any year
11. only to the extent that the moneys in the state road fund
12. irrevocably set aside and appropriated for and applied
13. to the payment of the interest on and principal of said
14. bonds becoming due and payable in such year are insuffi-
15. cient therefor.

Sec. 8. Sale by Governor; Minimum Price.—The gov-
2. ernor shall sell the bonds herein authorized at such time
3. or times as he may determine necessary to provide funds
4. for the building and construction of free state roads and
5. highways, as herein provided, upon the recommendation of
6. the state road commissioner, and after reviewing the pro-
7. gram of the state road commission and subject to the
8. limitations contained in section one hereof. All sales shall
9. be at not less than par and accrued interest. All interest

10 coupons becoming payable prior to the sale date shall be
11 cancelled by the treasurer and rendered ineffective, be-
12 fore the delivery of the bonds so sold.

Sec. 9. Proceeds Paid into Separate Account in State

2 **Road Fund; Expenditures.**—The proceeds of all sales of
3 bonds herein authorized shall be paid into a separate and
4 distinct account in the state road fund, and shall be used
5 and appropriated solely for the building and construction
6 of free state roads and highways provided for by the state
7 constitution and the laws enacted thereunder. **Except for**
8 such sums necessary for current operating balances, such
9 account shall be invested and re-invested in short-term
10 obligations of the United States treasury: *Provided, That*
11 no such investment or re-investment shall adversely affect
12 the current operating balances of such account.

Sec. 10. Plates, etc., Property of State.—The plates,
2 casts, dies or other forms from which the bonds author-
3 ized by this act are produced or made shall be the prop-
4 erty of the state of West Virginia.

Sec. 11. Auditor to Be Custodian of Unsold Bonds.—

2 The state auditor shall be the custodian of all unsold

3 bonds issued pursuant to the provisions of this act.

Sec. 12. Interim Certificates.—The governor may au-
2 thorize the issuance of interim certificates to be issued
3 to the purchasers of such bonds to be held by them in
4 lieu of permanent bonds. When interim certificates are
5 so issued, they shall become full and legal obligations of
6 the state of West Virginia under all of the provisions of
7 this act just as fully and completely as the permanent
8 bonds.

Sec. 13. Payment of Expenses.—All necessary expenses
2 incurred in the execution of this act shall be paid out
3 of the state road fund on warrants of the auditor of the
4 state drawn on the state treasurer.

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

O. Roy Peck
Chairman Senate Committee

James W. Long
Chairman House Committee

Originated in the Senate.

Takes effect *from* _____ Passage.
Howard Myers
Clerk of the Senate

C. G. Blankenship
Clerk of the House of Delegates

Howard E. Carson
President of the Senate

H. Lekan White
Speaker House of Delegates

The within *approved* this the *24th*
day of *February*, 1965.

Herbert O. Smith
Governor



Presented to the Governor's Office
Feb. 19, 1965
11:03 a.m.