WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1966

ENROLLED

HOUSE BILL No. 219

(By Mr. [signature], Mr. [signature], and Mr. [signature])

PASSED January 24, 1966

In Effect July 1, 1966

# 219

FILED IN THE OFFICE
ROBERT D. BAILEY
SECRETARY OF STATE
THIS DATE 1-31-66.
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-seven, 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; pro-
Enr. H. B. No. 219] 2

viding 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 not to exceed twenty million dollars during the fiscal year
ending June thirtieth, one thousand nine hundred sixty-seven, are hereby authorized to be issued and sold 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. Such bonds may be issued by the governor in such amounts, in coupon or registered form, in such denominations, at such time and bearing such date or dates as the governor may determine, based upon an examination of the state road commission’s yearly program which justifies the issuance by the governor of said bonds, and shall become due and payable serially in equal amounts beginning one year and ending twenty-five years from the date thereof.

Sec. 2. Transfer Fee; Registration Fee; Where Payable; Interest Rate; Tax Exempt.—The auditor and the treasurer are hereby authorized to arrange for the transfer of registered bonds and for each such transfer a fee of fifty cents shall be charged by and paid to the state of West Virginia, to the credit of the state road sinking fund. Bonds taken in exchange shall be cancelled by the
auditor and treasurer and be carefully preserved by the
treasurer. The treasurer shall make provisions for reg-
istering “payable to bearer” bonds, and for each bond
registered a fee of fifty cents shall likewise be charged
by and paid to the state of West Virginia, to the credit
of the state road sinking fund. All such bonds shall be
payable at the office of the treasurer of the state of West
Virginia, or, at the option of the holder, at some bank in
the city of New York to be designated by the governor.
The bonds shall bear interest at a rate not exceeding four
and one-half per cent per annum, payable semiannually,
to bearer, at the office of the treasurer of the state of
West Virginia, at the capitol of the state, or at the bank
designated by the governor, upon presentation and sur-
render of interest coupons, then due, in the case of cou-
pon bonds. For the payment of interest on registered
bonds, the treasurer of the state of West Virginia shall
requisition a warrant from the auditor of the state to be
drawn on the state treasurer, and shall mail such war-
rant to the registered owner at the address as shown by
the record of registration. Both the principal and inter-
est of the bonds shall be payable in lawful money of the
United States of America and the bonds shall be exempt
from taxation by the state of West Virginia, or by any
county, district, or municipality thereof, which facts shall
appear on the face of the bonds as part of the contract
with the holder thereof.

Sec. 3. Form of Bond.—The bonds shall be signed on
behalf of the state of West Virginia, by the treasurer
thereof, under the great seal of the state, and counter-
signed by the auditor of the state, and shall be in the
following form or to the following effect, as nearly as
may 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 thou-
sand nine hundred sixty-four, which is hereby made a
part hereof as fully as if set forth at length herein, ac-
knowledges 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 of ___________________ dollars,
with interest thereon at ______ percentum per annum
from the date, payable semiannually in like lawful money
of the United States of America at the treasurer's office
or bank aforesaid, on the first day of __________ and
the first day of __________ of each year, (and in the
case of coupon bonds) according to the tenor of the an-
nexed coupons bearing the facsimile signature of the
treasurer of the state of West Virginia, upon surrender of
such coupons. This bond (in case of a coupon bond) may
be exchanged for a registered bond of like tenor upon
application to the treasurer of the state of West Virginia.

To secure the payment of the principal and interest of
this bond, the state of West Virginia covenants and agrees
with the holder as follows: (1) That this bond shall
constitute a direct and general obligation of the state of
West Virginia; (2) that the full faith and credit of the
state is pledged to secure the payment of the principal
and interest of this bond; (3) that an annual state tax
shall be collected in an amount sufficient to pay as it may
accrue the interest on this bond and the principal thereof;
and (4) that such tax shall be levied in any year only to
the extent that the moneys in the state road fund irrev-
ocably set aside and appropriated for and applied to the
payment of the interest on and principal of this bond be-
coming due and payable in such year are insufficient
therefor.

This bond is hereby made exempt from any taxation
by the state of West Virginia, or by any county, district,
or municipal corporation thereof.
Enr. H. B. No. 219]

58 In testimony whereof, witness the signature of the
treasurer of the state of West Virginia, and the counter-
signature of the auditor of the state, hereto affixed ac-
cording to law, dated the ______ day of ________________,
one thousand nine hundred ____________________, and
the seal of the state of West Virginia.

(SEAL)

Treasurer of the State of West Virginia

Countersigned:

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 semiannual 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 successor in office of the present treasurer or auditor.

Sec. 5. Listing by Auditor.—All coupons and registered bonds issued under this act 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 postoffice 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. Such fund shall be applied by the treasurer of the state first to the payment of the semiannual interest on such bonds as it shall become due as herein provided. The remainder of the fund shall be turned over by the state treasurer to the state sinking fund commission, whose duty it shall be to invest the same in obligations of the government of the United States, bonds of the state of West Virginia, or any political subdivision thereof: Provided, That bonds or other obligations so purchased by
the state sinking fund commission shall mature so as to provide sufficient money to pay off all bonds herein provided to be issued as they become due; and the money so paid into the state road sinking fund under the provisions of this act shall be expended for the purpose of paying the interest and principal of the bonds hereby provided for as they severally become due and payable and for no other purpose except that the fund may be invested until needed, as herein provided.

Sec. 7. Covenants of State.—The state of West Virginia covenants and agrees with the holders of the bonds issued pursuant hereto as follows: (1) That such bonds shall constitute direct and general obligations of the state of West Virginia; (2) that the full faith and credit of the state is hereby pledged to secure the payment of the principal and interest of such bonds; (3) that an annual state tax shall be collected in an amount sufficient to pay as it may accrue the interest on such bonds and the principal thereof; and (4) that such tax shall be levied in any year only to the extent that the moneys in the state road fund irrevocably set aside and appropriated for and ap-
plied to the payment of the interest on and principal of said bonds becoming due and payable in such year are insufficient therefor.

Sec. 8. Sale by Governor; Minimum Price.—The governor shall sell the bonds herein authorized at such time or times as he may determine necessary to provide funds for the building and construction of free state roads and highways, as herein provided, upon the recommendation of the state road commissioner, and after reviewing the program of the state road commission and subject to the limitations contained in section one hereof. All sales shall be at not less than par and accrued interest. All interest coupons becoming payable prior to the sale date shall be cancelled by the treasurer and rendered ineffective, before the delivery of the bonds so sold.

Sec. 9. Proceeds Paid into Separate Account in State Road Fund; Expenditures.—The proceeds of all sales of bonds herein authorized shall be paid into a separate and distinct account in the state road fund, and shall be used and appropriated solely for the building and construction of free state roads and highways provided for
by the state constitution and the laws enacted there-
under. Except for such sums necessary for current op-
erating balances, such account shall be invested and rein-
vested in short-term obligations of the United States
treasury: Provided, That no such investment or re-
investment shall adversely affect the current operating
balances of such account.

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

Sec. 11. Auditor to Be Custodian of Unsold Bonds.—
The state auditor shall be the custodian of all unsold
bonds issued pursuant to the provisions of this act.

Sec. 12. Interim Certificates.—The governor may au-
thesize the issuance of interim certificates to be issued
to the purchasers of such bonds to be held by them in
lieu of permanent bonds. When interim certificates are
so issued, they shall become full and legal obligations
of the state of West Virginia under all of the provisions
of this act just as fully and completely as the permanent
bonds.
Sec. 13. **Payment of Expenses.**—All necessary expenses incurred in the execution of this act shall be paid out of the state road fund on warrants of the auditor of the state drawn on the state treasurer.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

O Roy Parker
Chairman Senate Committee

James W. Log
Chairman House Committee

Originated in the House.

Takes effect July 1, 1966.

Thurmond Byrd
Clerk of the Senate

C. G. Blackman
Clerk of the House of Delegates

Howard Poston
President of the Senate

H. Robert White
Speaker House of Delegates

The within approved this the 21st
day of January, 1966.

Henry E. Smith
Governor
Presented to the Governor

January 26, 1966

3:30 p.m.