WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1966

ENROLLED
SENATE BILL NO. 20
(By Mr. [Signature]

PASSED January 1, 1966

In Effect Ninety days from Passage

FILED IN THE OFFICE
ROBERT D. BAILEY
SECRETARY OF STATE
THIS DATE 2-14-66
ENROLLED

Senate Bill No. 20
(By Mr. McCourt and Mr. Floyd)

[Passed February 5, 1966; in effect ninety days from passage.]

AN ACT to amend chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article, designated article eleven-b, relating to the authority of the board of governors of West Virginia University to issue revenue bonds to finance the construction of new facilities, buildings and structures, including the cost of acquisition of land therefor and the necessary equipment thereof, for West Virginia University, and to issue revenue bonds to refund bonds issued and outstanding under the provisions of said article eleven-b and preceding article eleven-a, and to pledge as security for such bonds certain enrollment, tuition and other fees collected at the university.
Be it enacted by the Legislature of West Virginia:

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


Section 1. Board of Governors of West Virginia University Authorized to Issue Revenue Bonds for Certain Capital Improvements.—The board of governors of West Virginia University shall have authority, as provided in this article, to issue revenue bonds of the state, not to exceed twenty million dollars in principal amount thereof, to refund bonds issued and outstanding under and pursuant to the provisions of article eleven-a of this chapter and this article and to finance the cost of providing new facilities, buildings and structures for West Virginia University including, but not limited to, buildings and structures suitable for use as an academic building, library, laboratory, research facility, maintenance or storage or utility facility and other facilities related thereto or es-
sential or convenient for the instruction of students or
the conducting of research or the operation of West Vir-
ginia University as an institution for higher education,
and also including athletic facilities and stadia as well
as parking and other facilities, buildings or structures
essential or convenient for the orderly conduct of West
Virginia University as an institution for higher education,
together with, in each case, land for current or future
use in connection therewith and equipment and machinery
and other similar items essential or convenient for the
operation of a particular facility, building or structure
in the manner for which its use is intended but not in-
cluding such items as books, fuel, supplies or other items
which are customarily deemed to result in a current
operating charge. The principal of and interest on such
bonds shall be payable solely from the special non-re-
volving fund herein provided for such payment. The
cost of any such facility, building or structure shall in-
clude the cost of acquisition of land, the construction and
equipment of any such facility, building or structure and
the provision for roads, utilities and other services neces-
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sary, appurtenant or incidental to such facilities, build-
ings or structures, and shall also include all other charges
or expenses necessary, appurtenant or incidental to the
construction, financing and placing in operation of any
such facility, building or structure.

Sec. 2. Special University Capital Improvements Fund

Continued in State Treasury; Collections to Be Paid Into
Special Fund; Authority of Board of Governors to Pledge
Such Collections as Security for Revenue Bonds.—The
special non-revolving university capital improvements
fund heretofore created in the state treasury pursuant
to the provisions of article eleven-a of this chapter shall
be continued and shall exist so long as any bonds issued
pursuant to said article eleven-a or this article remain
outstanding and unpaid. Subject only to the prior lien
thereon of outstanding bonds heretofore issued pursuant
to the provisions of article eleven-a of this chapter, on
and after the first day of July, one thousand nine hundred
sixty-six, there shall be paid into such special university
capital improvements fund all fees collected under the
provisions of section one, article one-a, chapter twenty-
five of this code, from students at the university other
than students in the schools of medicine, medical technology, dentistry, dental technology, nursing and pharmacy, except such fees as are now required by that section to be paid into other special funds: Provided, That any future allocation of all or any of such fees to other special funds shall, so long as any bonds issued pursuant to said article eleven-a of this article remain outstanding and unpaid, be expressly subordinate, junior and inferior to the requirements of and pledges made pursuant to this section.

The board of governors shall have authority to pledge all or such part of the revenue paid into the special university 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 including such additional margin of safety as may be provided in the resolution authorizing any issue of such bonds and in any trust agreement made in
connection therewith, 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 rights of the holders of bonds issued at different times under the provisions of this article.

Any balance remaining in the special university capital improvements fund after the board has issued the maximum of twenty million dollars worth of bonds authorized by this article, and after the requirements of all sinking funds and reserve funds established in connection with the bonds issued pursuant to this article have been satisfied, 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 such 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 university capital improve-
ments fund shall cease to exist and any balance then re-
maindering 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 gen-
eral revenue fund of the state.

Sec. 3. Board of Governors to Fix Fees.—The board of
governors shall fix, establish, maintain and collect the
fees provided for in section one, article one-a, chapter
twenty-five of this code, from students at the university
other than students in the schools of medicine, medical
technology, dentistry, dental technology, nursing and
pharmacy, in amounts at least sufficient, at all times,
after depositing in the other special funds such fees as
are now required to be deposited therein pursuant to sec-
tion one, article one-a, chapter twenty-five of this code,
to provide revenues for deposit in the special university
capital improvements fund which are adequate to pay the
principal of and interest on the outstanding bonds here-
tofore issued pursuant to article eleven-a of this chapter
as the same mature and become due and to make all
reserve and other payments required by the proceedings which authorized such outstanding bonds, to pay the principal of and interest on any outstanding bonds issued pursuant to this article as the same mature and become due and to provide any margin of safety and reserve or other payments required by the resolution authorizing any issue of bonds pursuant to this article and any trust agreement made in connection therewith, and to make all other payments required by this article or any such proceedings, resolutions or trust agreements.

Sec. 4. Issuance of Revenue Bonds.—The issuance of revenue bonds under the provisions of this article shall be authorized by a resolution of the board of governors, which shall recite an estimate by the board of the cost of the proposed facilities, buildings or structures; 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 any other funds available for the construction of the facilities, buildings or structures from any appropriation, grant or gift therefor. Such resolution shall prescribe the rights
and duties of the bondholders and the board, and for such purpose may prescribe the form of the trust agreement hereinafter referred to. The bonds shall be of such series, bear such date or dates, mature at such time or times not exceeding thirty years from their respective dates, bear interest at such rate or rates not exceeding five per cent per annum, payable semiannually; be in such denominations; be in such form, either coupon or fully registered without coupons, carrying such registration, exchangeability and interchangeability privileges; be payable in such medium of payment and at such place or places; be subject to such terms of redemption at such prices not exceeding one hundred five per cent of the principal amount thereof, and be entitled to such priorities on the revenues paid into the special university 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 governors, under the great seal of the state, attested 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 facilities, buildings or structures, such sale to be made at a price not lower than a price which, when computed upon standard tables of bond values, will show a net return of not more than five 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 facilities, buildings or structures, 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 be less than the cost of
such facilities, buildings or structures, additional bonds
may in like manner be issued to provide the amount of the
deficiency; and unless otherwise provided for in the reso-
lution or trust agreement hereinafter 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 facilities,
buildings or structures. If the proceeds of bonds issued
for such facilities, buildings or structures shall exceed the
cost thereof, the surplus shall be paid into the sinking
fund to be established 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, exchangeable for definitive bonds upon their
issuance. The term “cost”, as used in this section, shall be
deemed to include all of the items contemplated by the
use of this term in section one of this article.
Sec. 5. Issuance of Revenue Refunding Bonds.—The issuance of revenue refunding bonds under the provisions of this article shall be authorized by resolution of the board of governors and shall otherwise be subject to the limitations, conditions and provisions of section four of this article. Such revenue refunding bonds may be issued in an amount sufficient to pay (1) the principal of any outstanding bonds heretofore issued pursuant to the provisions of article eleven-a of this chapter or this article (hereinafter referred to as “outstanding bonds”); (2) the redemption premium, if any, on such outstanding bonds on the prior redemption thereof; (3) the interest due and payable on such outstanding bonds to and including the first date upon which said outstanding bonds are callable prior to maturity, not exceeding, however, ten years from the date of issuance of such revenue refunding bonds, or the dates upon which the principal of said outstanding bonds matures before such first date on which the same are callable prior to maturity, including any interest theretofore accrued and unpaid; and (4) all expenses of the issuance and sale of said revenue refunding bonds,
including all necessary financial and legal expenses, and
also including the creation of initial debt service reserve
funds. Any moneys in the sinking or reserve funds or
other funds for the outstanding bonds may be used for
the purposes stated in (1), (2), (3) and (4) above or may
be deposited in a sinking fund or reserve fund or other
funds for the issue of bonds which have been issued
wholly or in part for the purpose of such refunding. Such
amount of the proceeds of the revenue refunding bonds
as shall be sufficient for the payment of the principal,
interest and redemption premiums, if any, on such out-
standing bonds which will not be due and payable im-
mediately shall be deposited in trust, for the sole purpose
of making such payments, with the treasurer of the state
of West Virginia. Any of the moneys so deposited in
trust may, prior to the date on which such moneys will
be needed for the payment of principal, interest and re-
demption premiums, if any, on such outstanding bonds,
be invested and reinvested in direct obligations of the
United States of America.
Sec. 6. Bonds May Be Issued for Combined Purposes.—

The board of governors may authorize by one resolution a single issue of bonds for the combined purposes of refunding the outstanding bonds as herein authorized and financing one or more of the facilities, buildings and structures herein authorized.

Sec. 7. Bonds Shall Be Negotiable Instruments.—The

revenue bonds, revenue refunding bonds and bonds issued for combined purposes under the provisions of this article shall, independently of the requirements of any other provision of law and solely by virtue of the provisions of this section, be and have all the qualities and incidents of negotiable instruments.

Sec. 8. Trust Agreements for Holders of Bonds.—The

board may enter into an agreement or agreements with any trust company, or with any bank having the powers of a trust company, either within or outside the state, as trustee for the holders of bonds issued hereunder, setting forth therein such duties of the board in respect to the payment of the bonds, the fixing, establishing and collecting of the fees hereinbefore referred to, the acquisition,
construction, improvement, maintenance, operation, repair and insurance of authorized facilities, buildings or structures, the conservation and application of all moneys, the security for moneys on hand or on deposit, and the rights and remedies of the trustee and the holders of the bonds, as may be agreed upon with the original purchasers of such bonds; and including therein provisions restricting the individual right of action of bondholders as is customary in trust agreements respecting bonds and debentures of municipal corporations, protecting and enforcing the rights and remedies of the trustee and the bondholders, and providing for approval by the original purchasers of the bonds of the appointment of consulting engineers and of the security given by those who contract to construct such facilities, buildings or structures and for approval by the consulting engineers of all contracts for construction. Any such agreement entered into by the board shall be binding in all respects on such board and its successors from time to time in accordance with its terms; and all the provisions thereof shall be enforceable by appropriate proceedings at law or in equity, or otherwise.
Sec. 9. Sinking Fund for Payment of Bonds.—From the special university capital improvements fund the board shall, subject only to the prior lien thereon of the outstanding bonds heretofore issued pursuant to the provisions of article eleven-a of this chapter, make periodic payments to the state sinking fund commission in an amount sufficient to meet the requirements of any issue of bonds sold under the provisions of this article, as specified in the resolution of the board authorizing the issue thereof and in any trust agreement entered into in connection therewith. The payments so made shall be placed by the commission in a special sinking fund which is hereby pledged to and charged with the payment of the principal of the bonds of such issue and the interest thereon, and to the redemption or repurchase of such bonds, such sinking fund to be a fund for all bonds of such issue without distinction or priority of one over another, except as may be provided in the resolution authorizing such issue of bonds. The moneys in the special sinking fund, less such reserve for payment of principal and interest as may be required by the resolution of the board authorizing the
issue and any trust agreement made in connection therewith, may be used for the redemption of any of the outstanding bonds payable from such fund 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.

Sec. 10. Credit of State Not Pledged.—No provisions of this article shall be construed to authorize the board at any time or in any manner to pledge the credit or taxing power of the state, nor shall any of the obligations or debts created by the board under the authority herein granted be deemed to be obligations of the state.

Sec. 11. Bonds Exempt From Taxation.—All bonds issued by the board under the provisions of this article, and the interest thereon, shall be exempt from taxation by the state of West Virginia, or by any county, school district, municipality or other political subdivision thereof.

Sec. 12. Conflicting Laws Repealed.—The powers conferred by this article shall be in addition and supple-
3 mental to the existing powers of the board of governors.
4 The provisions of any other law or laws conflicting with
5 the provisions of this article shall be and the same are
6 hereby superseded to the extent of any such conflict.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

[Signature]
Chairman Senate Committee

[Signature]
Chairman House Committee

Originated in the Senate.

Takes effect _______________ Passage.

[Signature]
Clerk of the Senate

[Signature]
Clerk of the House of Delegates

[Signature]
President of the Senate

[Signature]
Speaker House of Delegates

The within _______________ this the __________ day of __________, 1966.

[Signature]
Governor
PRESENTED TO THE
GOVERNOR

Date 2/10/66
Time 11:55 AM

RECEIVED

Feb 14 11 05 PM '66

OFFICE OF
SECRETARY OF STATE
STATE OF WEST VIRGINIA

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