

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1967

ENROLLED

SENATE BILL NO. 59

(By Mr. Carmichael, President, and  
Mr. McCarty)

PASSED February 16, 1967

In Effect from Passage

FILED IN THE OFFICE  
ROBERT D. BAILEY  
SECRETARY OF STATE  
THIS DATE 2-28-67

#59

**ENROLLED**

**Senate Bill No. 59**

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

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[Passed February 16, 1967; in effect from passage.]

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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-eight, 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.**

Bonds of the state of West Virginia of the par value not

2 to exceed twenty million dollars during the fiscal year

3 ending June thirtieth, one thousand nine hundred sixty-  
4 eight, are hereby authorized to be issued and sold for the  
5 sole purpose of raising funds for the building and con-  
6 struction of free state roads and highways as provided for  
7 by the constitution and the laws enacted thereunder. Such  
8 bonds may be issued by the governor in such amounts, in  
9 coupon or registered form, in such denominations, at such  
10 time and bearing such date or dates as the governor may  
11 determine, based upon an examination of the state road  
12 commission's yearly program which justifies the issuance  
13 by the governor of said bonds, and shall become due and  
14 payable serially in equal amounts beginning one year and  
15 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  
2 arrange for the transfer of registered bonds and for each  
3 such transfer a fee of fifty cents shall be charged by and  
4 paid to the state of West Virginia, to the credit of the  
5 state road sinking fund. Bonds taken in exchange shall  
6 be cancelled by the auditor and treasurer and be carefully

7 preserved by the treasurer. The treasurer shall make  
8 provisions for registering "payable to bearer" bonds, and  
9 for each bond registered a fee of fifty cents shall likewise  
10 be charged by and paid to the state of West Virginia, to  
11 the credit of the state road sinking fund. All such bonds  
12 shall be payable at the office of the treasurer of the state  
13 of West Virginia, or, at the option of the holder, at some  
14 bank in the city of New York to be designated by the  
15 governor. The bonds shall bear interest at a rate not ex-  
16 ceeding four and one-half per cent per annum, payable  
17 semi-annually, to bearer, at the office of the treasurer of  
18 the state of West Virginia, at the capitol of the state, or  
19 at the bank designated by the governor, upon presentation  
20 and surrender of interest coupons, then due, in the case of  
21 coupon bonds. For the payment of interest on registered  
22 bonds, the treasurer of the state of West Virginia shall  
23 requisition a warrant from the auditor of the state to be  
24 drawn on the state treasurer, and shall mail such warrant  
25 to the registered owner at the address as shown by the  
26 record of registration. Both the principal and interest of  
27 the bonds shall be payable in lawful money of the United

28 States of America and the bonds shall be exempt from  
29 taxation by the state of West Virginia, or by any county,  
30 district, or municipality thereof, which facts shall appear  
31 on the face of the bonds as part of the contract with the  
32 holder thereof.

**Sec. 3. Form of Bond.**

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

6                                   COUPON ROAD BOND  
7           (Or registered road bond, as the case may be)  
8                                   OF THE  
9                                   STATE OF WEST VIRGINIA  
10 \$..... No.....

11     The state of West Virginia, under and by virtue of  
12     authority of an amendment to the constitution, which was  
13     proposed by House Joint Resolution No. 10, adopted the  
14     seventh day of March, one thousand nine hundred sixty-  
15     three, and was ratified by a vote of the people at the gen-

16 eral election on the third day of November, one thousand  
17 nine hundred sixty-four, which is hereby made a part  
18 hereof as fully as if set forth at length herein, acknowl-  
19 edges itself to be indebted to and hereby promises to pay  
20 to the bearer hereof (in case of a coupon bond) or to  
21 \_\_\_\_\_ or assigns (the owner of record, in case  
22 of registered bonds) on the \_\_\_\_\_ day of \_\_\_\_\_,  
23 19\_\_\_\_, in lawful money of the United States of America at  
24 the office of the treasurer of the state of West Virginia  
25 at the capitol of said state, or at the option of the holder  
26 at \_\_\_\_\_ bank in the city of New York, the sum  
27 of \_\_\_\_\_ dollars, with interest thereon at \_\_\_\_\_  
28 percentum per annum from the date, payable semi-  
29 annually in like lawful money of the United States of  
30 America at the treasurer's office or bank aforesaid, on the  
31 first day of \_\_\_\_\_ and the first day of \_\_\_\_\_ of  
32 each year, (and in the case of coupon bonds) according to  
33 the tenor of the annexed coupons bearing the facsimile  
34 signature of the treasurer of the state of West Virginia,  
35 upon surrender of such coupons. This bond (in case of a  
36 coupon bond) may be exchanged for a registered bond of

37 like tenor upon application to the treasurer of the state  
38 of West Virginia.

39 To secure the payment of the principal and interest of  
40 this bond, the state of West Virginia covenants and agrees  
41 with the holder as follows: (1) That this bond shall con-  
42 stitute a direct and general obligation of the state of West  
43 Virginia; (2) that the full faith and credit of the state is  
44 pledged to secure the payment of the principal and inter-  
45 est of this bond; (3) that an annual state tax shall be col-  
46 lected in an amount sufficient to pay as it may accrue the  
47 interest on this bond and the principal thereof; and (4)  
48 that such tax shall be levied in any year only to the extent  
49 that the moneys in the state road fund irrevocably set  
50 aside and appropriated for and applied to the payment of  
51 the interest on and principal of this bond becoming due  
52 and payable in such year are insufficient therefor.

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

56 In testimony whereof, witness the signature of the  
57 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 semi-annual interest on Road

11 Bond No. \_\_\_\_\_

12 \_\_\_\_\_

13 Treasurer of the State of West Virginia

14 The signature of the treasurer to such coupon shall be  
15 by his facsimile signature and the coupons shall be num-  
16 bered in the order of their maturity, from number one  
17 consecutively. The bonds and coupons may be signed by  
18 the present treasurer and auditor, or by any of their re-  
19 spective successors in office, and the bonds signed by the  
20 persons now in the office may be sold by the governor or  
21 his successor in office without being signed by the suc-  
22 cessor in office of the present treasurer or auditor.

**Sec. 5. Listing by Auditor.**

All coupons and registered bonds issued under this act  
2 shall be separately listed by the auditor of the state in  
3 books provided for the purpose, in each case giving the  
4 date, number, character and amount of obligations issued,  
5 and in case of registered bonds, the name and post office  
6 address of the person, firm or corporation registered as the  
7 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  
2 money from any and all appropriations made by the state  
3 from the state road fund for the purpose of paying the  
4 interest on such bonds or paying off and retiring the  
5 bonds, from transfer and registration fees as herein pro-  
6 vided, and from any other source whatsoever which is  
7 made liable by law for the payment of the principal of  
8 such bonds or the interest thereon.

9 All such funds shall be kept by the treasurer in a sep-  
10 arate account, under the designation aforesaid, and all  
11 money belonging to the fund shall be deposited in the  
12 state treasury to the credit thereof.

13 Such fund shall be applied by the treasurer of the state  
14 first to the payment of the semi-annual interest on such  
15 bonds as it shall become due as herein provided. The re-  
16 mainder of the fund shall be turned over by the state  
17 treasurer to the state sinking fund commission, whose  
18 duty it shall be to invest the same in obligations of the  
19 government of the United States, bonds of the state of

20 West Virginia, or any political subdivision thereof: *Pro-*  
21 *vided*, That bonds or other obligations so purchased by the  
22 state sinking fund commission shall mature so as to pro-  
23 vide sufficient money to pay off all bonds herein provided  
24 to be issued as they become due; and the money so paid  
25 into the state road sinking fund under the provisions of  
26 this act shall be expended for the purpose of paying the  
27 interest and principal of the bonds hereby provided for  
28 as they severally become due and payable and for no  
29 other purpose except that the fund may be invested until  
30 needed, as herein provided.

**Sec. 7. Covenants of State.**

The state of West Virginia covenants and agrees with  
2 the holders of the bonds issued pursuant hereto as fol-  
3 lows: (1) That such bonds shall constitute direct and  
4 general obligation of the state of West Virginia; (2) that  
5 the full faith and credit of the state is hereby pledged  
6 to secure the payment of the principal and interest of  
7 such bonds; (3) that an annual state tax shall be collected  
8 in an amount sufficient to pay as it may accrue the interest  
9 on such bonds and the principal thereof; and (4) that such

10 tax shall be levied in any year only to the extent that the  
11 moneys in the state road fund irrevocably set aside and  
12 appropriated for and applied to the payment of the in-  
13 terest on and principal of said bonds becoming due and  
14 payable in such year are insufficient therefor.

**Sec. 8. Sale by Governor; Minimum Price.**

The governor shall sell the bonds herein authorized at  
2 such time or times as he may determine necessary to  
3 provide funds for the building and construction of free  
4 state roads and highways, as herein provided, upon the  
5 recommendation of the state road commissioner, and after  
6 reviewing the program of the state road commission and  
7 subject to the limitations contained in section one hereof.  
8 All sales shall be at not less than par and accrued interest.  
9 All interest coupons becoming payable prior to the sale  
10 date shall be cancelled by the treasurer and rendered  
11 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  
2 shall be paid into a separate and distinct account in the

3 state road fund, and shall be used and appropriated solely  
4 for the building and construction of free state roads and  
5 highways provided for by the state constitution and the  
6 laws enacted thereunder. Except for such sums necessary  
7 for current operating balances, such account shall be in-  
8 vested and reinvested in short-term obligations of the  
9 United States treasury: *Provided*, That no such invest-  
10 ment or reinvestment shall adversely affect the current  
11 operating balances of such account.

**Sec. 10. Plates, etc., Property of State.**

The plates, casts, dies or other forms from which the  
2 bonds authorized by this act are produced or made shall  
3 be the property 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  
2 bonds issued pursuant to the provisions of this act.

**Sec. 12. Interim Certificates.**

The governor may authorize the issuance of interim  
2 certificates to be issued to the purchasers of such bonds  
3 to be held by them in lieu of permanent bonds. When  
4 interim certificates are so issued, they shall become full

5 and legal obligations of the state of West Virginia under  
6 all of the provisions of this act just as fully and com-  
7 pletely as the permanent bonds.

**Sec. 13. Payment of Expenses.**

All necessary expenses incurred in the execution of  
2 this act shall be paid out of the state road fund on war-  
3 rants of the auditor of the state drawn on the state  
4 treasurer.

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

William Tompos  
Chairman Senate Committee

Clayton C. Davidson  
Chairman House Committee

Originated in the Senate.

To take effect from passage.

Howard Myers  
Clerk of the Senate

C. Blankenship  
Clerk of the House of Delegates

Howard Coleman  
President of the Senate

H. L. White  
Speaker House of Delegates

The within approved this the 27  
day of February, 1967.

Hubert C. Smith  
Governor



**PRESENTED TO THE  
GOVERNOR**

Date 2-22-67

Time 9:55 AM