WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1968

ENROLLED

HOUSE BILL No. 261

(By Mr. Speaker Mr. White
and Mr. Braisky)

PASSED January 31, 1968

In Effect Ninety Days From Passage

FILED IN THE OFFICE
ROBERT D. BAILEY
SECRETARY OF STATE
THIS DATE 2-14-68
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-nine, 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:

§1. Road bonds; amount; when may issue.

1 Bonds of the state of West Virginia of the par value

2 not to exceed twenty million dollars during the fiscal
year ending June thirtieth, one thousand nine hundred sixty-nine, 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.

§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 registering “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 percent 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 surrender of interest coupons, then due, in the case of coupon 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 warrant to the registered owner at the address as shown by the record.
of registration. Both the principal and interest 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.

§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 countersigned 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

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 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 annexed 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 irrevocably set aside and appropriated
for and applied to the payment of the interest on and
principal of this bond becoming 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. 261] 8

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
according to law, dated the ______ day of ________________,
one thousand nine hundred ________________, and the
seal of the state of West Virginia.

(SEAL)

Countersigned:

Treasurer of the State of West Virginia

Auditor of the State of West Virginia

§4. Form of coupon.

1 The form of coupon shall be substantially as follows,
to wit:

3 STATE OF WEST VIRGINIA

4 Bond No.______________ Coupon No.__________

5 On the first day of ______________, 19____, the state
6 of West Virginia will pay to the bearer, in lawful money
7 of the United States of America, at the office of the
treasurer of the state, or at the option of the holder at
9 _____________________ 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 num-
bered 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.

§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.
§6. State road sinking fund sources used to pay bonds and interest; investment of remainder.

1 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.

9 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.

13 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.

16 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.

§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 obligation 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 applied to the payment of the interest on and principal of said bonds becoming due and payable in such year are insufficient therefor.

§8. Sale by governor; minimum price.

1 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.

§9. Proceeds paid into separate account in state road fund; expenditures.

1 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 thereunder. Except for such sums necessary for current operating balances, such account shall be invested and reinvested in short-term obligations of the United States treasury: Provided, That no such investment or reinvestment shall adversely affect the current operating balances of such account.

§10. Plates, etc., property of state.
1 The plates, casts, dies or other forms from which the bonds authorized by this act are produced or made shall be the property of the state of West Virginia.

§11. Auditor to be custodian of unsold bonds.
1 The state auditor shall be the custodian of all unsold bonds issued pursuant to the provisions of this act.

§12. Interim certificates.
1 The governor may authorize 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.

§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.

Chairman Senate Committee

Chairman House Committee

Originated in the House.

Takes effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker of the House of Delegates

The within approved this the 10th day of February, 1968.

Governor