

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1968

—●—

ENROLLED

HOUSE BILL No. 261

(By Mr. Speaker, Mr. White, &
and Mr. Boravsky)

—●—

PASSED January 30, 1968

In Effect Ninety days from Passage



FILED IN THE OFFICE

ROBERT D. BAILEY

SECRETARY OF STATE

THIS DATE 2-14-68

261

ENROLLED

House Bill No. 261

(By MR. SPEAKER, MR. WHITE, and MR. BOIARSKY)

[Passed January 30, 1968; in effect ninety days 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-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

3 year ending June thirtieth, one thousand nine hundred
4 sixty-nine, are hereby authorized to be issued and sold
5 for the sole purpose of raising funds for the building
6 and construction of free state roads and highways as
7 provided for by the constitution and the laws enacted
8 thereunder. Such bonds may be issued by the governor
9 in such amounts, in coupon or registered form, in such
10 denominations, at such time and bearing such date or
11 dates as the governor may determine, based upon an
12 examination of the state road commission's yearly pro-
13 gram which justifies the issuance by the governor of
14 said bonds, and shall become due and payable serially
15 in equal amounts beginning one year and ending twenty-
16 five years from the date thereof.

**§2. Transfer fee; registration fee; where payable; interest rate;
tax exempt.**

1 The auditor and the treasurer are hereby authorized
2 to arrange for the transfer of registered bonds and for
3 each such transfer a fee of fifty cents shall be charged
4 by and paid to the state of West Virginia, to the credit
5 of the state road sinking fund. Bonds taken in exchange

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

27 of registration. Both the principal and interest of the
28 bonds shall be payable in lawful money of the United
29 States of America and the bonds shall be exempt from
30 taxation by the state of West Virginia, or by any county,
31 district, or municipality thereof, which facts shall appear
32 on the face of the bonds as part of the contract with the
33 holder thereof.

§3. Form of bond.

1 The bonds shall be signed on behalf of the state of
2 West Virginia, by the treasurer thereof, under the great
3 seal of the state, and countersigned by the auditor of
4 the state, and shall be in the following form or to the
5 following 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
13 was proposed by House Joint Resolution No. 10, adopted

14 the seventh day of March, one thousand nine hundred
15 sixty-three, and was ratified by a vote of the people at
16 the general election on the third day of November,
17 one thousand nine hundred sixty-four, which is hereby
18 made a part hereof as fully as if set forth at length
19 herein, acknowledges itself to be indebted to and hereby
20 promises to pay to the bearer hereof (in case of a coupon
21 bond) or to..... or assigns (the owner of
22 record, in case of registered bonds) on the day of
23,19....., in lawful money of the United
24 States of America at the office of the treasurer of the
25 state of West Virginia at the capitol of said state, or
26 at the option of the holder at, bank
27 in the city of New York, the sum of dollars,
28 with interest thereon at percentum per annum
29 from the date, payable semiannually in like lawful
30 money of the United States of America at the treasurer's
31 office or bank aforesaid, on the first day of
32 and the first day of of each year, (and
33 in the case of coupon bonds) according to the tenor of
34 the annexed coupons bearing the facsimile signature

35 of the treasurer of the state of West Virginia, upon
36 surrender of such coupons. This bond (in case of a
37 coupon bond) may be exchanged for a registered bond
38 of like tenor upon application to the treasurer of the
39 state of West Virginia.

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

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

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

64 (SEAL)

65 _____
66 Treasurer of the State of West Virginia

67 Countersigned:

68 _____
69 Auditor of the State of West Virginia

§4. Form of coupon.

1 The form of coupon shall be substantially as follows,
2 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
8 treasurer of the state, or at the option of the holder at
9 bank in the city of New York, the

10 sum of dollars, the same being semi-
11 annual interest on Road 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
18 by the present treasurer and auditor, or by any of their
19 respective successors in office, and the bonds signed by
20 the persons now in the office may be sold by the governor
21 or his successor in office without being signed by the
22 successor in office of the present treasurer or auditor.

§5. Listing by auditor.

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

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

13 Such fund shall be applied by the treasurer of the
14 state first to the payment of the semiannual interest on
15 such bonds as it shall become due as herein provided.
16 The remainder of the fund shall be turned over by the
17 state treasurer to the state sinking fund commission,
18 whose duty it shall be to invest the same in obligations
19 of the government of the United States, bonds of the
20 state of West Virginia, or any political subdivision

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

§7. Covenants of state.

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

11 year only to the extent that the moneys in the state road
12 fund irrevocably set aside and appropriated for and
13 applied to the payment of the interest on and principal
14 of said bonds becoming due and payable in such year
15 are insufficient therefor.

§8. Sale by governor; minimum price.

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

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

1 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
4 solely for the building and construction of free state
5 roads and highways provided for by the state constitu-
6 tion and the laws enacted thereunder. Except for such
7 sums necessary for current operating balances, such
8 account shall be invested and reinvested in short-term
9 obligations of the United States treasury: *Provided*, That
10 no such investment or reinvestment shall adversely affect
11 the current operating balances of such account.

§10. Plates, etc., property of state.

1 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.

§11. Auditor to be custodian of unsold bonds.

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

§12. Interim certificates.

1 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.

§13. Payment of expenses.

1 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 Tompkins
Chairman Senate Committee

Clayton C. Davidson
Chairman House Committee

Originated in the House.

Takes effect ninety days from passage.

Thomas H. Yeager
Clerk of the Senate

A. A. Blankenship
Clerk of the House of Delegates

Howard W. Cassman
President of the Senate

H. Fabian White
Speaker of the House of Delegates

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

Herbert C. Smith
Governor



PRESENTED TO THE
GOVERNOR

Date 2/6/68

Time 10:09 AM

RECEIVED

FEB 14 10 17 AM '68

OFFICE OF
SECRETARY OF STATE
STATE OF WEST VIRGINIA