WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1968

ENROLLED
SENATE BILL NO. 24

PASSED
February 6, 1968

In Effect from Passage

FILED IN THE OFFICE
ROBERT D. BAILEY
SECRETARY OF STATE
THIS DATE 3-16-68
AN ACT to amend chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article, designated article eighteen, relating to urban mass transportation systems and authorities; providing a short title, legislative findings and declaration of policy and definitions; providing for the creation of authorities, their members and officers, compensation, terms and votes of members; providing for meetings of boards of authorities, quorums, records and budgets; authorizing authorities to acquire, construct, reconstruct,
complete, develop, improve, own, equip, operate and maintain urban mass transportation systems and prescribing other powers and duties; providing for contributions to be made to authorities; providing for the preparation of and adoption of transportation plans; providing procedures for the acquisition or construction of urban mass transportation systems; providing for the issuance of revenue bonds and for trust indentures, sinking funds and protection and enforcement of rights of bondholders in connection therewith; setting forth the authority of the public service commission of West Virginia with respect to authorities; providing that the indebtedness of authorities shall not constitute the indebtedness of any participating government and exempting authorities and their bonds and other evidence of indebtedness and the interest thereon from taxation; providing for the protection of employees of existing urban mass transportation systems; providing a conflict of interest provision; providing for sealed bids for supplies, equipment and materials and the construction of facilities; making said bonds legal investments; and providing a severability clause.
Be it enacted by the Legislature of West Virginia:

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

ARTICLE 18. URBAN MASS TRANSPORTATION SYSTEMS AND AUTHORITIES.

§8-18-1. Short title.

This article may be cited as the "Urban Mass Transportation Authority Act of 1968."

§8-18-2. Legislative findings and declaration of policy.

The Legislature hereby finds and declares:

(a) That a significant part of the population of this state is located in expanding urban areas;

(b) That in certain of these areas there are no urban mass transportation systems and in others there are urban mass transportation systems which are inadequate or in imminent danger of becoming inadequate or in imminent danger of discontinuing such service;

(c) That the establishment and maintenance of adequate urban mass transportation systems in such areas is
(d) That the creation of urban mass transportation authorities to establish and maintain urban mass transportation systems in such areas is for the welfare of the people of this state in general and of the participating governments in particular, and is a public purpose for which public money may be spent and private property acquired; and

(e) This article is enacted in view of these findings and shall be liberally construed in the light thereof.


As used in this article, unless a different meaning appears from the context:

(a) "Authority" means any urban mass transportation authority created pursuant to the provisions of this article;

(b) "Board" means the board of any urban mass transportation authority;

(c) "Contiguous counties" means two or more counties
which constitute a compact territorial unit within an un-
broken boundary wherein one county touches at least
one other county, but does not require that each county
touch all of the other counties so combining;
(d) "Facilities and equipment" means all real and
personal property of every kind and character owned or
held by any urban mass transportation system for the
purpose of providing transportation by bus or rail or other
conveyance serving the public;
(e) "Governing body" means, as the case may be, either
(1) the council or other body exercising the powers com-
monly exercised by the council of a municipality or (2)
the county court created by article eight, section twenty-
two of the West Virginia constitution or a tribunal in
lieu of a county court;
(f) "Municipality" means a city, town or village
incorporated under the laws of West Virginia;
(g) "Participating government" means any county or
municipality establishing or participating in an urban
mass transportation authority;
(h) "Person" means any individual, firm, partnership,
corporation, company, association, or joint stock association, or the legal successor or successors thereof;

(i) “Project” means any undertaking of an authority;

(j) “Revenues” means the gross receipts derived directly or indirectly from or in connection with the operation by an authority of any urban mass transportation system or systems and shall include, without limitation, all fees, rates, fares, rentals or other income actually received or receivable by or for the account of an authority from the operation of the system, and any other receipts from whatever source derived;

(k) “Service area of the authority” means and includes an area commensurate with the area served by an existing system or systems acquired or to be acquired by an authority, or if there be no existing system, the area shall extend to and include an area to be defined in the certificate of convenience and necessity issued by the public service commission of West Virginia under the applicable provisions of chapter twenty-four and chapter twenty-four-a of this code;

(1) “System” means any urban mass transportation system;
(m) "Trust indenture" means a security instrument entered into by an authority pursuant to which bonds or notes are issued;

(n) "Urban area" means any area that includes a municipality or other built-up place which is appropriate for a system to serve commuters or others in the locality taking into consideration the local patterns and trends of growth;

(o) "Urban mass transportation system" means any common carrier of passengers for hire which operates equipment over regular routes within the service area of the authority; and

(p) The singular shall include the plural and the plural shall include the singular.

§8-18-4. Urban mass transportation authorities authorized; authorities to be public corporations.

Any county or municipality, or both, or any two or more contiguous counties, or any two or more municipalities within any county or contiguous counties, or any combination thereof, may create an urban mass transportation authority. Such authority shall be created upon the adop-
§8-15. Management of authority vested in board; eligibility, appointment, number and term of members; vote of members; vacancies.

The management and control of any authority, its operations, business and affairs shall be lodged in a board of not less than five nor more than fifteen individuals who shall be known as members of the board and who shall be appointed for terms of three years each by the governing bodies of the participating governments. Prior to making the initial appointments to the board, the governing bodies of the participating governments shall agree to make such initial appointments so that approximately one third of the total number of the members to be so appointed shall be appointed for a term of one year, approximately one third of such total number of the members shall be appointed for a term of two years and approximately one third of such total number of the mem-
bers shall be appointed for a term of three years. As the term of each such initial appointee expires, the successor to fill the vacancy created by such expired term shall be appointed for a term of three years. The number of members representing each participating government shall be as agreed upon from time to time by the governing bodies of the said participating governments. Each member of the board shall have one vote on all matters coming before it. Any individual who is a resident of, or member of the governing body of, any participating government is eligible to serve as a member of the board. The governing body of each participating government shall inform the authority of its appointments or reappointments to the board by delivering to the authority a certified copy of the order or ordinance making the appointment or reappointment. If any member of the board dies, resigns, or for any other reason ceases to be a member of the board, the governing body of the participating government which such member represented shall appoint another individual to fill the unexpired portion of the term of such member.
§8-18-6. Compensation of members; expenses.

1 As compensation for his services on the board each member shall receive from the authority the sum of fifty dollars for each meeting actually attended. The total compensation paid to any member by the authority for any fiscal year shall not exceed in the aggregate the sum of six hundred dollars. Each member shall also be reimbursed by the authority for any reasonable and necessary expenses actually incurred in the discharge of his duties as a member of the board.

§8-18-7. Meetings of authority; officers; employees; bonds; records of authority public records.

1 At its first meeting, to be held no later than sixty days from the creation of the authority as provided in section four of this article, the board shall elect from its membership a president to act during the next ensuing fiscal year, or until his successor is elected and qualified. At that time, the board shall also elect a vice president, a secretary and a treasurer and such other officers as may be required, who need not be members of the board, whose duties shall be defined and whose
compensation shall be fixed by the board and paid out of the funds of the authority. The treasurer, and such other officers and employees as the board shall direct, shall furnish bond for the use and benefit of the authority in such penal sum as may be fixed by the board and conditioned upon the faithful discharge by such treasurer and such other officers and employees so directed by the board of the duties of their respective offices or employment, and upon accounting for and paying over all moneys which may come into their possession by virtue of such office or employment. At its first meeting the board shall also fix the time and place for holding regular meetings, but it shall meet at least once in the months of January, April, July and October. Special meetings of the board may be called by the president or by two members upon written request to the secretary. The secretary shall send to all the members, at least two days in advance of a special meeting, a written notice setting forth the time and place of the meeting and the matters to be considered at such meeting. Written notice of a special meeting is not required if the time
31 of the special meeting has been fixed in a regular meet-
32 ing, or if all the members are present at the special
33 meeting. All regular meetings shall be general meetings
34 for the consideration of any and all matters which may
35 properly come before an authority. All proceedings of
36 the authority shall be entered in a permanently bound
37 record book, properly indexed, and the same shall be care-
38 fully preserved by the secretary of the authority. All
39 records of the authority shall be public records.

§8-18-8. Quorum; majority vote required.
1 A majority of the members of the board, which ma-
2 jority must include members from a majority of the
3 participating governments, shall constitute a quorum.
4 The vote of a majority of all members present at any
5 meeting of the board shall be necessary to take any action.

1 The board shall establish the beginning and ending of
2 its fiscal year, which period shall constitute its budget
3 year, and at least thirty days prior to the beginning of
4 the first full fiscal year after the creation of the authority
5 and annually thereafter the treasurer shall prepare and
submit to the board a tentative budget. Such tentative budget shall be considered by the board, and, subject to any revisions or amendments that may be determined by said board, shall be adopted as the budget for the ensuing fiscal year. No expenditures in excess of the budget shall be made during such fiscal year unless expressly authorized and directed by the board. It shall not be necessary to include in such budget any statement of necessary expenditures for annual interest or principal payments on bonds or for capital outlays, but it shall be the duty of the board to make provisions for their payment as they become due.


Each authority is hereby given the power:

(a) To sue and be sued, implead and be impleaded;

(b) To have and use a seal and alter the same at pleasure;

(c) To make and adopt all rules, regulations and by-laws as may be necessary or desirable to enable it to exercise the powers and perform the duties conferred or imposed upon it by this article;
9 (d) To employ, in its discretion, planning, architectural and engineering consultants, attorneys, accountants, construction, financial, transportation and traffic experts and consultants, superintendents, managers, and such other employees and agents as may be necessary in its judgment, and to fix their compensation;

15 (e) To acquire by grant, purchase, gift, devise or lease and to hold, use, sell, lease or otherwise dispose of real and personal property of every kind and nature whatsoever, licenses, franchises, rights and interests necessary for the full exercise of its powers pursuant to the provisions of this article, or which may be convenient or useful for the carrying out of such powers;

22 (f) To acquire, construct, reconstruct, complete, develop, improve, own, equip, operate and maintain any system or systems, or any part thereof, including, without limitation, the power to acquire by purchase, lease, or gift all or any part of any licenses, franchises, rights, interests, engineering and technical studies, data or reports owned or held by any person and determined by its board to be necessary, convenient or useful to the
authority in connection with the acquisition, construction,
reconstruction, completion, development, improvement,
ownership, equipping, operation or maintenance of any
system or systems and to reimburse public utilities for
relocation of any utility line or facility made necessary by
the construction, reconstruction, completion, develop-
ment, improvement, equipping, operation or maintenance
of any system or systems;

(g) To acquire any land, rights or easements deemed
necessary or incidental for the purposes of the authority
by eminent domain to the same extent and to be exercised
in the same manner as now or hereafter provided by law
for such right of eminent domain by business corpora-
tions;¹⁵

(h) To enter into contracts and agreements which
are necessary, convenient or useful to carry out the
purposes of this article with any person, public corpora-
tion, state or any agency or political subdivision thereof
and the federal government and any department or
agency thereof, including, without limitation, contracts
and agreements for the joint use of any property and
rights by the authority and any person or authority operating any system, whether within or without the service area of the authority and contracts and agreements with any person or authority for the maintenance, servicing, storage, operation or use of any system or part thereof, facility or equipment on such basis as shall seem proper to its board;

(i) To enter into contracts and agreements for superintendence and management services with any person, who has executive personnel with experience and skill applicable to the superintendence and management of any system, for the furnishing of its services and the services of experienced and qualified personnel for the superintendence and management of any system or any part thereof, including, without limitation, superintendence over personnel, purchases, properties and operations and all matters relating thereto, and any revenue bond trust indenture may require such contract. The personnel whose services are to be so furnished under such contract shall not include any member of the board, any member of the immediate family of a member
of the board or any agents or employees of the author-
ity. No contract shall extend beyond a term of ten
years or such longer time as there are outstanding
any revenue bonds under a trust indenture which requires
such contract;
(j) To assume any lien indebtedness of any system
or part thereof acquired by it under the provisions of this
article;
(k) To execute security agreements, contracts, leases,
equipment trust certificates and any other forms of con-
tracts or agreements, granting or creating a lien, security
interest, encumbrance or other security in, on or to
facilities and equipment, containing such terms and
provisions as the board deems necessary;
(1) To apply for, receive and use grants, grants-
in-aid, donations and contributions from any source or
sources, including, but not limited to, the federal gov-
ernment and any agency or department thereof, and
a state government whose constitution does not pro-
hibit such grants, grants-in-aid, donations and contri-
butions, and any agency or department thereof, and
to accept, use bequests, devises, gifts and donations from any person;

(m) To lease any system or any part thereof to, or contract for the use of any system or any part thereof by, any person. A trust indenture may prohibit, limit or restrict the exercise of such power;

(n) To acquire for cash or in exchange for its bonds all or any part of any publicly or privately owned system or systems;

(o) To make or cause to be made either by itself or in cooperation with other persons or organizations, whether public or private, traffic surveys, population surveys and such other surveys and studies as it shall consider useful in the performance of its duties or the exercise of its powers under the provisions of this article and in connection therewith the authority may contract with any person or organization for such planning services;

(p) To enter into contracts and agreements with any public or private system either within or contiguous to its boundaries for the transfer of passengers between it
and the system operating in territory contiguous to its boundaries;

(q) To fix and establish from time to time subject to the approval of the public service commission such fees, rates or other charges and routes, time schedules and standards of service as will provide revenues in each year at least sufficient to pay the principal of and interest on all bonds issued by the authority, and reasonable reserves therefor, as the same shall become due, together with the cost of operation, administration, maintenance and repair of such system or systems in each year, together with all other payments required in each such year by the resolution which authorized the issuance of such bonds, or the trust indenture securing the same, including, without limitation, reasonable reserves or margins for any of such purposes. Every authority shall file and keep on file the information specified in section two, article six, chapter twenty-four-a of this code in the manner and form as therein provided;

(r) To issue revenue bonds of the authority for any of its purposes or projects and to refund its bonds, all as provided in this article;
(s) To encumber or mortgage all or any part of its facilities and equipment;

(t) To prepare plans for and assist in the relocation of persons displaced by the authority and to make relocation payments to or with respect to such persons for moving expenses and losses of property for which reimbursement or compensation is not otherwise made, including the making of such payments financed by the federal government; and

(u) To do any and all things necessary or convenient to carry out the powers given in this article unless otherwise forbidden by law.

The exercise of any of the powers herein granted is expressly made subject to the provisions of section eighteen of this article, wherever the same are applicable.

§8-18-11. Contributions to authorities; funds and accounts of authorities; audit by state tax department.

Contributions may be made to authorities from time to time by the participating governments and by any other municipalities, counties, persons, firms or corporations that shall desire to do so. All such funds and all of the other funds received by any authority shall be de-
posited in a separate account in such bank or banks as
its board may direct and shall be withdrawn therefrom
only in such manner as its board may direct. Each
authority shall keep strict account of all its receipts and
expenditures and shall make a quarterly report to the
participating governments which have made contribu-
tions to it and such report shall contain an itemized ac-
count of its receipts and disbursements, during the pre-
ceding quarter. Such report shall be made within sixty
days after the termination of the quarter. Within ninety
days after the end of each fiscal year, each authority shall
make an annual report containing an itemized statement
of its receipts and disbursements for the preceding fiscal
year, and any and all other information which the board
may deem pertinent, to all of the participating govern-
ments. The books, records and accounts of each authority
shall be subject to audit and examination by the state
tax department of West Virginia.

§8-18-12. Study and plan of operation; adoption of transporta-
tion plan.

The authority, as soon as practical after its organization,
shall prepare a comprehensive plan with respect to a program for a unified or officially coordinated system as a part of a comprehensively planned development of the urban area within its service area. Said program, to the maximum extent feasible, shall provide for the participation of privately-owned systems.

In the preparation of a comprehensive plan, an authority shall make careful and comprehensive surveys and studies of the existing conditions and probable future changes of such conditions within its service area. The comprehensive plan shall be made for the general purpose of guiding and accomplishing a coordinated, adjusted and harmonious development of systems within the service area which, in accordance with present and future needs and resources, will best promote the health, safety and general welfare of the inhabitants of the service area, as well as the orderly and economical development and expansion of the service area.

Prior to the adoption of a comprehensive plan, the authority shall submit its tentative plan to the governing bodies of the participating governments and hold a
public hearing in the service area on the plan. At least thirty days prior to the date set for hearing, the authority shall publish a notice of the time and place of the hearing as a class II legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this code, and the publication area for such publication shall be the service area of the authority. After a public hearing has been held, the authority may by resolution adopt the comprehensive plan and may from time to time amend, supplement or change the comprehensive plan in the same manner in which it was adopted.

§8-18-13. Resolution authorizing acquisition or construction of urban mass transportation systems.

Before the authority shall acquire or construct any system, the authority shall adopt a proper resolution which shall include:

(a) The estimated cost of the acquisition or construction and all incidental expenses connected therewith;

(b) The probable sources of revenue and the estimated amount thereof;

(c) The estimated cost of operation, administration, maintenance and repair thereof;
The proposed methods of financing; and
Any other information which the authority shall
deeem appropriate.
Such resolution shall also:
(a) Order the acquisition or construction of such
system;
(b) If appropriate, direct that revenue bonds in such
amount as the authority may deem necessary to pay all
or any part of the cost of acquisition or construction of
such system be issued pursuant to the provisions of this
article; and
(c) Set forth the amount of the principal of the in-
debtedness, the maximum term the bonds proposed to be
issued shall run before maturity and the maximum rate
of interest to be paid and such other details with respect
to the bonds and the trust indenture, if any, securing the
same as the authority may deem necessary or desirable.
Before such resolution shall become effective, the
authority shall submit such resolution to the governing
bodies of the participating governments and hold a
public hearing in the service area on the resolution. At
least thirty days prior to the date set for hearing, the
authority shall publish a notice of the time and place of
hearing as a class II legal advertisement in compliance
with the provisions of article three, chapter fifty-nine of
this code, and the publication area for such publication
shall be the service area of the authority. At such hear-
ing all objections and suggestions shall be heard and
after the hearing has been held the authority shall take
such action as it shall deem proper.


1 The authority is hereby authorized to provide by reso-
lution, from time to time, for the issuance of revenue
bonds of the authority for the purpose of paying all or
any part of the cost of acquiring, constructing or im-
proving a system or systems, or any part thereof, or
the facilities and equipment therefor, as the case may
be, or for any other purpose or project authorized by
the provisions of this article. The purposes for which
revenue bonds may be issued may include the payment
of all costs and estimated costs incidental to or connected
with the accomplishment of such purpose or project in-
including, without limitation, engineering, inspection, legal, fiscal agents, financial consultants and other fees, bond and other reserve funds, working capital, bond interest estimated to accrue during the construction period and for a period not to exceed two years thereafter, and expenses of all proceedings for the authorization, issuance and sale of the bonds.

The bonds of each issue shall be dated, shall bear interest at such rate or rates not exceeding six per centum per annum, payable semiannually, shall mature at such time or times not exceeding thirty years from their date or dates, as may be determined by the authority, and may be made redeemable before maturity, at the option of the authority, at such price or prices and under such terms and conditions as may be fixed by the authority prior to the issuance of the bonds. The authority shall determine the form of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places of payment of the principal and interest, which may be at any bank or trust company within or without the
The bonds shall be signed by the president of the authority or shall bear his facsimile signature, and the official seal of the authority, or a facsimile thereof, shall be impressed or imprinted thereupon and attested by the secretary of the authority, and any coupons attached to the bonds shall bear the facsimile signature of the president of the authority. All such signatures, countersignatures and seal may be printed, lithographed or mechanically reproduced, except that one of such signatures or countersignatures on the bonds shall be manually affixed, unless the resolution authorizing the issuance of such bonds shall otherwise provide. If any officer whose signature or countersignature or a facsimile of whose signature or countersignature appears on bonds or coupons ceases to be such officer before the delivery of the bonds, his signature shall be as effective as if he had remained in office until such delivery. The bonds may be issued in coupon or in registered form, or both, as each authority may determine and provision may be made for the registration of any coupon bonds as to principal alone, and also as to both principal and interest, for the
reconversion into coupon bonds of any bonds registered as to both principal and interest, and for the interchange of registered and coupon bonds. Notwithstanding the form or tenor thereof, and in the absence of any express recital on the face thereof that the bond is non-negotiable, all such bonds shall be, and shall be treated as, negotiable instruments for all purposes except when registered in the name of a registered owner.

The authority may exchange its bonds, in whole or in part, for any system or systems, or any parts thereof, or facilities and equipment therefor, or may sell its bonds, in whole or in part, in such manner either at public or private sale and for such price as it may determine will best effect the purposes of this article and be for the best interest of the authority.

Prior to the preparation of definitive bonds, the authority may, under like restrictions, issue interim receipts or temporary bonds with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The authority may also provide for the replacement of any
bonds which shall become mutilated or shall be destroyed or lost.

The authority is hereby authorized to provide by resolution, from time to time, for the issuance, sale or exchange of revenue refunding bonds of such authority for the purpose of refunding any bonds then outstanding which shall have been issued under the provisions of this article, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds, and the payment of all expenses incidental thereto. The authority is further authorized to provide by resolution, from time to time, for the issuance, sale or exchange of revenue bonds of such authority for the combined purpose of refunding any bonds then outstanding, as herein provided, and paying all or any part of the cost of any additional project or projects. All provisions of this article applicable to the issuance of revenue bonds are applicable to the issuance of refunding bonds and to the sale or exchange thereof.

1 In the discretion of the authority any bonds issued
2 under the provision of this article may be secured by a
3 trust indenture by and between such authority and a
4 corporate trustee, which may be any trust company or
5 bank having the powers of a trust company, within or
6 without the state, or any person in the United States hav-
7 ing power to enter into the same, including any federal
8 agency.

9 Any resolution authorizing the issuance of such bonds
10 or any trust indenture securing the same may contain
11 such provisions for protecting and enforcing the rights
12 and remedies of the bondholders and of the trustee as
13 the authority may deem necessary and proper and not in
14 violation of law, including provisions pledging all or any
15 part of the revenues of such authority or encumbering
16 all or any part of the facilities and equipment of such
17 authority to secure the payment of the bonds subject to
18 such agreements with bondholders as may then exist;
19 limiting the purpose to which the proceeds of sale of any
20 bonds then or thereafter to be issued may be applied;
defining the duties of such authority in relation to the acquisition, construction, improvement, maintenance, repair, operation and insurance of any project or projects in connection with which such bonds shall have been authorized; providing for the custody, safeguarding and application of all moneys; limiting the issuance of additional bonds; prescribing a procedure by which the provisions of any trust indenture or contract with bondholders may be amended or modified; requiring such authority to fix and establish fees, rates or other charges and routes, time schedules and standards of service as will provide revenues in each year at least sufficient to pay the principal of and interest on all bonds issued by such authority and reasonable reserves therefor as the same shall become due, together with the cost of operation, administration, maintenance and repair of such system or systems in each year, including, without limitation, reasonable reserves or margins or sinking funds for any of such purposes, subject to the provisions of section eighteen of this article; defining the acts or omissions to act which shall constitute a default in the duties of such authority to the
holders of its bonds and providing the rights and remedies
of such holders and of the trustee in event of default and
the manner and terms upon which such default may be
declared cured; vesting in a trustee such property rights,
powers and duties, in trust, as such authority may de-
termine; and such other additional provisions as such au-
thority may deem necessary or desirable for the security
of the holders of bonds issued under the provisions of this
article, notwithstanding that such other provisions are not
expressly enumerated in this section, it being the inten-
tion to grant the authority the power to make any and all
covenants or agreements necessary in order to secure
greater marketability for bonds issued under the pro-
visions of this article as fully and to the same extent as
such covenants or agreements could be made by a private
corporation rendering similar services and to grant such
authorities full and complete power to enter into any con-
tract, covenant or agreement with holders of bonds issued
under the provisions of this article not inconsistent with
this article or the constitution of the state of West Vir-
ginia.
§8-18-16. Sinking fund; sinking fund commission; purchase of outstanding bonds.

1 At or before the issuance of any bonds under the provisions of this article, the authority shall, by resolution, provide for a sinking fund for the payment of the bonds and the interest thereon, and the payment of the charges of banks or trust companies for making payment of such bonds, and interest, out of the net revenues of said system, and, in this event, shall set aside and pledge a sufficient amount of the next revenues of the system, hereby defined to mean the revenues of the system remaining after the payment of the reasonable expense of operation, administration, maintenance and repair, such amount to be paid by such authority into the sinking fund at intervals, to be determined by resolution adopted prior to the issuance of the bonds, for (a) the interest upon such bonds as such interest shall fall due; (b) the necessary fiscal agency charges for paying bonds and interest; (c) the payment of the bonds as they fall due, or, if all bonds mature at one time, the proper maintenance of a sinking fund sufficient for the payment thereof at such time; and (d) a margin
for safety and for the payment of premium upon bonds retired by call or purchase as provided in this article. Such required payments shall constitute a first charge upon all the net revenues of such authority. Prior to the issuance of any bonds, the authority may, by resolution, be given the right to use or direct the state sinking fund commission to use such sinking fund, or any part thereof, in the purchase of any of the outstanding bonds payable therefrom, at the market prices thereof, but not exceeding the price, if any, at which the same shall in the same year be payable or redeemable, and all bonds redeemed or purchased shall forthwith be cancelled, and shall not again be issued. In addition to the payments into the sinking fund as herein set forth, the authority may at any time in its discretion, transfer all or any part of the balance of the net revenues, after reserving an amount deemed by such authority sufficient for operation, repair and maintenance for an ensuing period of not less than twelve months and for depreciation, into the sinking fund.

The amounts of the balance of the net revenues as and when so set apart shall be remitted to the state sinking
fund commission at such periods as shall be designated in
the resolution, but in any event at least thirty days previ-
ous to the time interest or principal payments become
due, to be retained and paid out by said commission con-
sistent with provisions of this article and the resolution
pursuant to which such bonds have been issued. The
state sinking fund commission is hereby authorized to act
as fiscal agent for the administration of such sinking fund
under any resolution adopted pursuant to the provisions
of this article and shall invest all sinking funds as pro-
vided by general law.

§8-18-17. Remedies.

Any holder of bonds issued under the provisions of this
article or any of the coupons appertaining thereto, and
the trustee under any trust indenture securing the same,
except to the extent the rights herein given may be re-
stricted by such trust indenture, may, by civil action,
mandamus or other proceeding, protect and enforce any
and all rights under the laws of this state or granted
under the provisions of this article or under the resolu-
tion authorizing the issuance of such bonds, or the trust
indenture securing same, and may enforce and compel
the performance of all duties required by this article or by
such resolution or trust indenture to be performed by any
authority or by any officer thereof.


Each authority which undertakes to engage in trans-
porting passengers for hire by motor vehicles or other
conveyances over regular routes shall be deemed a com-
mon carrier of passengers for hire and shall be subject
to the jurisdiction and authority of the public service
commission of West Virginia as provided in chapter
twenty-four and chapter twenty-four-a of this code, to the
same extent as any other common carrier of passengers
for hire: Provided, That it shall be the mandatory duty
of the public service commission to fix and establish, from
time to time, such fees, rates or other charges and routes,
time schedules and standards of service for each au-
authority as will provide revenues in each year at least
sufficient to pay the principal of and interest on all bonds
issued by that authority, and reasonable reserves therefor,
as the same shall become due in each year, together with
the cost of operation, administration, maintenance and repair of such system or systems in each year, together with all other payments required in each year by the resolution which authorized the issuance of such bonds or the trust indenture securing the same, including reasonable reserves, margins or sinking funds for any of such purposes.

§8-18-19. Indebtedness of authorities.

Each authority may issue bonds, borrow money and incur any proper indebtedness and issue any other obligations as authorized by law or provided in this article. No such indebtedness or obligation incurred by any authority may give any right against any member of the governing body of any participating government, or any member of the board of any authority. No obligation or indebtedness of any nature of any authority shall constitute an indebtedness of any participating government or the governing body of any participating government, within the meaning of any constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of any participating government or
the governing body of any participating government, or be a charge against the general credit or taxing power of any participating government or the governing body of any participating government, and such fact shall be plainly stated on the face of any bonds issued by any authority. The rights of creditors of any authority shall be solely against the authority as a corporate body and shall be satisfied only out of revenues, moneys or property received or held by it in its corporate capacity.


It is hereby found, determined and declared that the creation of any authority and the carrying out of its purposes is in all respects for the benefit of the people of this state in general, and of the participating governments in particular, and is a public purpose, and that the authority will be performing an essential governmental function in the exercise of the powers conferred upon it by the provisions of this article. Accordingly, each authority and, without limitation, its revenues, property, operations and activities, shall be exempt from the payment of any taxes or fees to the state or any of its
political subdivisions or to any officer or employee of the state or any of its political subdivisions, except the special assessment provided for in section six, article six, chapter twenty-four-a of this code. The revenue bonds and other evidence of indebtedness issued pursuant to the provisions of this article, and the interest thereon, shall be exempt from taxation, except inheritance and transfer taxes.


Whenever any authority acquires any existing system pursuant to the provisions of this article, the employees of such system shall be protected in the following manner:

(a) The employees of such system shall be retained to the fullest extent possible consistent with sound management, and if terminated or laid off shall be assured priority of reemployment;

(b) The individual employees who are retained shall be retained in positions the same as, or no worse than, their positions prior to the acquisition of such system;
(c) The rights, privileges and benefits of the employees under existing collective bargaining agreements shall not be affected and the owning authority shall assume the duties and obligations of the acquired system under any such agreement;

(d) Collective bargaining rights shall be continued with respect to employees of any acquired system;

(e) The rights, privileges and benefits of the employees under any existing pension or retirement plan or plans shall not be affected and the owning authority shall assume the duties and obligations of the acquired system under any such plan or plans;

(f) The owning authority shall provide paid training or retraining programs when necessary; and

(g) The authority owning a system, or any of the employees of any system owned by the authority, shall, in the case of any labor dispute relating to the terms and conditions of employment which is not settled through any established grievance procedure, have the right to submit the dispute to final and binding arbitration by a board of arbitration consisting of three arbitrators, one
arbitrator to be chosen by the authority, one by the employee and the third to be chosen by the two arbitrators selected by the authority and the employee. A decision of a majority of the members of the board of arbitration shall be final and binding on the parties. The parties shall each pay the arbitrator of its own selection, and they shall jointly pay the third arbitrator and any other expenses connected with submitting such labor dispute to the board of arbitration.

In the event any authority acquires a system and (1) leases such acquired system or (2) enters into a management contract for superintendence and management services for the operation of such acquired system pursuant to any provision of this article, the lease or contract shall include terms and provisions insuring the protection specified in this section.

§8-18-22. Conflict of interest.

1 No member of any authority, nor any of its officers, employees, agents or consultants, shall have any interest in any firm, partnership, corporation, company, association or joint stock association engaged in the business of
providing public transportation in the area encompassed by the authority, or in the manufacture, sale or lease of passenger transportation equipment or facilities. No member of any authority nor any of its officers, employees, agents or consultants shall contract with the authority or be interested in, either directly or indirectly, any contract with such authority or in the sale of property, either real or personal, to such authority. The term “agents” as used in this section shall not be deemed for the purposes of this section to include any persons or authorities which lease from or contract for superintendence and management services with any authority for the operation, administration, maintenance or repair of any system.

§8-18-23. Competitive bids; publication of solicitations for sealed bids.

A purchase of or contract for all supplies, equipment and materials and the construction of facilities by any authority, when the expenditure required exceeds the sum of one thousand dollars, shall be based on competitive sealed bids. Such bids shall be obtained by public
notice published as class II legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this code and the publication area for such publication shall be the service area of such authority. The last of such notices shall be published at least fourteen days next preceding the final date of submitting bids. The notice may also be published by any other advertising medium such authority may deem advisable. Such authority may also solicit sealed bids by sending requests by mail to prospective suppliers and by posting notice on a bulletin board in the office of such authority.

Bonds issued under the provisions of this article shall be legal investments for banking institutions, building and loan associations, and insurance companies organized under the laws of this state of their own funds.

§8-18-25. Complete authority of article; liberal construction.
This article shall constitute full and complete authority for the creation of any authority and for carrying out the powers and duties of any such authority and for the issuance, sale or exchange of revenue bonds by such authority
as provided in this article. The provisions of this article shall be liberally construed to accomplish its purpose and no procedure or proceedings, notices, consents or approvals shall be required in connection therewith except as may be presented by this article: Provided, That all applicable functions, powers, authorities and duties of the public service commission of West Virginia shall remain unaffected except as provided by this article.


If any provision of this article or the application thereof to any person or circumstance is held unconstitutional or invalid, such unconstitutionality or invalidity shall not affect other provisions or applications of the article, and to this end the provisions of this article are declared to be severable.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

William Tappas
Chairman Senate Committee

Clayton L. Davidson
Chairman House Committee

Originated in the Senate.

To take effect from passage.

J. Howard Corbin
Clerk of the Senate

Clair Dillender
Clerk of the House of Delegates

Howard W. Causer
President of the Senate

R. Lamar White
Speaker House of Delegates

The within approved this the 14th

day of February, 1968.

Herbert C. Smith
Governor
PRESENTED TO THE
GOVERNOR

Date       2/12/68
Time       3:00 P.M.