

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1969



ENROLLED

HOUSE BILL No. 694

(By Mr. Seibert)



PASSED March 8, 1969

In Effect from Passage



FILED IN THE OFFICE  
JOHN D. ROCKEFELLER, IV  
SECRETARY OF STATE  
THIS DATE 3-17-69

# 694

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**House Bill No. 694**

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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 seventy million dollars during the fiscal year ending June thirtieth, one thousand nine hundred seventy, 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 seventy million dollars during the fiscal
- 3 year ending June thirtieth, one thousand nine hundred

4 seventy, 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 said  
14 bonds, and shall become due and payable serially in  
15 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 shall  
8 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  
13 of 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 payable semiannually, to bearer, at the  
17 office of the treasurer of the state of West Virginia,  
18 at the capitol of the state, or at the bank designated by  
19 the governor, upon presentation and surrender of in-  
20 terest coupons, then due, in the case of coupon bonds.  
21 For the payment of interest on registered bonds, the  
22 treasurer of the state of West Virginia shall requisition  
23 a warrant from the auditor of the state to be drawn on  
24 the state treasurer, and shall mail such warrant' to the  
25 registered owner at the address as shown by the record  
26 of registration. Both the principal and interest of the  
27 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  
32 the 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  
3 great seal of the state, and countersigned by the auditor  
4 of 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 Senate Joint Resolution No. 2, adopted  
14 the eighth day of February, one thousand nine hun-  
15 dred sixty-eight, and was ratified by a vote of the people

16 at the general election on the fifth day of November,  
17 one thousand nine hundred sixty-eight, 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  
21 coupon bond) or to ..... or  
22 assigns (the owner of record, in case of registered bonds)  
23 on the ..... day of ....., 19....., in  
24 lawful money of the United States of America at the  
25 office of the treasurer of the state of West Virginia at  
26 the capitol of said state, or at the option of the holder  
27 at ....., bank in  
28 the city of New York, the sum of .....  
29 dollars, with interest thereon at ..... percentum  
30 per annum from the date, payable semiannually in like  
31 lawful money of the United States of America at the  
32 treasurer's office or bank aforesaid, on the first day of  
33 ..... and the first day of .....  
34 of each year, (and in the case of coupon bonds) ac-  
35 cording to the tenor of the annexed coupons bearing the  
36 facsimile signature of the treasurer of the state of West

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

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

56 This bond is hereby made exempt from any taxation

57 by the state of West Virginia, or by any county, district,  
58 or municipal corporation thereof.

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

65 (SEAL)

66 \_\_\_\_\_

67 Treasurer of the State of West Virginia

68 Countersigned:

69 \_\_\_\_\_

70 Auditor of the State of West Virginia

**§4. Form of coupon.**

1 The form of coupon shall be substantially as follows,  
2 towit:

3 STATE OF WEST VIRGINIA

4 Bond No. \_\_\_\_\_ Coupon No. \_\_\_\_\_

5 On the first day of \_\_\_\_\_, 19\_\_\_\_, the  
6 state of West Virginia will pay to the bearer, in lawful

7 money of the United States of America, at the office of  
8 the treasurer of the state, or at the option of the holder  
9 at \_\_\_\_\_ bank in the city of New  
10 York, the sum of \_\_\_\_\_ dollars, the  
11 same being semiannual interest on Road Bond No. ....  
12 \_\_\_\_\_

13 Treasurer of the State of West Virginia

14 The signature of the treasurer to such coupon shall  
15 be by his facsimile signature and the coupons shall be  
16 numbered in the order of their maturity, from number  
17 one 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 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  
10 separate 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  
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. Bonds or other obligations so purchased by the  
22 state sinking fund commission shall mature so as to  
23 provide sufficient money to pay off all bonds herein pro-  
24 vided to be issued as they become due; and the money  
25 so paid into the state road sinking fund under the pro-  
26 visions of this act shall be expended for the purpose of  
27 paying the interest and principal of the bonds hereby  
28 provided for as they severally become due and payable  
29 and for no other purpose except that the fund may be  
30 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 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  
9 interest on such bonds and the principal thereof; and  
10 (4) that such tax shall be levied in any year only to the  
11 extent that the moneys in the state road fund irrevocably  
12 set aside and appropriated for and applied to the payment  
13 of the interest on and principal of said bonds becoming  
14 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  
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 commission, 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.

**§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 consti-  
6     tution and the laws enacted thereunder. Except for  
7     such sums necessary for current operating balances, such  
8     account shall be invested and reinvested in short-term  
9     obligations of the United States treasury. No such invest-  
10    ment or reinvestment shall adversely affect the current  
11    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  
5     full and legal obligations of the state of West Virginia  
6     under all of the provisions of this act just as fully and  
7     completely 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  
3     warrants 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 Tamm  
Chairman Senate Committee

Clayton C. Davidson  
Chairman House Committee

Originated in the House.

Takes effect from passage.

William Tamm  
Clerk of the Senate

C. A. Blankenship  
Clerk of the House of Delegates

Lloyd G. Jackson  
President of the Senate

Don F. Bunn  
Speaker House of Delegates

The within approved this the 14th  
day of March, 1969.

Arch. A. Shreve Jr.  
Governor



PRESENTED TO THE  
GOVERNOR

Date 3/13/69

Time 3:15 p.m.