ENROLLED

HOUSE BILL No. 135

(By Mr. Smith and Mr. Smith)

PASSED Feb. 5, 1970

In Effect Passage
ENROLLED

House Bill No. 535
(By Mr. Savilla and Mr. Seibert)

[Passed February 5, 1970; in effect from passage.]

AN ACT to amend and reenact section nine, article six, chapter twelve of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to the investments of the state board of investments.

Be it enacted by the Legislature of West Virginia:

That section nine, article six, chapter twelve of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 6. WEST VIRGINIA STATE BOARD OF INVESTMENTS.

§12-6-9. Investments for periods in excess of one year.

1 Notwithstanding the restrictions which may otherwise be provided by law as to the securities in which funds may be invested, funds made available for investment
4 periods in excess of one year may be invested by the 
5 board, without the approval of any other state agency 
6 or official other than as required in section six of this 
7 article, in the following classes of securities, and not 
8 otherwise:

9   (a) Securities of the United States or agency thereof, 
10    or those guaranteed by, or for which the credit of the 
11    United States or agency thereof is pledged for the pay-
12    ment of the principal and interest thereof.

13   (b) Direct general obligation securities of this state, 
14    or any other state or territory of the United States, or 
15    the District of Columbia, unconditionally guaranteed as 
16    to the principal and interest by such other state or terri-
17    tory of the United States, or the District of Columbia: 
18    Provided, That (1) such other state, territory, or the 
19    District of Columbia has the power to levy taxes for 
20    the payment of the principal and interest of such securi-
21    ties, and (2) at the time of investment such other state, 
22    territory, or the District of Columbia is not in default 
23    in the payment of any part of the principal or interest 
24    owing by it upon any part of its funded indebtedness.
(c) Securities issued by a federal land bank, or by a federal intermediate credit bank, under the act of Congress of July seventeen, one thousand nine hundred sixteen, known as the "Federal Farm Loan Act," as amended or supplemented from time to time, or by the federal home loan bank system, federal national mortgage association, or banks for cooperatives.

(d) Securities issued, assumed or unconditionally guaranteed by the International Bank for Reconstruction and Development, or Tennessee Valley Authority.

(e) Any fixed interest bond, note or debenture of any corporation organized and operating within the United States: Provided, That such corporation shall have a minimum net worth of fifteen million dollars and its securities or its parent corporation's securities are listed on one or more of the national stock exchanges: Provided, however, That (1) such corporation has earned a profit in eight of the preceding ten fiscal years as reflected in its statement, and (2) such corporation has not defaulted in the payment of principal or interest on any of its outstanding funded indebtedness during its pre-
ceding ten fiscal years, and (3) the bonds, notes or
debentures of such corporation to be purchased are rated
"AA" or the equivalent thereof or better than "AA" or
the equivalent thereof by at least two or more nationally
recognized rating services, such as Standard and Poor's,
Dun & Bradstreet, or Moody's.

(f) Any security that is secured by a first lien deed
of trust or mortgage on real property situate within this
state, and that is either (1) insured by the federal hous-
ing administration pursuant to provisions of the National
Housing Act, as amended or supplemented from time
to time, or (2) guaranteed by the veterans administration
pursuant to provisions of Title 38, United States Code, re-
lating to veterans benefits, as amended or supplemented
from time to time: Provided, That the board shall not
purchase any such security from anyone other than a
federal housing administration approved mortgagee. To
facilitate and encourage the offering of such securities
to the board for its investment therein, the board shall
have the power and authority to make to any federal
housing administration approved mortgagee, at any time,
an advance written commitment and obligation, binding
upon the board and its funds, for the future purchase
of such securities in such amount or amounts, at such
price or prices, and at such future time or times as the
board may in its discretion deem to be for the best in-
terests of the fund, and all purchases of such securities
shall be made pursuant to such a commitment and obliga-
tion: Provided, however, That the board shall make no
commitment and obligation to purchase any such securi-
ties except in specified amounts of two hundred fifty
thousand dollars or more as the aggregate of the unpaid
principal balances owing on such securities at the time
of purchase thereof. No such commitment and obliga-
tion shall be valid or binding for more than eighteen
months after the date thereof. To facilitate preservation
of the value of such securities and of the real property
securing the same, the board shall have the further power
and authority to make with any federal housing adminis-
tration approved mortgagee from whom such a security is
purchased a contract under which the mortgagee shall be
authorized, empowered and obligated to service a loan
represented by the security, and to pay such mortgagee for its services a monthly fee not in excess of the rate of one twelfth of one half of one per centum per annum of the unpaid principal balance of the loan represented by the security.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

William Tompkins
Chairman Senate Committee

Clayton C. Dawidoff
Chairman House Committee

Originated in the House.

Takes effect from passage.

J. Horace Hipps
Clerk of the Senate

C. A. Blankenship
Clerk of the House of Delegates

Henry W. Jackson
President of the Senate

Joe F. Bargery
Speaker House of Delegates

The within ____________ approved this the ____________ day of ____________, 1970.

Arch A. Frame J.
Governor
PRESENTED TO THE
GOVERNOR

Date  2/9/10
Time  11:50 A.M.