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STATE OF WEST VIRGINIA

WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1970



ENROLLED

HOUSE BILL No. 535

(By Mr. Swalls and Mr. Seibert)



PASSED Feb. 5, 1970

In Effect Jan Passage



535

FILED IN THE OFFICE
JOHN D. ROCKEFELLER, IV
SECRETARY OF STATE
THIS DATE 2-10-70

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
2 be provided by law as to the securities in which funds may
3 be invested, funds made available for investment for

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.

25 (c) Securities issued by a federal land bank, or by
26 a federal intermediate credit bank, under the act of Con-
27 gress of July seventeen, one thousand nine hundred
28 sixteen, known as the "Federal Farm Loan Act," as
29 amended or supplemented from time to time, or by the
30 federal home loan bank system, federal national mortgage
31 association, or banks for cooperatives.

32 (d) Securities issued, assumed or unconditionally
33 guaranteed by the International Bank for Reconstruct-
34 tion and Development, or Tennessee Valley Authority.

35 (e) Any fixed interest bond, note or debenture of any
36 corporation organized and operating within the United
37 States: *Provided*, That such corporation shall have a
38 minimum net worth of fifteen million dollars and its
39 securities or its parent corporation's securities are listed
40 on one or more of the national stock exchanges: *Pro-*
41 *vided, however*, That (1) such corporation has earned
42 a profit in eight of the preceding ten fiscal years as re-
43 flected in its statement, and (2) such corporation has not
44 defaulted in the payment of principal or interest on any
45 of its outstanding funded indebtedness during its pre-

46 ceding ten fiscal years, and (3) the bonds, notes or
47 debentures of such corporation to be purchased are rated
48 "AA" or the equivalent thereof or better than "AA" or
49 the equivalent thereof by at least two or more nationally
50 recognized rating services, such as Standard and Poor's,
51 Dun & Bradstreet, or Moody's.

52 (f) Any security that is secured by a first lien deed
53 of trust or mortgage on real property situate within this
54 state, and that is either (1) insured by the federal hous-
55 ing administration pursuant to provisions of the National
56 Housing Act, as amended or supplemented from time
57 to time, or (2) guaranteed by the veterans administration
58 pursuant to provisions of Title 38, United States Code, re-
59 lating to veterans benefits, as amended or supplemented
60 from time to time: *Provided*, That the board shall not
61 purchase any such security from anyone other than a
62 federal housing administration approved mortgagee. To
63 facilitate and encourage the offering of such securities
64 to the board for its investment therein, the board shall
65 have the power and authority to make to any federal
66 housing administration approved mortgagee, at any time,

67 an advance written commitment and obligation, binding
68 upon the board and its funds, for the future purchase
69 of such securities in such amount or amounts, at such
70 price or prices, and at such future time or times as the
71 board may in its discretion deem to be for the best in-
72 terests of the fund, and all purchases of such securities
73 shall be made pursuant to such a commitment and obliga-
74 tion: *Provided, however,* That the board shall make no
75 commitment and obligation to purchase any such securi-
76 ties except in specified amounts of two hundred fifty
77 thousand dollars or more as the aggregate of the unpaid
78 principal balances owing on such securities at the time
79 of purchase thereof. No such commitment and obliga-
80 tion shall be valid or binding for more than eighteen
81 months after the date thereof. To facilitate preservation
82 of the value of such securities and of the real property
83 securing the same, the board shall have the further power
84 and authority to make with any federal housing adminis-
85 tration approved mortgagee from whom such a security is
86 purchased a contract under which the mortgagee shall be
87 authorized, empowered and obligated to service a loan

88 represented by the security, and to pay such mortgagee
89 for its services a monthly fee not in excess of the rate
90 of one twelfth of one half of one per centum per annum
91 of the unpaid principal balance of the loan represented
92 by the security.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

William Tompa

Chairman Senate Committee

Clyton C. Davidson

Chairman House Committee

Originated in the House.

Takes effect from passage.

Howard Meyer

Clerk of the Senate

C. Blankenship

Clerk of the House of Delegates

Ray Dixon

President of the Senate

Sam F. Brumby

Speaker House of Delegates

The within *approved* this the *9th*
day of *February*, 1970.

Arch A. Shouse Jr.

Governor

PRESENTED TO THE
GOVERNOR

Date 2/9/70

Time 11:50 A.M.