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STATE OF WEST VIRGINIA

# WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1970

## ENROLLED

*Com. Sub. for*

SENATE BILL NO. 114

(By Mr. *Carryin, original sponsor*)

PASSED February 4, 1970

In Effect from Passage



FILED IN THE OFFICE  
JOHN D. ROCKEFELLEN, IV  
SECRETARY OF STATE

THIS DATE 2-10-70

114

**ENROLLED**

COMMITTEE SUBSTITUTE  
FOR

**Senate Bill No. 114**

(MR. CARRIGAN, *original sponsor*)

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[Passed February 4, 1970; in effect from passage.]

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AN ACT to amend and reenact section six, article twenty-four, chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to increasing the interest rate limitation on student union revenue bond issues to eight percent.

*Be it enacted by the Legislature of West Virginia:*

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

**ARTICLE 24. FEES AND OTHER MONEY COLLECTED AT STATE  
INSTITUTIONS OF HIGHER EDUCATION.**

**§18-24-6. Disposition and use of student union fees; issuance  
of revenue bonds.**

1     Wherever the term "student union building" is used in  
2     this section the same shall mean a student union build-  
3     ing or a combination student union building and dining  
4     hall building; and wherever the term "building fund" is  
5     used in this section the same shall mean the respective  
6     special student union building funds created as provided  
7     in section one of this article for each state educational  
8     institution which has imposed student union fees pur-  
9     suant to section one of this article, to be expended by  
10    the West Virginia board of regents for the benefit of  
11    the state educational institutions under their control.

12    The West Virginia board of regents may make expendi-  
13    tures from such building funds at the various state educa-  
14    tional institutions under its control to finance in whole or  
15    in part, together with any federal, state or other grants  
16    or contributions, any one or more of the following pur-  
17    poses: (1) The construction and acquisition of new stu-

18 dent union buildings. (2) The acquisition, renovation and  
19 improvement of existing buildings to be used as student  
20 union buildings. (3) The construction of additions, ex-  
21 tensions and improvements to existing student union  
22 buildings. (4) The acquisition of furnishings and equip-  
23 ment for any existing student union buildings or student  
24 union buildings to be constructed or acquired, or the  
25 construction of any roads, utilities or other properties,  
26 real or personal, or for any other purposes necessary, ap-  
27 purtenant or incidental to the construction, acquisition,  
28 financing and placing in operation of such student union  
29 buildings. (5) The payment of the cost of the operation  
30 and maintenance of such student union buildings, subject  
31 however to any covenants or agreements made with the  
32 holders of revenue bonds heretofore or hereafter issued  
33 pursuant to this section or pursuant to section one of  
34 this article.

35 The West Virginia board of regents, at its discretion,  
36 may use the moneys in such building funds to finance the  
37 costs of the above purposes on a cash basis, or may from  
38 time to time issue revenue bonds of the state as provided

39 in this section to finance all or part of such purposes and  
40 pledge all or any part of the moneys in such building  
41 funds for the payment of the principal of and interest on  
42 such revenue bonds, and for reserves therefor. Any pledge  
43 of such building funds for such revenue bonds shall be  
44 a prior and superior charge on such special funds over  
45 the use of any of the moneys in such funds to pay for the  
46 cost of any of such purposes on a cash basis, or for the  
47 payment of the cost of operation and maintenance, or any  
48 part thereof, of such student unions buildings, under such  
49 terms and conditions as shall be provided in the proceed-  
50 ings which authorized the issuance of such revenue bonds.

51 Such revenue bonds may be authorized and issued from  
52 time to time by the West Virginia board of regents to  
53 finance in whole or in part the purposes at any state edu-  
54 cational institution under its control provided for in this  
55 section in an aggregate principal amount not exceeding  
56 the amount which the board shall determine can be paid  
57 as to both principal and interest and reasonable margins  
58 for a reserve therefor from the moneys in such building  
59 funds.

60 The issuance of such revenue bonds shall be authorized  
61 by a resolution adopted by the West Virginia board of  
62 regents, and such revenue bonds shall bear such date or  
63 dates, mature at such time or times not exceeding forty  
64 years from their respective dates; bear interest at such  
65 rate or rates not exceeding eight per centum per annum;  
66 be in such form either coupon or registered, with such ex-  
67 changeability and interchangeability privileges; be pay-  
68 able in such medium of payment and at such place or  
69 places, within or without the state; be subject to such  
70 terms of prior redemption at such prices not exceeding  
71 one hundred five per centum of the principal amount  
72 thereof; and shall have such other terms and provisions  
73 as the board shall determine. Such revenue bonds shall  
74 be signed by the governor and by the president of the  
75 West Virginia board of regents, under the great seal of  
76 the state, attested by the secretary of the state, and the  
77 coupons attached thereto shall bear the facsimile signature  
78 of the president of the West Virginia board of regents.  
79 Such revenue bonds shall be sold in such manner as the

80 board may determine to be for the best interests of the  
81 state.

82 The West Virginia board of regents may enter into  
83 trust agreements with banks or trust companies, within  
84 or without the state, and in such trust agreements or the  
85 resolutions authorizing the issuance of such bonds may  
86 enter into valid and legally binding covenants with the  
87 holders of such revenue bonds as to the custody, safe-  
88 guarding and disposition of the proceeds of such revenue  
89 bonds, the moneys in such building funds, sinking funds,  
90 reserve funds, or any other moneys or funds; as to the  
91 rank and priority, if any, of different issues of revenue  
92 bonds issued by the board for the same educational in-  
93 stitution under the provisions of this section; as to the  
94 maintenance or revision of the amounts of such student  
95 union fees, and the terms and conditions, if any, under  
96 which any of such student union fees may be reduced;  
97 and as to any other matters or provisions which are deem-  
98 ed necessary and advisable by the board in the best inter-  
99 ests of the state and to enhance the marketability of  
100 such revenue bonds.

101 Any revenues or income derived from the operation  
102 of such student union buildings may, in the discretion of  
103 the board, be used to pay the cost of the operation and  
104 maintenance of such student union buildings, or for the  
105 debt service on any bonds issued pursuant to this section  
106 or pursuant to any other law.

107 After the issuance of any of such revenue bonds, the  
108 student union fees at the state educational institution for  
109 which such revenue bonds were issued shall not be re-  
110 duced as long as any of such revenue bonds are out-  
111 standing and unpaid except under such terms, provisions  
112 and conditions as shall be contained in the resolution,  
113 trust agreement or other proceedings under which such  
114 revenue bonds were issued.

115 Such revenue bonds shall be and constitute negotiable  
116 instruments under the Uniform Commercial Code of the  
117 state, shall, together with the interest thereon, be exempt  
118 from all taxation by the state of West Virginia, or by any  
119 county, school district, municipality or political sub-  
120 division thereof; and such revenue bonds shall not be  
121 deemed to be obligations or debts of the state, and the



122 credit or taxing power of the state shall not be pledged  
123 therefor, but such revenue bonds shall be payable only  
124 from the student union fees pledged therefor as provided  
125 in this section.

126 The provisions of this section shall constitute an addi-  
127 tional, alternative and complete authority for the exercise  
128 of the powers and the issuance of the bonds provided  
129 for in this section, but shall not prevent the West Vir-  
130 ginia board of regents from exercising similar or related  
131 powers or issuing bonds therefor under any other law or  
132 laws, but the board, in exercising the power and issuing  
133 the bonds provided for in this section, shall only be re-  
134 quired to comply with the provisions of this section and  
135 shall not be required to comply with or be subject to the  
136 provisions of any other law or laws.

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

William Tomp  
Chairman Senate Committee

Clayton C. Davidson  
Chairman House Committee

Originated in the Senate.

To take effect from passage.

Harmon Meyer  
Clerk of the Senate

C. A. Blankenship  
Clerk of the House of Delegates

Lyndon B. Johnson  
President of the Senate

Sam F. Burdick  
Speaker House of Delegates

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

Arch A. Shafer, Jr.  
Governor



PRESENTED TO THE  
GOVERNOR

Date 2/6/70  
Time 1:35 p.m.