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WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1970

ENROLLED

SENATE BILL NO. 138

(By Mr. Campbell and Mr. Crawford)

PASSED Feb. 12, 1970

In Effect Ninety days for Passage

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

THIS DATE 2-12-70

138

ENROLLED

Senate Bill No. 138

(By MR. CARRIGAN and MR. CRAWFORD)

[Passed February 12, 1970; in effect ninety days from passage.]

AN ACT authorizing the issuance and sale by the governor of bonds of the state of West Virginia, under authority of the Better Roads Amendment of 1964, in an amount not exceeding twenty million dollars during the fiscal year ending June thirtieth, one thousand nine hundred seventy-one, 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 redemption; 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; redemption; when may issue.

1 Bonds of the state of West Virginia, under authority
2 of the Better Roads Amendment of 1964, of the par
3 value not to exceed twenty million dollars during the
4 fiscal year ending June thirty, one thousand nine hun-
5 dred seventy-one, are hereby authorized to be issued and
6 sold for the sole purpose of raising funds for the build-
7 ing and construction of free state roads and highways as
8 provided for by the constitution and the laws enacted
9 thereunder. Such bonds may be issued by the governor
10 in such amounts, in coupons or registered form, in such
11 denominations, at such time, bearing such date or dates
12 and redemption provisions, if any, as the governor may
13 determine, based upon an examination of the state road
14 commission's yearly program which justifies the issuance
15 by the governor of said bonds, and shall become due and
16 payable serially, annually or semiannually, in such
17 amounts and mature in such years as the governor may
18 determine, provided, however, such bonds shall mature
19 within and not exceeding twenty-five years from their

20 date. The governor may retain such fiscal, financial and
21 other professional services as he may deem necessary and
22 desirable for the issuance and sale of said bonds.

§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" bonds,
9 and for each bond registered a fee of fifty cents shall
10 likewise be charged by and paid to the state of West
11 Virginia, to the credit of the state road sinking fund.
12 All such bonds shall be payable at the office of the
13 treasurer of the state of West Virginia, or, at the option
14 of the holder, at a bank in the city of New York to be
15 designated by the governor, or, at the option of the
16 holder at such other bank or banks, within or without

17 the state, as may be designated or approved by the
18 governor. The bonds shall bear interest, payable semi-
19 annually, to bearer, at the office of the treasurer of the
20 state of West Virginia, at the capitol of the state, or at
21 the banks designated and approved by the governor,
22 upon presentation and surrender of interest coupons,
23 then due, in the case of coupon bonds. For the payment
24 of interest on registered bonds, the treasurer of the state
25 of West Virginia shall requisition a warrant from the
26 auditor of the state to be drawn on the state treasurer,
27 and shall mail such warrant to the registered owner at
28 the address as shown by the record of registration. Both
29 the principal and interest of the bonds shall be payable
30 in lawful money of the United States of America and
31 the bonds shall be exempt from taxation by the state of
32 West Virginia, or by any county, district, or municipality
33 thereof, which facts shall appear on the face of the bonds
34 as part of the contract with the holder thereof.

§3. Form of bond.

1 The bonds shall be executed on behalf of the state of
2 West Virginia, by the manual or facsimile signature of the

3 treasurer thereof, under the great seal of the state or a
4 facsimile thereof, and countersigned by the manual or
5 facsimile signature of the auditor of the state, provided,
6 however, that one of said signatures on said bonds shall be
7 a manual signature and said bonds shall be in the follow-
8 ing form or to the following effect, as nearly as may be,
9 namely:

10 COUPON ROAD BOND

11 (Or registered road bond, as the case may be)

12 OF THE

13 STATE OF WEST VIRGINIA

14 \$..... No.

15 The state of West Virginia, under and by virtue of
16 authority of an amendment to the constitution, which
17 was proposed by House Joint Resolution No. 10, adopted
18 the seventh day of March, one thousand nine hundred
19 sixty-three, and was ratified by a vote of the people at
20 the general election on the third day of November, one
21 thousand nine hundred sixty-four, which is hereby made
22 a part hereof as fully as if set forth at length herein, ac-
23 knowledges itself to be indebted to and hereby promises

24 to pay to the bearer hereof (in case of a coupon bond) or
25 to or assigns (the owner
26 of record, in case of registered bonds) on the day of
27 , 19..... , in lawful money of the United States of
28 America at the office of the treasurer of the state of West
29 Virginia at the capitol of said state, or, at.....
30bank in the city of New York, or, at.....
31.....bank, at the option of the holder, the sum of
32 dollars, with interest thereon at per
33 centum per annum from the date, payable semiannually
34 in like lawful money of the United States of America at
35 the treasurer's office or banks aforesaid, on the first day of
36and the first day of.....of each year (and
37 in the case of coupon bonds) according to the tenor of the
38 annexed coupons bearing the facsimile signature of the
39 treasurer of the state of West Virginia, upon surrender of
40 such coupons. This bond (in case of a coupon bond) may
41 be exchanged for a registered bond of like tenor upon
42 application to the treasurer of the state of West Virginia.

(Redemption provisions, if any, to be inserted here)

43 To secure the payment of the principal and interest of

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

57 This bond is hereby made exempt from any taxation
58 by the state of West Virginia, or by any county, district,
59 or municipal corporation thereof.

60 In testimony whereof, witness the manual or facsimile
61 signature of the treasurer of the state of West Virginia,
62 and the manual or facsimile countersignature of the audi-
63 tor of the state, hereto affixed according to law, dated the
64day of, one thousand nine hundred,

65 and the seal of the state of West Virginia or a facsimile
66 thereof.

67

68 Treasurer of the State of West Virginia

69 (SEAL)

70 Countersigned:

71

72 Auditor of the State of West Virginia

§4. Form of coupon.

1 The form of coupon shall be substantially as follows,

2 to wit:

3 STATE OF WEST VIRGINIA

4 Bond No. _____ Coupon No. _____

5 On the first day of _____, 19____, the state

6 of West Virginia will pay to the bearer, in lawful money

7 of the United States of America, at the office of the

8 treasurer of the state, or, at _____

9 bank in the city of New York, or, at _____,

10 at the option of the holder, the sum of _____

11 dollars, the same being semiannual interest on Road

12 Bond No. _____

13

14 Treasurer of the State of West Virginia

15 The signature of the treasurer to such coupon shall be
16 by his facsimile signature and the coupons shall be
17 numbered in the order of their maturity, from number
18 one consecutively. The bonds and coupons may be signed,
19 as provided in this act, by the present treasurer and
20 auditor, or by any of their respective successors in office,
21 and the bonds signed by the persons now in the office may
22 be sold by the governor or his successor in office without
23 being signed by the successor in office of the present
24 treasurer or auditor.

§5. Listing by auditor.

1 All coupons and registered bonds issued under this bill
2 shall be separately listed by the auditor of the state in
3 books provided for the purpose, in each case giving the
4 date, number, character and amount of obligations issued,
5 and in case of registered bonds, the name and post-office
6 address of the person, firm or corporation registered as
7 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 all
2 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. The
16 remainder of the fund shall be turned over by the state
17 treasurer to the state sinking fund commission, whose
18 duty it shall be to invest the same in obligations of the
19 government of the United States, bonds of the state of
20 West Virginia, or any political subdivision thereof: *Pro-*
21 *vided*, That bonds or other obligations so purchased by
22 the 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 so
25 paid into the state road sinking fund under the provisions
26 of this act shall be expended for the purpose of paying
27 the interest and principal of the bonds hereby provided
28 for as they severally become due and payable and for no
29 other purpose except that the fund may be invested
30 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 a 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 to
6 secure the payment of the principal and interest of such
7 bonds; (3) that an annual state tax shall be collected in
8 an amount sufficient to pay as it may accrue the interest
9 on such bonds and the principal thereof; and (4) that
10 such tax shall be levied in any year only to the extent
11 that the moneys in the state road fund irrevocably set
12 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
2 at 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 commissioner, 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 solely
4 for the building and construction of free state roads and
5 highways provided for by the state constitution and the

6 laws enacted thereunder. Except for such sums necessary
7 for current operating balances, such account shall be
8 invested and reinvested in short-term obligations of the
9 United States treasury: *Provided*, That 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 full
5 and legal obligations of the state of West Virginia under
6 all of the provisions of this act just as fully and com-
7 pletely as the permanent bonds.

§13. Payment of expenses.

1 All expenses incurred in the execution of this act,
2 shall be paid out of the state road fund on warrants of
3 the auditor of the state drawn on the state treasurer.

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

William Tompkins
Chairman Senate Committee

Clayton L. Davidson
Chairman House Committee

Originated in the Senate.

To take effect 90 days from passage.

J. Howard Keegan
Clerk of the Senate

C. A. Blankenship
Clerk of the House of Delegates

Lloyd B. Jackson
President of the Senate

Isaac F. Beriaisky
Speaker House of Delegates

The within *approved* this the *17th*
day of *February*, 1970.

Arch A. Shaw, Jr.
Governor



PRESENTED TO THE
GOVERNOR

Date 2/17/70
Time 2:15 pm