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WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1970

ENROLLED

SENATE BILL NO. 139

(By Mr. Carrigan and Mr. Crawford)

PASSED Feb. 12, 1970

In Effect July 1, 1970 ~~Passage~~



FILED IN THE OFFICE
JOHN D. ROCKEFELLER, IV
SECRETARY OF STATE
THIS DATE 2-18-70

139

ENROLLED

Senate Bill No. 139

(By MR. CARRIGAN and MR. CRAWFORD)

[Passed February 12, 1970; in effect July 1, 1970.]

AN ACT authorizing the issuance and sale by the governor of bonds of the state of West Virginia, under authority of the Roads Development Amendment of 1968, in an amount not exceeding seventy 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 re-

demption; 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 of
2 the Roads Development Amendment of 1968, of the par
3 value not to exceed seventy million dollars during
4 the fiscal year ending June thirty, one thousand nine
5 hundred seventy-one, are hereby authorized to be issued
6 and sold for the sole purpose of raising funds for the
7 building and construction of free state roads and high-
8 ways as provided for by the constitution and the laws
9 enacted thereunder. Such bonds may be issued by the
10 governor in such amounts, in coupons or registered form,
11 in such denominations, at such time, bearing such date
12 or dates and redemption provisions, if any, as the gov-
13 ernor may determine, based upon an examination of the
14 state road commission's yearly program which justifies
15 the issuance by the governor of said bonds, and shall
16 become due and payable serially, annually or semi-
17 annually, in such amounts and mature in such years as the
18 governor may determine, provided, however, such bonds
19 shall mature within and not exceeding twenty-five years

20 from their date. The governor may retain such fiscal,
21 financial and other professional services as he may deem
22 necessary and desirable for the issuance and sale of said
23 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" bond
9 and for each bond registered a fee of fifty cents shall like-
10 wise be charged by and paid to the state of West Vir-
11 ginia, to the credit of the state road sinking fund. All
12 such bonds shall be payable at the office of the treasurer
13 of the state of West Virginia, or, at the option of the
14 holder, at a bank in the city of New York to be desig-
15 nated by the governor, or, at the option of the holder

16 at such other bank or banks, within or without the state,
17 as may be designated or approved by the governor. The
18 bonds shall bear interest, payable semiannually, to bearer,
19 at the office of the treasurer of the state of West Vir-
20 ginia, at the capitol of the state, or at the banks desig-
21 nated and approved by the governor, upon presentation
22 and surrender of interest coupons, then due, in the case
23 of coupon bonds. For the payment of interest on regis-
24 tered bonds, the treasurer of the state of West Virginia
25 shall requisition a warrant from the auditor of the
26 state to be drawn on the state treasurer, and shall mail
27 such warrant to the registered owner at the address as
28 shown by the record of registration. Both the principal
29 and interest of the bonds shall be payable in lawful
30 money of the United States of America and the bonds
31 shall be exempt from taxation by the state of West Vir-
32 ginia, or by any county, district, or municipality thereof,
33 which facts shall appear on the face of the bonds as part
34 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

3 the treasurer thereof, under the great seal of the state
4 or a facsimile thereof, and countersigned by the manual
5 or facsimile signature of the auditor of the state, pro-
6 vided, however, that one of said signatures on said bonds
7 shall be a manual signature and said bonds shall be
8 in the following form or to the following effect, as nearly
9 as may be, 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 Senate Joint Resolution No. 2, adopted
18 the eighth day of February, one thousand nine hundred
19 sixty-eight, and was ratified by a vote of the people at
20 the general election on the fifth day of November, one
21 thousand nine hundred sixty-eight, which is hereby made
22 a part hereof as fully as if set forth at length herein,
23 acknowledges itself to be indebted to and hereby prom-

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

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

60 This bond is hereby made exempt from any taxation
61 by the state of West Virginia, or by any county, district,
62 or municipal corporation thereof.

63 In testimony whereof, witness the manual or facsimile
64 signature of the treasurer of the state of West Virginia,
65 and the manual or facsimile countersignature of the

66 auditor of the state, hereto affixed according to law,
 67 dated the.....day of....., one thousand
 68 nine hundred....., and the seal of the state
 69 of West Virginia or a facsimile thereof.

70

71 Treasurer of the State of West Virginia

72 (SEAL)

73 Countersigned:

74

75 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 of
 6 West Virginia will pay to the bearer, in lawful money of
 7 the United States of America, at the office of the treasurer
 8 of the state, or, at.....bank
 9 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 sign-
19 ed, 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
22 may be sold by the governor or his successor in office
23 without being signed by the successor in office of the
24 present 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
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
11 all money belonging to the fund shall be deposited in
12 the state treasury to the credit thereof.

13 Such fund shall be applied by the treasurer of the state
14 first to the payment of the semiannual interest on such
15 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 until
30 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 that
11 the moneys in the state road fund irrevocably set aside
12 and appropriated for and applied to the payment of the
13 interest on and principal of said bonds becoming due and
14 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 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 completely
7 as the permanent bonds.

§13. Payment of expenses.

1 All expenses incurred in the execution of this act, shall
2 be paid out of the state road fund on warrants of the
3 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 Tompa
Chairman Senate Committee

Clayton C. Davidson
Chairman House Committee

Originated in the Senate.

To take effect July 1, 1970.

Howard Nevers
Clerk of the Senate

W. Blankenship
Clerk of the House of Delegates

Langston G. Jordan
President of the Senate

Max F. Baaisky
Speaker House of Delegates

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

Arch A. Shaver Jr.
Governor



PRESENTED TO THE
GOVERNOR

Date 2/17/70
Time 2:15 p.m.