WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1970

ENROLLED

SENATE BILL NO. 16

(By Mr. [Signature])

PASSED February 12, 1970

In Effect Passage

FILED IN THE OFFICE
JOHN D. ROCKEFELLER, IV
SECRETARY OF STATE
THIS DATE 2-18-70
ENROLLED
Senate Bill No. 16
(By Mr. Poffenbarger)

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

AN ACT to amend and reenact section ten, article thirteen; and section thirteen, article thirteen-a, all of chapter sixteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, all relating to the establishment of maximum rate of interest of eight percent for revenue bonds sold by municipal corporations and sanitary districts for water, sewerage works and sewage disposal.

Be it enacted by the Legislature of West Virginia:

That section ten, article thirteen; and section thirteen, article thirteen-a, all of chapter sixteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:
ARTICLE 13. SEWAGE WORKS OF MUNICIPAL CORPORATIONS AND SANITARY DISTRICTS.

§16-13-10. Interest on and redemption of bonds; form; statement on face of bond; negotiability; exemption from taxation; registration; execution; sale; disposition of surplus proceeds; additional and temporary bonds.

Such revenue bonds shall bear interest at not more than eight percent per annum, payable semiannually, and shall mature at such time or times as may be determined by ordinance. Such bonds may be made redeemable before maturity at the option of the municipality, to be exercised by said board, at not more than the par value thereof and a premium of five percent, under such terms and conditions as may be fixed by the ordinance authorizing the issuance of the bonds. The principal and interest of the bonds may be made payable in any lawful medium. Said ordinance shall determine the form of the bonds, including the interest coupons to be attached thereto, and shall fix the denomination or denominations of such bonds and the place or places of payment of the principal and interest.
thorough, which may be at any bank or trust company within or without the state. The bonds shall contain a statement on their face that the municipality shall not be obligated to pay the same or the interest thereon except from the special fund provided from the net revenues of the works. All such bonds shall be, and shall have and are hereby declared to have all the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the state. Said bonds shall be exempt from all taxation, state, county and municipal. Provisions may be made for the registration of any of the bonds in the name of the owner as to principal alone. Such bonds shall be executed by the proper legally constituted authorities of the municipality and be sealed with the corporate seal of the municipality, and in case any of the officers whose signatures appear on the bonds or coupons shall cease to be such officers, before delivery of such bonds, such signatures shall nevertheless be valid and sufficient for all purposes the same as if they had remained in office until such delivery. Such bonds shall be sold at a price not lower than a price, which when computed upon standard tables
of bond values, will show a net return of not more than
nine per centum per annum to the purchaser upon the
amount paid therefor and the proceeds derived therefrom
shall be used exclusively for the purposes for which said
bonds are issued and same may be sold at one time or in
parcels as funds are needed. Any surplus of bond proceeds
over and above the cost of the works shall be paid into the
sinking fund hereinafter provided. If the proceeds of the
bonds, by error of calculation or otherwise, shall be less
than the cost of the works, additional bonds may in like
manner be issued to provide the amount of such deficit
and, unless otherwise provided in said ordinance authoriz-
ing the issuance of the bonds first issued or in the trust
indenture hereinafter authorized, shall be deemed to be
of the same issue and shall be entitled to payment without
preference or priority of the bonds first issued. Prior to
the preparation of the definite bonds, temporary bonds
may under like restrictions be issued with or without
coupons, exchangeable for definite bonds upon the is-
suance of the latter.
ARTICLE 13A. PUBLIC SERVICE DISTRICTS FOR WATER AND SEWERAGE SERVICES.


1 For constructing or acquiring any public service properties for the authorized purposes of the district, or necessary or incidental thereto, and for constructing improvements and extensions thereto, and also for reimbursing or paying the costs and expenses of creating the district, the board of any such district is hereby authorized to borrow money from time to time and in evidence thereof issue the bonds of such district, payable solely from the revenues derived from the operation of the public service properties under control of the district. Such bonds may be issued in one or more series, may bear such date or dates, may mature at such time or times not exceeding forty years from their respective dates, may bear interest at such rate or rates not exceeding eight percent per annum payable semiannually, may be in such form, may carry such registration privileges, may be executed in such manner, may be payable at such place or places, may be subject to such terms of redemption with or without
premium, may be declared or become due before maturity
date thereof, may be authenticated in any manner, and
upon compliance with such conditions, and may contain
such terms and covenants as may be provided by resolu-
tion or resolutions of the board. Notwithstanding the form
or tenor thereof, and in the absence of any express recital
on the face thereof, that the bond is nonnegotiable, all such
bonds shall be, and shall be treated as, negotiable instru-
ments for all purposes. Bonds bearing the signatures of
officers in office on the date of the signing thereof shall be
valid and binding for all purposes notwithstanding that
before the delivery thereof any or all of the persons whose
signatures appear thereon shall have ceased to be such
officers. Notwithstanding the requirements or provisions
of any other law, any such bonds may be negotiated or
sold in such manner and at such time or times as is found
by the board to be most advantageous, and all such bonds
may be sold at such price that the interest cost of the
proceeds therefrom does not exceed eight percent per
annum, based on the average maturity of such bonds and
computed according to standard tables of bond values. Any
resolution or resolutions providing for the issuance of such
bonds may contain such covenants and restrictions upon
the issuance of additional bonds thereafter as may be
deemed necessary or advisable for the assurance of the
payment of the bonds thereby authorized.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

William Tompkin
Chairman Senate Committee

Clayton C. Daughters
Chairman House Committee

Originated in the Senate.

To take effect from passage.

Heman Meyers
Clerk of the Senate

I. W. Blankenship
Clerk of the House of Delegates

Lloyd B. Johnson
President of the Senate

Sumner Branch
Speaker House of Delegates

The within approved this the 16th day of February, 1970.

Arch A. Moore, Jr.
Governor
PRESENTED TO THE GOVERNOR

Date 2/14/20
Time 2:47 p.m.