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# WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1970

# ENROLLED

SENATE BILL NO. 16

(By Mr. Poffenberger)

PASSED Feb. 12, 1970

In Effect [Signature] Passage

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

THIS DATE 2-18-70

16

**ENROLLED**  
**Senate Bill No. 16**  
**(By MR. POFFENBARGER)**

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

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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; state-  
ment on face of bond; negotiability; exemption  
from taxation; registration; execution; sale; dis-  
position of surplus proceeds; additional and tem-  
porary bonds.**

1     Such revenue bonds shall bear interest at not more than  
2     eight percent per annum, payable semiannually, and shall  
3     mature at such time or times as may be determined by  
4     ordinance. Such bonds may be made redeemable before  
5     maturity at the option of the municipality, to be exercised  
6     by said board, at not more than the par value thereof and  
7     a premium of five percent, under such terms and condi-  
8     tions as may be fixed by the ordinance authorizing the is-  
9     suanace of the bonds. The principal and interest of the  
10    bonds may be made payable in any lawful medium. Said  
11    ordinance shall determine the form of the bonds, includ-  
12    ing the interest coupons to be attached thereto, and shall  
13    fix the denomination or denominations of such bonds and  
14    the place or places of payment of the principal and interest

15 thereof, which may be at any bank or trust company with-  
16 in or without the state. The bonds shall contain a state-  
17 ment on their face that the municipality shall not be obli-  
18 gated to pay the same or the interest thereon except from  
19 the special fund provided from the net revenues of the  
20 works. All such bonds shall be, and shall have and are  
21 hereby declared to have all the qualities and incidents of,  
22 negotiable instruments under the Uniform Commercial  
23 Code of the state. Said bonds shall be exempt from all  
24 taxation, state, county and municipal. Provisions may be  
25 made for the registration of any of the bonds in the name  
26 of the owner as to principal alone. Such bonds shall be  
27 executed by the proper legally constituted authorities of  
28 the municipality and be sealed with the corporate seal of  
29 the municipality, and in case any of the officers whose sig-  
30 natures appear on the bonds or coupons shall cease to be  
31 such officers, before delivery of such bonds, such signa-  
32 tures shall nevertheless be valid and sufficient for all pur-  
33 poses the same as if they had remained in office until such  
34 delivery. Such bonds shall be sold at a price not lower  
35 than a price, which when computed upon standard tables

36 of bond values, will show a net return of not more than  
37 nine per centum per annum to the purchaser upon the  
38 amount paid therefor and the proceeds derived therefrom  
39 shall be used exclusively for the purposes for which said  
40 bonds are issued and same may be sold at one time or in  
41 parcels as funds are needed. Any surplus of bond proceeds  
42 over and above the cost of the works shall be paid into the  
43 sinking fund hereinafter provided. If the proceeds of the  
44 bonds, by error of calculation or otherwise, shall be less  
45 than the cost of the works, additional bonds may in like  
46 manner be issued to provide the amount of such deficit  
47 and, unless otherwise provided in said ordinance authoriz-  
48 ing the issuance of the bonds first issued or in the trust  
49 indenture hereinafter authorized, shall be deemed to be  
50 of the same issue and shall be entitled to payment without  
51 preference or priority of the bonds first issued. Prior to  
52 the preparation of the definite bonds, temporary bonds  
53 may under like restrictions be issued with or without  
54 coupons, exchangeable for definite bonds upon the is-  
55 suance of the latter.

**ARTICLE 13A. PUBLIC SERVICE DISTRICTS FOR WATER AND  
SEWERAGE SERVICES.**

**§16-13A-13. Revenue bonds.**

1 For constructing or acquiring any public service  
2 properties for the authorized purposes of the district, or  
3 necessary or incidental thereto, and for constructing im-  
4 provements and extensions thereto, and also for reimburs-  
5 ing or paying the costs and expenses of creating the dis-  
6 trict, the board of any such district is hereby authorized to  
7 borrow money from time to time and in evidence thereof  
8 issue the bonds of such district, payable solely from the  
9 revenues derived from the operation of the public service  
10 properties under control of the district. Such bonds may  
11 be issued in one or more series, may bear such date or  
12 dates, may mature at such time or times not exceeding  
13 forty years from their respective dates, may bear interest  
14 at such rate or rates not exceeding eight percent per  
15 annum payable semiannually, may be in such form, may  
16 carry such registration privileges, may be executed in  
17 such manner, may be payable at such place or places, may  
18 be subject to such terms of redemption with or without

19 premium, may be declared or become due before maturity  
20 date thereof, may be authenticated in any manner, and  
21 upon compliance with such conditions, and may contain  
22 such terms and covenants as may be provided by resolu-  
23 tion or resolutions of the board. Notwithstanding the form  
24 or tenor thereof, and in the absence of any express recital  
25 on the face thereof, that the bond is nonnegotiable, all such  
26 bonds shall be, and shall be treated as, negotiable instru-  
27 ments for all purposes. Bonds bearing the signatures of  
28 officers in office on the date of the signing thereof shall be  
29 valid and binding for all purposes notwithstanding that  
30 before the delivery thereof any or all of the persons whose  
31 signatures appear thereon shall have ceased to be such  
32 officers. Notwithstanding the requirements or provisions  
33 of any other law, any such bonds may be negotiated or  
34 sold in such manner and at such time or times as is found  
35 by the board to be most advantageous, and all such bonds  
36 may be sold at such price that the interest cost of the  
37 proceeds therefrom does not exceed eight percent per  
38 annum, based on the average maturity of such bonds and  
39 computed according to standard tables of bond values. Any

40 resolution or resolutions providing for the issuance of such  
41 bonds may contain such covenants and restrictions upon  
42 the issuance of additional bonds thereafter as may be  
43 deemed necessary or advisable for the assurance of the  
44 payment of the bonds thereby authorized.

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

*William Tompa*  
Chairman Senate Committee

*Clayton C. Douglas*  
Chairman House Committee

Originated in the Senate.

To take effect from passage.

*Honoree Meyer*  
Clerk of the Senate

*M. Blankenship*  
Clerk of the House of Delegates

*loyd B. Jackson*  
President of the Senate

*Lu F. 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.