WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1971

ENROLLED

HOUSE BILL No. 744

(By Mr. Seibert)

PASSED March 13, 1971

In Effect ninety days from Passage

744
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 ninety million dollars during the fiscal year ending June thirtieth, one thousand nine hundred seventy-two, 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
Enr. H. B. No. 744] 2

to registered bonds and the disposition of such fees; pro-
viding 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 dis-
position and investment of the state road sinking fund;
providing a covenant between the state and the bond-
holders; 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 per-
manent bonds; providing for the state treasurer to be
financial advisor; providing for the attorney general or
his duly appointed legal representative to serve as bond
counsel; and providing that all necessary expenses, in-
cluding legal expenses approved by the attorney general,
incurred in the execution of this act shall be paid out of
the state road fund on warrants of the auditor of the
state drawn on the state treasurer.

Be it enacted by the Legislature of West Virginia:

ISSUANCE AND SALE OF ROAD BONDS.

§1. Road bonds; amount; when may issue.

1 Bonds of the state of West Virginia, under authority
2 of the Roads Development Amendment of 1968, of the
3 par value not to exceed ninety million dollars during
4 the fiscal year ending June thirty, one thousand nine
5 hundred seventy-two, 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
11 form, in such denominations, at such time, bearing such
12 date or dates, as the governor may determine, based upon
13 an examination of the West Virginia department of high-
14 ways' yearly program which justifies the issuance by the
15 governor of said bonds, and shall become due and payable
16 serially, annually or semiannually, in such amounts and
mature in such years as the governor may determine:

Provided, That such bonds shall mature within and not exceeding twenty-five years from their date: Provided

further, That the governor shall not offer for sale more than thirty million dollars of bonds at any one time and, in the event said amount of bonds are sold, no other bonds shall be offered for sale until the expiration of ninety days from the date the bonds were first offered for sale.

§2. Transfer fee; registration fee; where payable; interest rate; tax exempt.

The auditor and the treasurer are hereby authorized to arrange for the transfer of registered bonds and for each such transfer a fee of fifty cents shall be charged by and paid to the state of West Virginia, to the credit of the state road sinking fund. Bonds taken in exchange shall be cancelled by the auditor and treasurer and be carefully preserved by the treasurer. The treasurer shall make provisions for registering “payable to bearer” bond and for each bond registered a fee of fifty cents shall likewise be charged by and paid to the state of West
Virginia, to the credit of the state road sinking fund. All such bonds shall be payable at the office of the treasurer of the state of West Virginia, or, at the option of the holder, at a bank in the city of New York to be designated by the governor, or, at the option of the holder at such other bank or banks, within or without the state, as may be designated or approved by the governor. The bonds shall bear interest, payable semi-annually, to bearer, at the office of the treasurer of the state of West Virginia, at the capitol of the state, or at the banks designated and approved by the governor, upon presentation and surrender of interest coupons, then due, in the case of coupon bonds. For the payment of interest on registered bonds, the treasurer of the state of West Virginia shall requisition a warrant from the auditor of the state to be drawn on the state treasurer, and shall mail such warrant to the registered owner at the address as shown by the record of registration. Both the principal and interest of the bonds shall be payable in lawful money of the United States of America and the bonds shall be exempt from taxation
by the state of West Virginia, or by any county, dis-

33 trict or municipality thereof, which facts shall appear

34 on the face of the bonds as part of the contract with the

35 holder thereof.

§3. Form of bond.

1 The bonds shall be executed on behalf of the state

2 of West Virginia, by the manual or facsimile signature

3 of the treasurer thereof, under the great seal of the

4 state or a facsimile thereof, and countersigned by the

5 manual or facsimile signature of the auditor of the state:

6 Provided, That one of said signatures on said bonds shall

7 be a manual signature and said bonds shall be in the

8 following form or to the following effect, as nearly as

9 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 au-

16 thority of an amendment to the constitution, which was
proposed by Senate Joint Resolution No. 2, adopted
the eighth day of February, one thousand nine hundred
sixty-eight, and was ratified by a vote of the people at
the general election on the fifth day of November, one
thousand nine hundred sixty-eight, which is hereby
made a part hereof as fully as if set forth at length
herein, acknowledges itself to be indebted to and hereby
promises to pay to the bearer hereof (in case of a coupon
bond) or to __________________________ or assigns (the
owner of record, in case of registered bonds) on the
___________ day of _____________, 19___, in
lawful money of the United States of America at the
office of the treasurer of the state of West Virginia at
the capitol of said state, or, at __________________________
bank in the city of New York, or, at __________________________
bank, at the option of the holder, the sum of_______________ dollars, with interest thereon at ______________ per
centum per annum from the date, payable semiannually
in like lawful money of the United States of America
at the treasurer's office or banks aforesaid, on the first
day of ______________ and the first day of ______________
of each year (and in the case of coupon bonds) according
to the tenor of the annexed coupons bearing the fac-
simile signature of the treasurer of the state of West
Virginia, upon surrender of such coupons. This bond
(in case of a coupon bond) may be exchanged for a
registered bond of like tenor upon application to the
treasurer of the state of West Virginia.

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

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

This bond is hereby made exempt from any taxation
by the state of West Virginia, or by any county, dis-

tric, or municipal corporation thereof.

In testimony whereof, witness the manual or facsimile
signature of the treasurer of the state of West Virginia,
and the manual or facsimile countersignature of the
auditor of the state, hereto affixed according to law,
dated the _______ day of ________________________, one
thousand nine hundred ________________________, and
the seal of the state of West Virginia or a facsimile
thereof.

Treasurer of the State of West Virginia

(SEAL)

Countersigned:

Auditor of the State of West Virginia

§4. Form of coupon.

The form of coupon shall be substantially as follows,
to wit:
Enr. H. B. No. 744]

STATE OF WEST VIRGINIA

Bond No.______  Coupon No.______

On the first day of _____, 19_____,

the state of West Virginia will pay to the bearer, in

lawful money of the United States of America, at the

office of the treasurer of the state, or, at ________

bank in the city of New York, or, at ________

at the option of the holder, the sum of ________

dollars, the same being semiannual interest on Road

Bond No. ______________

______________________________

Treasurer of the State of West Virginia

The signature of the treasurer to such coupon shall

be by his facsimile signature and the coupons shall be

numbered in the order of their maturity, from number

one consecutively. The bonds and coupons may be signed,

as provided in this act, by the present treasurer and

auditor, or by any of their respective successors in office,

and the bonds signed by the persons now in the office

may be sold by the governor or his successor in office

without being signed by the successor in office of the

present treasurer or auditor.
§5. Listing by auditor.

1 All coupons and registered bonds issued under this act shall be separately listed by the auditor of the state in books provided for the purpose, in each case giving the date, number, character and amount of obligations issued, and in case of registered bonds, the name and post-office address of the person, firm or corporation registered as 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 money from any and all appropriations made by the state from the state road fund for the purpose of paying the interest on such bonds or paying off and retiring the bonds, from transfer and registration fees as herein provided, and from any other source whatsoever which is made liable by law for the payment of the principal of such bonds or the interest thereon.

9 All such funds shall be kept by the treasurer in a separate account, under the designation aforesaid, and all moneys belonging to the fund shall be deposited in the state treasury to the credit thereof.
Such fund shall be applied by the treasurer of the state first to the payment of the semiannual interest on such bonds as it shall become due as herein provided. The remainder of the fund shall be turned over by the state treasurer to the state sinking fund commission, whose duty it shall be to invest the same in obligations of the government of the United States, bonds of the state of West Virginia, or any political subdivision thereof: Provided, That bonds or other obligations so purchased by the state sinking fund commission shall mature so as to provide sufficient money to pay off all bonds herein provided to be issued as they become due; and the money so paid into the state road sinking fund under the provisions of this act shall be expended for the purpose of paying the interest and principal of the bonds hereby provided for as they severally become due and payable and for no other purpose except that the fund may be invested until needed, as herein provided.

§7. Covenants of state.

The state of West Virginia covenants and agrees with the holders of the bonds issued pursuant hereto as fol-
 lows: (1) That such bonds shall constitute a direct
and general obligation of the state of West Virginia;
(2) that the full faith and credit of the state is hereby
pledged to secure the payment of the principal and in-
terest of such bonds; (3) that an annual state tax shall
be collected in an amount sufficient to pay as it may
accrue the interest on such bonds and the principal
thereof; and (4) that such tax shall be levied in any
year only to the extent that the moneys in the state
road fund irrevocably set aside and appropriated for
and applied to the payment of the interest on and prin-
cipal of said bonds becoming due and payable in such
year are insufficient therefor.

§ 8. Sale by governor; minimum price.

The governor shall sell the bonds herein authorized
at such time or times as he may determine necessary to
provide funds for the building and construction of free
state roads and highways, as herein provided, upon the
recommendation of the West Virginia commissioner of
highways, and after reviewing the program of the West
Virginia department of highways and subject to the limi-
tations contained in this act. All sales shall be at not less
than par and accrued interest. All interest coupons becoming payable prior to the sale date shall be cancelled by the treasurer and rendered ineffective, before the delivery of the bonds so sold.

§9. **Proceeds paid into separate account in state road fund; expenditures.**

The proceeds of all sales of bonds herein authorized shall be paid into a separate and distinct account in the state road fund and shall be used and appropriated solely for the building and construction of free state roads and highways provided for by the state constitution and the laws enacted thereunder. Except for such sums necessary for current operating balances, such account shall be invested and reinvested in short-term obligations of the United States treasury: Provided, That no such investment or reinvestment shall adversely affect the current operating balances of such account.

§10. **Plates, etc., property of state.**

The plates, casts, dies or other forms from which the bonds authorized by this act are produced or made shall 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 bonds issued pursuant to the provisions of this act.

§12. Interim certificates.

1. The governor may authorize the issuance of interim certificates to be issued to the purchasers of such bonds to be held by them in lieu of permanent bonds. When interim certificates are so issued, they shall become full and legal obligations of the state of West Virginia under all of the provisions of this act just as fully and completely as the permanent bonds.

§13. State treasurer to be financial advisor; redemption of bonds.

1. The state treasurer shall serve as financial advisor to the governor for the issuance and sale of such bonds. In addition to his other duties, the state treasurer may provide in the bond resolution and on the face of the bonds that said bonds are subject to redemption prior to maturity, the redemption price, the redemption date, and the manner in which the bonds shall be redeemed.
§14. Attorney general or his duly appointed legal representative to serve as bond counsel.

1 The attorney general, or his duly appointed legal representative, shall serve as bond counsel and shall be responsible for the issuance of a final approving opinion regarding the legality of the sale of such bonds.

§15. Approval and payment of all necessary expenses.

1 All necessary expenses, including legal expenses approved by the attorney general, incurred in the execution of this act shall be paid out of state road fund on warrants of 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.

Chairman Senate Committee

Chairman House Committee

Originated in the House.

Takes effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within approved this the 1st day of April, 1971.

Governor
PRESENTED TO THE
GOVERNOR

Date 3/22/71

Time 12 noon