

# WEST VIRGINIA LEGISLATURE

FIRST EXTRAORDINARY SESSION, 1972

## ENROLLED

Committee Substitute for  
HOUSE BILL No. 1

(By Mr. Speaker, Mr. McManus)

PASSED April 21 1972

In Effect from Passage



FILED IN THE OFFICE OF  
SECRETARY OF STATE  
THIS DATE 5-3-72

**ENROLLED**  
COMMITTEE SUBSTITUTE  
FOR  
**House Bill No. 1**

(By MR. SPEAKER, MR. McMANUS, and MR. SEIBERT)

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[Passed April 21, 1972; in effect from passage.]

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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 the amount not exceeding one hundred million dollars during the fiscal year ending June thirtieth, one thousand nine hundred seventy-three, 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 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; 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, including 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 par  
3 value not to exceed one hundred million dollars during the  
4 fiscal year ending June thirty, one thousand nine hundred  
5 seventy-three, are hereby authorized to be issued and  
6 sold for the sole purpose of raising funds for the building  
7 and construction of free state roads and highways as pro-  
8 vided for by the constitution and the laws enacted there-  
9 under. Such bonds may be issued by the governor in such  
10 amounts, in coupons or registered form, in such denomi-  
11 nations, at such time, bearing such date or dates, as the  
12 governor may determine, based upon an examination of  
13 the West Virginia department of highways' yearly pro-  
14 gram which justifies the issuance by the governor of said  
15 bonds, and shall become due and payable serially, an-  
16 nually or semiannually, in such amounts and mature in  
17 such years as the governor may determine: *Provided,*  
18 That such bonds shall mature within and not exceeding  
19 twenty-five years from their date: *Provided, however,*  
20 That the governor shall not offer for sale more than forty  
21 million dollars of bonds at any one time: *Provided*  
22 *further,* That the governor must offer said bonds for  
23 competitive bids from recognized financial investment  
24 institutions before said bonds may be sold.

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

1 The auditor and the treasurer are hereby authorized to  
2 arrange for the transfer of registered bonds and for each  
3 such transfer a fee of fifty cents shall be charged by and  
4 paid to the state of West Virginia, to the credit of the  
5 state road sinking fund. Bonds taken in exchange shall  
6 be cancelled by the auditor and treasurer and be care-  
7 fully 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  
10 likewise be charged by and paid to the state of West Vir-  
11 ginia, to the credit of the state road sinking fund. All such  
12 bonds shall be payable at the office of the treasurer of the  
13 state of West Virginia, or, at the option of the holder, at  
14 a bank in the city of New York to be designated by the  
15 governor, or, at the option of the holder at such other  
16 bank or banks, within the state, as may be designated or  
17 approved by the governor. The bonds shall bear interest,  
18 payable semiannually, to bearer, at the office of the  
19 treasurer of the state of West Virginia, at the capitol of  
20 the state, or at the banks designated and approved by the  
21 governor, upon presentation and surrender of interest  
22 coupons, then due, in the case of coupon bonds. For the  
23 payment of interest on registered bonds, the treasurer of  
24 the state of West Virginia shall requisition a warrant  
25 from the auditor of the state to be drawn on the state  
26 treasurer, and shall mail such warrant to the registered  
27 owner at the address as shown by the record of registra-  
28 tion. Both the principal and interest of the bonds shall  
29 be payable in lawful money of the United States of  
30 America and the bonds shall be exempt from taxation by  
31 the state of West Virginia, or by any county, district or  
32 municipality thereof, which facts shall appear on the face  
33 of the bonds as part of the contract with the holder  
34 thereof.

**§3. Form of bond.**

1 The bond 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*, 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 Senate Joint Resolution No. 2, adopted  
18 the eighth day of February, one thousand nine hun-  
19 dred sixty-eight, and was ratified by a vote of the peo-  
20 ple at the general election on the fifth day of November,  
21 one thousand nine hundred sixty-eight, which is hereby  
22 made a part hereof as fully as if set forth at length  
23 herein, acknowledges itself to be indebted to and hereby  
24 promises to pay to the bearer hereof (in case of a coupon  
25 bond) or to .....  
26 or assigns (the owner of record, in case of registered  
27 bonds) on the..... day of .....,  
28 19....., in lawful money of the United States of America  
29 at the office of the treasurer of the state of West Vir-  
30 ginia at the capitol of said state, or, at.....  
31 bank in the city of New York, or, at.....  
32 bank, at the option of the holder, the sum of.....  
33 dollars, with interest thereon at..... per centum  
34 per annum from the date, payable semiannually in like  
35 lawful money of the United States of America at the  
36 treasurer's office or banks aforesaid, on the first day of  
37 ..... and the first day of ..... of  
38 each year (and in the case of coupon bonds) according  
39 to the tenor of the annexed coupons bearing the fac-  
40 simile signature of the treasurer of the state of West Vir-  
41 ginia, upon surrender of such coupons. This bond (in case  
42 of a coupon bond) may be exchanged for a registered  
43 bond of like tenor upon application to the treasurer of  
44 the state of West Virginia.

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

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

62 In testimony whereof, witness the manual or facsimile  
 63 signature of the treasurer of the state of West Virginia,  
 64 and the manual or facsimile countersignature of the  
 65 auditor of the state, hereto affixed according to law, dated  
 66 the..... day of....., one  
 67 thousand nine hundred ....., and  
 68 the seal of the state of West Virginia or a facsimile  
 69 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  
 6 state of West Virginia will pay to the bearer, in lawful

7 money of the United States of America, at the office of  
8 the 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  
16 be 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  
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 act  
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  
5 the bonds, from transfer and registration fees as herein  
6 provided, and from any other source whatsoever which  
7 is made liable by law for the payment of the principal  
8 of such bonds or the interest thereon.

9 All such funds shall be kept by the treasurer in a sep-  
10 arate account, under the designation aforesaid, and all

11 moneys 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.  
16 The remainder of the fund shall be turned over by the  
17 state treasurer to the state sinking fund commission,  
18 whose duty it shall be to invest the same in obligations  
19 of the government of the United States, bonds of the  
20 state of West Virginia, or any political subdivision thereof:  
21 *Provided*, That the bonds or other obligations so pur-  
22 chased by the state sinking fund commission shall ma-  
23 ture so as to provide sufficient money to pay off all bonds  
24 herein provided to be issued as they become due; and  
25 the money so paid into the state road sinking fund under  
26 the provisions of this act shall be expended for the pur-  
27 pose of paying the interest and principal of the bonds  
28 hereby provided for as they severally become due and  
29 payable and for no other purpose except that the fund  
30 may be invested 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 follows:  
3 (1) That such bonds shall constitute a direct and general  
4 obligation of the state of West Virginia; (2) that the full  
5 faith and credit of the state is hereby pledged to secure  
6 the payment of the principal and interest of such bonds;  
7 (3) that an annual state tax shall be collected in an  
8 amount sufficient to pay as it may accrue the interest on  
9 such bonds and the principal thereof; and (4) that such  
10 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 pro-  
3 vide funds for the building and construction of free state



4 roads and highways, as herein provided, upon the rec-  
5 ommendation of the West Virginia commissioner of high-  
6 ways, and after reviewing the program of the West  
7 Virginia department of highways and subject to the limi-  
8 tations contained in this act. All sales shall be at not less  
9 than par and accrued interest. All interest coupons be-  
10 coming payable prior to the sale date shall be cancelled  
11 by the treasurer and rendered ineffective, before the  
12 delivery of the bonds so sold.

**§9. Proceeds paid into separate account in state road fund; ex-  
penditures.**

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 neces-  
7 sary for current operating balances, such account shall  
8 be invested and reinvested in short-term obligations of  
9 the United States treasury: *Provided*, That no such in-  
10 vestment or reinvestment shall adversely affect the cur-  
11 rent 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. State treasurer to be financial advisor.**

1 The state treasurer shall serve as financial advisor to  
2 the governor for the issuance and sale of such bonds.

**§14. Attorney general or his duly appointed legal representative to serve as bond counsel.**

1 The attorney general, or his duly appointed legal rep-  
2 resentative, shall serve as bond counsel and shall be re-  
3 sponsible for the issuance of a final approving opinion  
4 regarding the legality of the sale of such bonds.

**§15. Approval and payment of all necessary expenses.**

1 All necessary expenses, including legal expenses ap-  
2 proved by the attorney general, incurred in the execu-  
3 tion of this act shall be paid out of state road fund on  
4 warrants of the auditor of the state drawn on the state  
5 treasurer.

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

Russell G. Beall  
Chairman Senate Committee

Phyllis J. Rutledge  
Chairman House Committee

Originated in the House.

In effect from passage.

Howard K. Garrison  
Clerk of the Senate

C. A. Blankenship  
Clerk of the House of Delegates

George B. Court  
President of the Senate

Levin M. McMane  
Speaker House of Delegates

The within approved this the 28th  
April  
day of \_\_\_\_\_, 1972.

Arthur W. Shaughnessy  
Governor



PRESENTED TO THE  
GOVERNOR

Date 4/28/72

Time 9:34 a.m.

PRESENTED TO THE  
GOVERNOR

Date 4/28/72

Time 9:34 a.m.

MAY 3 11 47 PM '72

OFFICE OF  
SECRETARY OF STATE  
STATE OF WEST VIRGINIA