WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1972

ENROLLED

SENATE BILL NO. 74

(By Mr. HOBABD, original sponsor.)

PASSED MARCH 9, 1972

In Effect 90 Days from Passage

John D. Rockefeller, IV
SECRETARY OF STATE

THIS DATE 3-29-72
ENROLLED
COMMITTEE SUBSTITUTE
FOR
Senate Bill No. 74
(MR. HUBBARD, original sponsor)

(Passed March 9, 1972; in effect ninety days from passage.)

AN ACT authorizing the issuance and sale by the governor of bonds of the state of West Virginia, under authority of the Better Roads Amendment of 1964, in an amount not exceeding twenty 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 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 neces-
sary 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:

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

1. Bonds of the state of West Virginia, under authority of the Better Roads Amendment of 1964, of the par value not to exceed twenty million dollars during the fiscal year ending June thirty, one thousand nine hundred seventy-three, are hereby authorized to be issued and sold for the sole purpose of raising funds for the building and construction of state roads and highways as provided for by the constitution and the laws enacted thereunder. Such bonds may be issued by the governor in such denominations, at such time, bearing such date or dates as the governor may determine, based upon an examination of the West Virginia department of highways' yearly program which justifies the issuance by the governor of said bonds, and shall become due and payable serially, annually or semi-annually, 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 must offer said bonds for competitive bids from recognized financial investment 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 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" bonds, 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 the state, as may be designated or approved by the governor. The bonds shall bear interest, payable semiannually, 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 made 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, district, or municipality thereof, which facts shall appear on the face of the bonds as part of the contract with the holder thereof.

§3. Form of bond.

The bonds shall be executed on behalf of the state of West Virginia, by the manual or facsimile signature of the treasurer thereof, under the great seal of the state or a facsimile thereof, and countersigned by the manual or facsimile signature of the auditor of the state: Provided, That one of said signatures on said bonds shall be a manual signature and said bonds shall be in the following form or to the following effect, as nearly as may be, namely:

**COUPON ROAD BOND**

(Or registered road bond, as the case may be)

**OF THE STATE OF WEST VIRGINIA**

$.................

No..............
The state of West Virginia, under and by virtue of authority of an amendment to the constitution, which was proposed by House Joint Resolution No. 10, adopted the seventh day of March, one thousand nine hundred sixty-three, and was ratified by a vote of the people at the general election on the third day of November, one thousand nine hundred sixty-four, 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 the owner of record, in case of registered bonds) on the day, 19 of , 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 facsimile 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 taxa-
tion by the state of West Virginia, or by any county, 
district, 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:

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
Enr. Com. Sub. for S. B. No. 74] 6

18. one consecutively. The bonds and coupons may be
19. signed, as provided in this act, by the present treasurer
20. and auditor, or by any of their respective successors
21. in office, and the bonds signed by the persons now in
22. the office may be sold by the governor or his successor
23. in office without being signed by the successor in office
24. of the present treasurer or auditor.

§5. Listing by auditor.

1. All coupons and registered bonds issued under this
2. act shall be separately listed by the auditor of the state
3. in books provided for the purpose, in each case giving
4. the date, number, character and amount of obligations
5. issued, and in case of registered bonds, the name and
6. post-office address of the person, firm or corporation
7. 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
2. all money from any and all appropriations made by
3. the state from the state road fund for the purpose of
4. paying the interest on such bonds or paying off and
5. retiring the bonds, from transfer and registration fees
6. as herein provided, and from any other source what-
7. soever which is made liable by law for the payment
8. of the principal of 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
14. state first to the payment of the semiannual interest
15. on such bonds as it shall become due as herein pro-
16. vided. The remainder of the fund shall be turned over
17. by the state treasurer to the state sinking fund com-
18. mission, whose duty it shall be to invest the same in
19. obligations of the government of the United States,
20. bonds of the state of West Virginia, or any political
21. subdivision thereof: Provided, That bonds or other obli-
gations so purchased by the state sinking fund commis-
sion 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 interest
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 principal of said
bonds becoming due and payable in such year are in-
sufficient 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
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 becom-
ing payable prior to the sale date shall be cancelled
by the treasurer and rendered ineffective, before the de-
ivery 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 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 accounts 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.

The state auditor shall be the custodian of all unsold bonds issued pursuant to the provisions of this act.

§12. Interim certificates.

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.

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

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

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 Senate.

To take 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 17th day of March, 1972.

Governor
PRESENTED TO THE
GOVERNOR

Date 3/16/22
Time 2:10 p.m.