

WEST VIRGINIA LEGISLATURE  
FIRST EXTRAORDINARY SESSION, 1973



ENROLLED

HOUSE BILL No. 266

*(Originating in the Committee on Finance)*

~~(By Mr. )~~



PASSED July 13, 1973

In Effect from Passage



C 641

FILED IN THE OFFICE  
EDGAR F. HELSKELL III  
SECRETARY OF STATE  
THIS DATE 7-19-73

266

**ENROLLED**

**House Bill No. 266**

[Originating in the House Committee on Finance.]

[Passed July 13, 1973; in effect 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 school buildings amendment of 1972, in the amount not exceeding fifty million dollars during the fiscal year ending the thirtieth day of June, one thousand nine hundred seventy-four, for the sole purpose of raising funds for distribution to county boards of education that qualify by meeting conditions, qualifications and requirements as are prescribed by general law and used and appropriated by such county boards of education solely for the construction, renovation or remodeling of elementary or secondary public school buildings or facilities, the equipping of the same in connection with any such construction, renovation or remodeling, and the acquisition and preparation of sites for elementary or secondary public school buildings or facilities; 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; establishing a special account designated state school buildings bond debt service account and stating what moneys shall be deposited therein and disposition thereof; 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 and for expenditures from such account and investment of the proceeds in 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 school buildings bond debt service account 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 SCHOOL BUILDING BONDS.**

**§1. School buildings bonds; amount; when may issue.**

1 Bonds of the state of West Virginia, under authority of  
2 the better school buildings amendment of 1972, of the par  
3 value not to exceed fifty million dollars during the fiscal  
4 year ending the thirtieth day of June, one thousand nine  
5 hundred seventy-four, are hereby authorized to be issued  
6 and sold for the sole purpose of raising funds for distribution  
7 to county boards of education that qualify by meeting  
8 conditions, qualifications and requirements as are prescribed  
9 by general law and used and appropriated by such county  
10 boards of education solely for the construction, renovation  
11 or remodeling of elementary or secondary public school  
12 buildings or facilities, the equipping of the same in connection  
13 with any such construction, renovation or remodeling, and  
14 the acquisition and preparation of sites for elementary or  
15 secondary public school buildings or facilities. Such bonds  
16 may be issued by the governor in such amounts, in coupons  
17 or registered form, in such denominations, at such time,  
18 bearing such date or dates, as the governor may determine,  
19 based upon an examination of the needs of the various  
20 county boards of education which justify the issuance by the  
21 governor of said bonds, and shall become due and payable  
22 serially, annually or semiannually, in such amounts and

23 mature in such years as the governor may determine. Such  
24 bonds shall mature within and not exceeding twenty-five  
25 years from their date. The governor must offer said bonds  
26 for competitive bids from recognized financial investment  
27 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 one dollar shall be charged by and  
4 paid to the state of West Virginia, to the credit of the state  
5 school buildings bond debt service account. Bonds taken in ex-  
6 change shall be cancelled by the auditor and treasurer and be  
7 carefully preserved by the treasurer. The treasurer shall make  
8 provisions for registering "payable to bearer" bonds and for  
9 each bond registered a fee of one dollar shall likewise be  
10 charged by and paid to the state of West Virginia, to the  
11 credit of the state school buildings bond debt service account.  
12 All such bonds shall be payable at the office of the treasurer  
13 of the state of West Virginia, or, at the option of the holder,  
14 at 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 bank  
16 or banks, within the state, as may be designated or approved  
17 by the governor. The bonds shall bear interest, payable  
18 semiannually, to bearer, at the office of the treasurer of the  
19 state of West Virginia, at the capitol of the state, or at the  
20 banks designated and approved by the governor, upon pre-  
21 sentation and surrender of interest coupons, then due, in  
22 the case of coupon bonds. For the payment of interest on  
23 registered bonds, the treasurer of the state of West Virginia  
24 shall requisition a warrant from the auditor of the state to  
25 be drawn on the state treasurer, and shall mail such warrant  
26 to the registered owner at the address as shown by the record  
27 of registration. Both the principal and interest of the bonds  
28 shall be payable in lawful money of the United States of  
29 America and the bonds shall be exempt from taxation by the  
30 state of West Virginia, or by any county, district or municipal-  
31 ity thereof, which facts shall appear on the face of the bonds  
32 as part of the contract with the holder thereof.

**§3. Form of bond.**

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

9 COUPON SCHOOL BUILDINGS BOND

10 (Or registered school buildings bond, as the case may be)

11 OF THE

12 STATE OF WEST VIRGINIA

13 \$\_\_\_\_\_ No.\_\_\_\_\_

14 The state of West Virginia, under and by virtue of authority  
15 of an amendment to the constitution, which was proposed by  
16 Senate Joint Resolution No. 4, adopted the ninth day of March,  
17 one thousand nine hundred seventy-two, and was ratified by  
18 a vote of the people at the general election on the seventh day  
19 of November, one thousand nine hundred seventy-two, which  
20 is hereby made a part hereof as fully as if set forth at length  
21 herein, acknowledges itself to be indebted to and hereby  
22 promises to pay to the bearer hereof (in case of a coupon  
23 bond) or to \_\_\_\_\_ or assigns  
24 (the owner of record, in case of registered bonds) on the  
25 \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, in law-  
26 ful money of the United States of America at the office of the  
27 treasurer of the state of West Virginia at the capitol of said  
28 state, or, at \_\_\_\_\_ bank in the  
29 city of New York, or, at \_\_\_\_\_  
30 bank, at the option of the holder, the sum of \_\_\_\_\_  
31 dollars, with interest thereon at \_\_\_\_\_ percent a year  
32 from the date, payable semiannually in like lawful money of  
33 the United States of America at the treasurer's office or banks  
34 aforesaid, on the first day of \_\_\_\_\_ and the  
35 first day of \_\_\_\_\_ of each year (and in  
36 the case of coupon bonds) according to the tenor of the  
37 annexed coupons bearing the facsimile signature of the

38 treasurer of the state of West Virginia, upon surrender of such  
 39 coupons. This bond (in case of a coupon bond) may be ex-  
 40 changed for a registered bond of like tenor upon application to  
 41 the treasurer of the state of West Virginia.

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

43 To secure the payment of the principal and interest of this  
 44 bond, the state of West Virginia covenants and agrees with the  
 45 holder as follows: (1) That this bond shall constitute a direct  
 46 and general obligation of the state of West Virginia; (2) that  
 47 the full faith and credit of the state is pledged to secure the pay-  
 48 ment of the principal and interest of this bond; (3) that an  
 49 annual state tax shall be collected in an amount sufficient to  
 50 pay as it may accrue the interest on this bond and the principal  
 51 as the same mature; and (4) that to the full extent permitted  
 52 by the constitution of West Virginia any of the covenants,  
 53 agreements and provisions of this act may be enforced in  
 54 any court of competent jurisdiction by any holder of such  
 55 bonds or of any interest coupon appertaining thereto.

56 This bond is hereby made exempt from any taxation by the  
 57 state of West Virginia, or by any county, district or municipal  
 58 corporation thereof.

59 In testimony whereof, witness the manual or facsimile signa-  
 60 ture of the treasurer of the state of West Virginia, and the  
 61 manual or facsimile countersignature of the auditor of the state,  
 62 hereto affixed according to law, dated the \_\_\_\_\_ day  
 63 of \_\_\_\_\_, one thousand nine hundred \_\_\_\_\_  
 64 \_\_\_\_\_, and the seal of the state of West Virginia or  
 65 a facsimile thereof.

66 \_\_\_\_\_  
 67 Treasurer of the State of West Virginia

68 (SEAL)

69 Countersigned;

70 \_\_\_\_\_

71 Auditor of the State of West Virginia

#### §4. Form of coupon.

1 The form of coupon shall be substantially as follows, to wit:

2 STATE OF WEST VIRGINIA

3 Bond No. \_\_\_\_\_ Coupon No. \_\_\_\_\_

4 On the first day of \_\_\_\_\_, 19\_\_\_\_, the

5 state of West Virginia will pay to the bearer, in lawful money of  
6 the United States of America, at the office of the treasurer of  
7 the state, or, at \_\_\_\_\_ bank in the city of  
8 New York, or, at \_\_\_\_\_, at the option  
9 of the holder, the sum of \_\_\_\_\_ dollars, the  
10 same being semiannual interest on School Buildings Bond  
11 No. \_\_\_\_\_.

12

13

Treasurer of the State of West Virginia

14 The signature of the treasurer to such coupon shall be by his  
15 facsimile signature and the coupons shall be numbered in the  
16 order of their maturity, from number one consecutively. The  
17 bonds and coupons may be signed, as provided in this act, by  
18 the present treasurer and auditor, or by any of their respective  
19 successors in office, and the bonds signed by the persons now in  
20 the office may be sold by the governor or his successor in  
21 office without being signed by the successor in office of the pre-  
22 sent 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 books  
3 provided for the purpose, in each case giving the date, num-  
4 ber, character and amount of obligations issued, and in the  
5 case of registered bonds, the name and post-office address  
6 of the person, firm or corporation registered as the owner  
7 thereof.

**§6. Establishment of state school buildings bond debt service ac-  
count; deposits therein.**

1 The treasurer shall establish in his office a special account  
2 designated state school buildings bond debt service account.  
3 Into such account and from the appropriation made by the  
4 Legislature for such purpose there shall be transferred suffi-  
5 cient moneys to pay the interest as the same may accrue and  
6 the principal as the same mature on such bonds. Moneys re-  
7 ceived from transfer and registration fees shall likewise be de-  
8 posited into said special account.

**§7. Covenants of state.**

1 The state of West Virginia covenants and agrees with the

2 holders of the bonds issued pursuant hereto as follows: (1)  
3 That such bonds shall constitute a direct and general obligation  
4 of the state of West Virginia; (2) that the full faith and credit  
5 of the state is hereby pledged to secure the payment of the prin-  
6 cipal and interest of such bonds; (3) that an annual state tax  
7 shall be collected in an amount sufficient to pay as it may  
8 accrue the interest on this bond and the principal as the same  
9 mature; and (4) that to the full extent permitted by the con-  
10 stitution of West Virginia any of the covenants, agreements  
11 and provisions of this act may be enforced in any court of  
12 competent jurisdiction by any holder of such bonds or of any  
13 interest coupon appertaining thereto.

**§8. Sale by governor; minimum price.**

1 The governor shall sell the bonds herein authorized at such  
2 time or times as he may determine necessary to provide funds  
3 for the construction, renovation, remodeling and equipping of  
4 elementary or secondary public school buildings or facilities as  
5 herein provided, and subject to the limitations contained in  
6 this act. All sales shall be at not less than par and accrued  
7 interest. All interest coupons becoming payable prior to the  
8 sale date shall be cancelled by the treasurer and rendered in-  
9 effective, before the delivery of the bonds so sold.

**§9. Proceeds paid into separate account; expenditures.**

1 The proceeds of all sales of bonds herein authorized shall be  
2 paid into a separate and distinct account and shall be used  
3 and appropriated solely for the construction, renovation, re-  
4 modeling and equipping of elementary or secondary public  
5 school buildings or facilities as provided for by the state con-  
6 stitution and the laws enacted thereunder. Except for such  
7 sums necessary for current operating balances, such account  
8 shall be invested and reinvested in short-term obligations of  
9 the United States treasury: *Provided*, That no such investment  
10 or reinvestment shall adversely affect the current operating  
11 balances of such account.

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

1 The plates, casts, dies or other forms from which the bonds  
2 authorized by this act are produced or made shall be the  
3 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
- 2 issued pursuant to the provisions of this act.

**§12. Interim certificates.**

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

**§13. State treasurer to be financial advisor.**

- 1 The state treasurer shall serve as financial advisor to the
- 2 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 representa-
- 2 tive, shall serve as bond counsel and shall be responsible for
- 3 the issuance of a final approving opinion regarding the
- 4 legality of the sale of such bonds.

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

- 1 All necessary expenses, including legal expenses approved
- 2 by the attorney general, incurred in the execution of this act
- 3 shall be chargeable to and paid out of the state school build-
- 4 ings bond debt service account on warrants of the auditor of
- 5 the state drawn on the state treasurer.

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

H. Darrel Darby  
Chairman Senate Committee

Clarence L. Christian Jr.  
Chairman House Committee

Originated in the House.

Takes effect from passage.

Howard E. Baron  
Clerk of the Senate

C. A. Blankenship  
Clerk of the House of Delegates

W. T. Bratherton Jr.  
President of the Senate

Lewis H. M. Munn  
Speaker House of Delegates

The within approved this the 18th  
day of July, 1973.

Arch A. Shane Jr.  
Governor



PRESENTED TO THE  
GOVERNOR

Date 7/18/73

Time 2:20 p.m.