WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1973

ENROLLED
SENATE BILL NO. 2026
(By Mr. Broderick, Mr. President)

PASSED April 14, 1973
In Effect 90 days from Passage

2026

FILED IN THE OFFICE
EDGAR F. HEISKELL III
SECRETARY OF STATE
THIS DATE 5/4/73
AN ACT to amend and reenact section five, article two-a, chapter thirteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to refunding bonds for the purpose of effecting the release, termination or modification of liens, restrictions, conditions or limitations imposed in connection with the notes, bonds or other obligations refinanced thereby; providing for the maximum stated rate of interest thereon and the maximum net interest cost upon the sale or exchange thereof.

Be it enacted by the Legislature of West Virginia:

That section five, article two-a, chapter thirteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 2A. REVENUE BOND REFINANCING.

§13-2A-5. Form of bonds; interest rates; negotiability.
1 The refunding bonds may be issued in one or more series, may bear such date or dates, may mature at such time or times not exceeding the period of usefulness of the enterprise, as determined by the governing body in its discretion, not in any event exceeding forty years from their respective dates; may bear interest at such rate or rates not exceeding the maximum rate of interest borne by the notes, bonds or other obligations refinanced thereby; may be in such denomination or denominations, may be in such form either coupon or registered, may carry such registration and conversion privileges, may be executed in such manner, may be pay-
able in such medium of payment, at such place or places, may be subject to such terms of redemption, with or without a premium, may be declared or become due before the maturity date thereof, may provide for the replacement of mutilated, destroyed, stolen or lost bonds, may be authenticated in such manner and upon compliance with such conditions; and may contain such other terms and covenants, as may be provided by resolution or resolutions of the governing body of the public body: Provided, That if the refinancing is for the sole purpose of discharging at less than their face or par value all of the outstanding notes, bonds or other obligations of a Class I or Class II city, as defined in chapter eight of this code, and such notes, bonds or other obligations are to be refinanced, then such refunding bonds may bear interest at any rate or rates, not exceeding eight percent per annum, which results in a total interest cost of not more than the total amount of interest, including interest then in arrears, that would have been payable from the date of such refinancing to maturity of the notes, bonds or other obligations so refinanced: Provided, however, That if the governing body determines that one of the purposes of issuing such refunding bonds is to effect the release, termination or modification of liens, restrictions, conditions or limitations imposed in connection with the notes, bonds or other obligations refinanced thereby, then such refunding bonds may be issued bearing interest at such rate or rates as the governing body may determine, but such rate or rates shall not exceed the maximum stated rate of interest which the notes, bonds or other obligations refinanced thereby could bear if they were being issued as of the date of issuance of such refunding bonds, and notwithstanding any other limitations contained in this article, such refunding bonds may not be sold or exchanged at a price which would result in a net interest cost, herein defined to mean the total amount of interest to accrue on the refunding bonds from the date thereof to their respective maturities without regard to any retained options of redemption plus the amount of any discount below par or less the amount of any premium above par at which the bonds may be sold or exchanged, in excess of the maximum net interest cost which the outstanding notes, bonds or other obligations to be refinanced thereby could be sold or exchanged for if they were being issued as of the date of issuance of such refunding bonds.
Notwithstanding the form or tenor thereof, and in the absence of an express recital on the face thereof that the bond is nonnegotiable, all refunding bonds shall at all times be, and shall be treated as, negotiable instruments for all purposes.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

N. Darrel Darby
Chairman Senate Committee

Clarence L. Chreston, Jr.
Chairman House Committee

Originated in the Senate.

To take effect ninety days from passage.

Howard W. Cannon
Clerk of the Senate

W. J. Brokaw, Jr.
Clerk of the House of Delegates

W. J. Brokaw, Jr.
President of the Senate

Lewis G. F. Mann
Speaker House of Delegates

The within _______________ this the ____________ day of _______________, 1973.

[Signature]
Governor
PRESENTED TO THE GOVERNOR

Date  4/21/73
Time  10:39 a.m.