

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1973

ENROLLED

SENATE BILL NO. 2026

(By Mr. Brotherton, Mr. President)

PASSED April 14, 1973

In Effect 90 Day from Passage



FILED IN THE OFFICE
EDGAR F. HEISKELL III
SECRETARY OF STATE
THIS DATE 5/4/73

2026

ENROLLED

Senate Bill No. 2026

(By Mr. Brotherton, Mr. President)

[Passed April 14, 1973; in effect ninety days from passage.]

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,
2 may bear such date or dates, may mature at such time or
3 times not exceeding the period of usefulness of the enterprise,
4 as determined by the governing body in its discretion, not in
5 any event exceeding forty years from their respective dates;
6 may bear interest at such rate or rates not exceeding the
7 maximum rate of interest borne by the notes, bonds or other
8 obligations refinanced thereby; may be in such denomina-
9 tion or denominations, may be in such form either coupon
10 or registered, may carry such registration and conversion
11 privileges, may be executed in such manner, may be pay-

12 able in such medium of payment, at such place or places,
13 may be subject to such terms of redemption, with or with-
14 out a premium, may be declared or become due before
15 the maturity date thereof, may provide for the replacement
16 of mutilated, destroyed, stolen or lost bonds, may be authen-
17 ticated in such manner and upon compliance with such con-
18 ditions; and may contain such other terms and covenants,
19 as may be provided by resolution or resolutions of the
20 governing body of the public body: *Provided*, That if the
21 refinancing is for the sole purpose of discharging at less
22 than their face or par value all of the outstanding notes,
23 bonds or other obligations of a Class I or Class II city,
24 as defined in chapter eight of this code, and such notes,
25 bonds or other obligations are to be refinanced, then such
26 refunding bonds may bear interest at any rate or rates, not
27 exceeding eight percent per annum, which results in a total
28 interest cost of not more than the total amount of interest,
29 including interest then in arrears, that would have been pay-
30 able from the date of such refinancing to maturity of the
31 notes, bonds or other obligations so refinanced: *Provided*,
32 *however*, That if the governing body determines that one
33 of the purposes of issuing such refunding bonds is to effect
34 the release, termination or modification of liens, restrictions,
35 conditions or limitations imposed in connection with the notes,
36 bonds or other obligations refinanced thereby, then such re-
37 funding bonds may be issued bearing interest at such rate
38 or rates as the governing body may determine, but such rate
39 or rates shall not exceed the maximum stated rate of in-
40 terest which the notes, bonds or other obligations refinanced
41 thereby could bear if they were being issued as of the date
42 of issuance of such refunding bonds, and notwithstanding any
43 other limitations contained in this article, such refunding
44 bonds may not be sold or exchanged at a price which would
45 result in a net interest cost, herein defined to mean the total
46 amount of interest to accrue on the refunding bonds from
47 the date thereof to their respective maturities without regard
48 to any retained options of redemption plus the amount of
49 any discount below par or less the amount of any premium
50 above par at which the bonds may be sold or exchanged,
51 in excess of the maximum net interest cost which the out-
52 standing notes, bonds or other obligations to be refinanced
53 thereby could be sold or exchanged for if they were being
54 issued as of the date of issuance of such refunding bonds.

55 Notwithstanding the form or tenor thereof, and in the
56 absence of an express recital on the face thereof that the
57 bond is nonnegotiable, all refunding bonds shall at all times
58 be, and shall be treated as, negotiable instruments for all
59 purposes.

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

N. Darrel Darty

Chairman Senate Committee

Clarence C. Christian Jr

Chairman House Committee

Originated in the Senate.

To take effect ninety days from passage.

Howard W. Cannon

Clerk of the Senate

C. A. Blankenship

Clerk of the House of Delegates

W. T. Brotherton Jr.

President of the Senate

Levin J. Mansur

Speaker House of Delegates

The within *approved* this the *27th*
April
day of _____, 1973.

Arch A. Shaver Jr.

Governor

PRESENTED TO THE
GOVERNOR

Date 4/27/73

Time 10:39 a.m.