

WEST VIRGINIA LEGISLATURE
FIRST EXTRAORDINARY SESSION, 1974

ENROLLED
Committee Substitute
for
HOUSE BILL No. 201

(By Mr. Seibert)

PASSED May 24, 1974

In Effect July 1, 1974 Passage



C 641

THE COMPTROLLER
FEDERAL RESERVE BANK
SECRETARY OF STATE
THIS DATE 6-7-74

102-201-3 ✓

ENROLLED
COMMITTEE SUBSTITUTE
FOR
H. B. 201
(By MR. SEIBERT)

[Passed May 24, 1974; in effect July 1, 1974.]

AN ACT authorizing the issuance and sale by the governor of bonds of the state of West Virginia, under authority of the Vietnam Veterans Bonus Amendment of 1973, in an amount not exceeding forty million dollars, for the purpose of raising funds for the payment of a cash bonus to veterans, including the cost of administration necessarily incident thereto; 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; creating the Vietnam veterans bonus sinking fund and stating what moneys shall be paid into such fund, providing for the disposition and investment of the Vietnam veterans bonus sinking fund; providing a covenant between the state and the bondholders; creating the Vietnam veterans bonus fund and providing that the proceeds from the sale of the bonds shall be paid into such fund and for expenditures from such fund and investment thereof; 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 Vietnam veterans bonus 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 VIETNAM VETERANS BONUS BONDS.

§1. Vietnam veterans bonus bonds; amount; authority to issue.

1 Bonds of the state of West Virginia, under authority of the
2 Vietnam Veterans Bonus Amendment of 1973, of the par
3 value not to exceed forty million dollars are hereby authorized
4 to be issued and sold for the purpose of raising funds for the
5 payment of a cash bonus to veterans, including the
6 costs of administration necessarily incident thereto. Such bonds
7 may be issued by the governor in such amounts, in coupon or
8 registered form, in such denominations, at such times, bearing
9 such date or dates as the governor may determine, and shall
10 become due and payable serially, annually or semiannually,
11 beginning one year and ending not more than twenty-five years
12 from the date thereof: *Provided*, That the governor must offer
13 said bonds for competitive bids from recognized financial in-
14 vestment 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 ar-
2 range for the transfer of registered bonds, and for each such
3 transfer a fee of one dollar shall be charged by and paid to the
4 state of West Virginia, to the credit of the Vietnam veterans
5 bonus sinking fund. Bonds taken in exchange shall be cancelled
6 by the auditor and treasurer and be carefully preserved by the
7 treasurer. The treasurer shall make provisions for registering
8 "payable to bearer" bonds, and for each bond registered a fee
9 of one dollar shall likewise be charged by and paid to the

10 state of West Virginia, to the credit of the sinking fund. All
 11 of such bonds shall be payable at the office of the treasurer
 12 of the state of West Virginia, or, at the option of the holder,
 13 at a bank in the city of New York to be designated by the gov-
 14 ernor, or, at the option of the holder at such other bank or
 15 banks, within the state as may be designated or approved by
 16 the governor. The bonds shall bear interest, payable semian-
 17 nually, to bearer, at the office of the treasurer of the state of
 18 West Virginia, at the capitol of the state, or at the banks des-
 19 ignated and approved by the governor, upon presentation and
 20 surrender of interest coupons then due, in the case of coupon
 21 bonds. For the payment of interest of registered bonds, the
 22 treasurer of the state of West Virginia shall requisition a war-
 23 rant from the auditor of the state to be drawn on the state
 24 treasurer, and shall mail such warrant to the registered owner
 25 at the address as shown by the record of registration. Both the
 26 principal and interest of the bonds shall be made payable in
 27 lawful money of the United States of America and the bonds
 28 shall be exempt from taxation by the state of West Virginia, or
 29 by any county, district or municipality thereof, which facts
 30 shall appear on the face of the bonds as part of the contract
 31 with the holder thereof.

§3. Form of bond.

1 The bonds 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 on
 6 said bonds shall be a manual signature and said bonds shall be
 7 in the following form or to the following effect, as nearly as
 8 may be, namely:

9 VIETNAM VETERANS BONUS
 10 COUPON BOND
 11 (Or registered 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 authority

16 of an amendment to the constitution, which was proposed by
17 House Joint Resolution No. 5, adopted the fourteenth day of
18 April, one thousand nine hundred seventy-three, and was
19 ratified by a vote of the people at the special election on the
20 sixth day of November, one thousand nine hundred seventy-
21 three, which is hereby made a part hereof as fully as if set forth
22 at length herein, acknowledges itself to be indebted to and
23 hereby promises to pay to the bearer hereof (in case of a cou-
24 pon bond) or to _____ or assigns (the owner
25 of record, in case of registered bonds) on the _____
26 day of _____, 19____, in lawful money of the
27 United States of America at the office of the treasurer of the
28 state of West Virginia at the capitol of said state, or, at
29 _____ bank in the city of New York,
30 or, at _____ bank, within the state, at
31 the option of the holder the sum of _____ dollars,
32 with interest thereon at _____ percent a year from
33 the date, payable semiannually in like lawful money of the
34 United States of America at the treasurer's office or banks
35 aforesaid, on the first day of _____ and the
36 first day of _____ of each year (and in the case
37 of coupon bonds) according to the tenor of the annexed cou-
38 pons bearing the facsimile signature of the treasurer of the
39 state of West Virginia, upon surrender of such coupons. This
40 bond (in case of a coupon bond) may be exchanged for a regis-
41 tered bond of like tenor upon application to the treasurer of
42 the state of West Virginia.

43 (Redemption provisions, if any, to be inserted here)

44 This bond is hereby made exempt from any taxation by the
45 state of West Virginia, or by any county, district or municipal
46 corporation thereof.

47 In testimony whereof, witness the manual or facsimile sig-
48 nature of the treasurer of the state of West Virginia, and the
49 manual or facsimile countersignature of the auditor of the

50 state, hereto affixed according to law, dated the _____
 51 day of _____, one thousand nine hundred _____
 52 _____, and the seal of the state of West Virginia or a fac-
 53 simile thereof.

54 _____
 55 Treasurer of the State of West Virginia
 56 (SEAL)

57 Countersigned:

58 _____
 59 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 state of
 5 West Virginia will pay to the bearer, in lawful money of the
 6 United States of America, at the office of the treasurer of the
 7 state, or, at _____ bank in the city of
 8 New York, or, at _____, within the state,
 9 at the option of the holder, the sum of _____ dollars,
 10 the same being semiannual interest on Vietnam Veterans
 11 Bonus Bond No. _____

12 _____
 13 Treasurer of the State of West Virginia

14 The signature of the treasurer to such coupon shall be by
 15 his facsimile signature and the coupons shall be numbered in
 16 the order of their maturity, from number one consecutively.
 17 The bonds and coupons may be signed, as provided in this act,
 18 by the present treasurer and auditor, or by any of their respec-
 19 tive successors in office, and the bonds signed by the persons
 20 now in the office may be sold by the governor or his successor
 21 in office without being signed by the successor in office of
 22 the present treasurer or auditor.

§5. Listing by auditor.

1 All coupons and registered bonds issued under this act shall
 2 be separately listed by the auditor of the state in books pro-

3 vided for the purpose, in each case giving the date, number,
4 character and amount of obligations issued, and in case of regis-
5 tered bonds, the name and post-office address of the person,
6 firm or corporation registered as the owner thereof.

§6. Vietnam veterans bonus sinking fund for payment of bonds and interest; investment thereof.

1 There is hereby created a Vietnam veterans bonus sinking
2 fund. Into such fund there shall be paid all moneys received
3 from all taxes or charges made applicable by law to the pay-
4 ment of such bonds or the interest thereon, from transfer and
5 registration fees as herein provided, and from any other source
6 whatsoever which is made liable by law for the payment of the
7 principal of such bonds or the interest thereon.

8 All such funds shall be kept by the treasurer in a separate
9 account under the designation aforesaid, and all money be-
10 longing to the fund shall be deposited in the state treasury to
11 the credit thereof.

12 Such fund shall be applied by the treasurer of the state,
13 first to the payment of the principal and semiannual interest
14 on such bonds as it shall become due as herein provided. The
15 remainder of the fund shall be invested by the state treasurer
16 in obligations of the government of the United States, bonds
17 of the state of West Virginia, or any political subdivision there-
18 of. The bonds or other obligations so purchased by the state
19 treasurer shall mature so as to provide sufficient money to pay
20 off all bonds herein provided to be issued as they become due;
21 and the money so paid into the Vietnam veterans bonus sink-
22 ing fund under the provisions of this act shall be expended for
23 the purpose of paying the interest and principal of the bonds
24 hereby provided for as they severally become due and pay-
25 able and for no other purpose except that the fund may be in-
26 vested until needed, as herein provided.

§7. Covenants of state.

1 The state of West Virginia hereby covenants and agrees
2 with the holders of the bonds issued pursuant hereto as fol-
3 lows: (1) That all the provisions of this act shall be and con-
4 stitute an irrevocable contract with the holders of such bonds

5 from time to time; (2) that the additional charge on the sale of
 6 each bottle of alcoholic liquor, otherwise provided by law for
 7 payment of such bonds, shall not be reduced so long as any of
 8 the bonds, or any interest thereon, are outstanding and unpaid,
 9 unless the payment thereof has been adequately provided for;
 10 (3) that if in any fiscal year the amount of money derived
 11 from such charge is insufficient to meet all principal and in-
 12 terest payments due on such bonds during that year, it will
 13 levy and collect such additional charge on alcoholic liquor in
 14 such an amount as may be required to produce sufficient reve-
 15 nue to meet such payments as the same shall become due, or
 16 that in lieu of such increased charge on alcoholic liquor, it
 17 may levy and collect an additional cigarette tax, or a tax on any
 18 other tobacco product, or an additional tax on nonintoxicating
 19 beer, or an additional general consumers sales tax, or a grad-
 20 uated income tax, or any combination of one or more of such
 21 taxes and charges, or such other dedicated tax as the Legisla-
 22 ture may determine, in such amount as may be required for
 23 payments of principal and interest; (4) that all such additional
 24 taxes or charges so levied or collected shall be irrevocably
 25 dedicated for the payment of the principal of and interest on
 26 such bonds until such principal of and interest on such bonds
 27 are finally paid and discharged; and (5) to the full extent per-
 28 mitted by the constitution of West Virginia, any of the cove-
 29 nants, agreements or provisions in the Acts of the Legislature
 30 providing for such levying or collection of such taxes or charges
 31 shall be enforceable in any court of competent jurisdiction by
 32 any of the holders of such bonds or of any interest coupon
 33 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 payment of the bonus as herein provided. All sales shall
 4 be at not less than par and accrued interest. All interest cou-
 5 pons becoming payable prior to the sale date shall be can-
 6 celled by the treasurer and rendered ineffective, before the
 7 delivery of the bonds so sold.

**§9. Proceeds paid into Vietnam veterans bonus fund; expendi-
 tures.**

1 The proceeds of all sales of bonds herein authorized shall

2 be paid into the Vietnam veterans bonus fund which is hereby
3 created, and shall be expended solely for the payment of the
4 veterans bonus and the cost of administration necessarily in-
5 cident thereto. Except for such sums necessary for current
6 operating balances, such fund shall be invested and reinvested
7 in short-term obligations of the United States treasury: *Pro-*
8 *vided*, That no such investment or reinvestment shall adversely
9 affect the current operating balances of such fund.

§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 For the purpose of permitting immediate implementation
2 and payment of Vietnam veterans bonus awards, prior to the
3 issuance of any permanent bonds, the governor shall authorize
4 issuance by the state treasurer of short-term interim certifi-
5 cates to purchasers, in lieu of permanent bonds, for a period
6 not to exceed eighteen months and in sufficient amount as re-
7 quired to meet bonus award obligations. During the period such
8 interim certificates are outstanding, as specified, it shall be
9 ascertained, as near as may be, the total number of persons
10 entitled to such awards, the total cost of such awards, and the
11 most favorable time for market and sale of permanent bonds,
12 with sale of permanent bonds to thereupon occur and with the
13 resultant retirement of said interim certificates. The interim
14 certificates, when issued and outstanding, shall be full and
15 legal obligations of the state of West Virginia under all of the
16 provisions of this act just as fully and completely as permanent
17 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 represen-
2 tative, shall serve as bond counsel and shall be responsible for
3 the issuance of a final approving opinion regarding the legality
4 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 paid out of the Vietnam veterans bonus fund on
4 warrants of the auditor of the state drawn on the state trea-
5 surer.

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

H. Darrel Darty
Chairman Senate Committee

Clarence C. Christian Jr.
Chairman House Committee

Originated in the House.

Takes effect July 1, 1974.

Howard Roberson
Clerk of the Senate

W. A. Blankenship
Clerk of the House of Delegates

W. T. Bosterton Jr.
President of the Senate

Louis M. McMane
Speaker House of Delegates

The within disapproved this the 6th
day of June, 1974.

Arch A. Moore Jr.
Governor

PRESENTED TO THE
GOVERNOR

Date 5/31/74

Time 1:55 p.m.