

WEST VIRGINIA LEGISLATURE

SECOND EXTRAORDINARY SESSION, 1974

ENROLLED

SENATE BILL NO. 30

(By Mr. ORIGINATING IN COMMITTEE  
ON FINANCE)

PASSED JUNE 28, 1974

In Effect 90 DAYS FROM Passage



FILED IN THE OFFICE  
EDGAR F. HEISKELL III  
SECRETARY OF STATE  
THIS DATE 7-8-74

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# ENROLLED

## Senate Bill No. 30

(Originating in the Committee on Finance)

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[Passed June 28, 1974; in effect ninety days from passage.]

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AN ACT authorizing the issuance and sale by the governor, on and after the twentieth day of February, one thousand nine hundred seventy-five, 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, less any appropriations of the Legislature made, for the purpose of raising funds, in combination with appropriations of the Legislature, 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 all moneys as appropriated and made available by the Legislature and the proceeds from the

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sale of the bonds shall be paid into such fund, for expenditure from such fund and investment thereof, and disposition of any unexpended balance; 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  
2 the Vietnam Veterans Bonus Amendment of 1973, of the  
3 par value not to exceed forty million dollars, less any  
4 appropriations of the Legislature made for the payment  
5 of a cash bonus to veterans as provided in said amend-  
6 ment, are hereby authorized to be issued and sold, on and  
7 after the twentieth day of February, one thousand nine  
8 hundred seventy-five, for the purpose of raising funds  
9 in combination with the appropriations of the Legislature  
10 as aforesaid for the payment of a cash bonus to veterans  
11 as provided for in said amendment, including the cost of  
12 administration necessarily incident thereto. Such bonds  
13 may be issued by the governor in such amounts, in coupon  
14 or registered form, in such denominations, at such times  
15 on and after the twentieth day of February, one thousand  
16 nine hundred seventy-five, and bearing such date or dates  
17 as the governor may determine, and shall become due and  
18 payable serially, annually or semiannually, beginning one  
19 year and ending not more than twenty-five years from the  
20 date thereof: *Provided*, That the governor must offer such  
21 bonds for competitive bids from recognized financial in-  
22 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  
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  
5 Vietnam veterans bonus sinking fund. Bonds taken in  
6 exchange shall be cancelled by the auditor and treasurer  
7 and be carefully preserved by the treasurer. The treasurer  
8 shall make provisions for registering "payable to bearer"  
9 bonds, and for each bond registered a fee of one dollar  
10 shall likewise be charged by and paid to the state of West  
11 Virginia, to the credit of the sinking fund. All of such  
12 bonds shall be payable at the office of the treasurer of the  
13 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 ap-  
17 proved by the governor. The bonds shall bear interest,  
18 payable semiannually, to bearer, at the office of the trea-  
19 surer of the state of West Virginia, at the capitol of the  
20 state, or at the banks designated and approved by the  
21 governor, upon presentation and surrender of interest  
22 coupons then due, in the case of coupon bonds. For the  
23 payment of interest of registered bonds, the treasurer of  
24 the state of West Virginia shall requisition a warrant  
25 from the auditor of the state to be drawn on the state  
26 treasurer, and shall mail such warrant to the registered  
27 owner at the address as shown by the record of registra-  
28 tion. Both the principal and interest of the bonds shall be  
29 made payable in lawful money of the United States of  
30 America and the bonds shall be exempt from taxation  
31 by the state of West Virginia, or by any county, district  
32 or municipality thereof, which facts shall appear on the  
33 face of the bonds as part of the contract with the holder  
34 thereof.

**§3. Form of bond.**

1 The bonds shall be executed on behalf of the state of  
2 West Virginia, by the manual or facsimile signature of  
3 the treasurer thereof, under the great seal of the state or a

4 facsimile thereof, and countersigned by the manual or  
5 facsimile signature of the auditor of the state: *Provided*,  
6 That one of said signatures on said bonds shall be a  
7 manual signature and said bonds shall be in the following  
8 form or to the following effect, as nearly as may be,  
9 namely:

## VIETNAM VETERANS BONUS

## COUPON BOND

(Or registered bond, as the case may be)

## OF THE

## STATE OF WEST VIRGINIA

15 \$ \_\_\_\_\_ NO. \_\_\_\_\_

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

42 of such coupons. This bond (in case of a coupon bond)  
 43 may be exchanged for a registered bond of like tenor upon  
 44 application to the treasurer of the state of West Virginia.

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

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

49 In testimony whereof, witness the manual or facsimile  
 50 signature of the treasurer of the state of West Virginia,  
 51 and the manual or facsimile countersignature of the audi-  
 52 tor of the state, hereto affixed according to law, dated the  
 53 \_\_\_\_\_ day of \_\_\_\_\_, one thousand nine hundred  
 54 \_\_\_\_\_, and the seal of the state of West  
 55 Virginia or a facsimile thereof.

56 \_\_\_\_\_  
 57 Treasurer of the State of West Virginia  
 58 (SEAL)

59 Countersigned:

60 \_\_\_\_\_  
 61 Auditor of the State of West Virginia

#### §4. Form of coupon.

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

3 STATE OF WEST VIRGINIA

4 Bond No. \_\_\_\_\_ Coupon No. \_\_\_\_\_

5 On the first day of \_\_\_\_\_, 19\_\_\_\_, the state of  
 6 West Virginia will pay to the bearer, in lawful money of  
 7 the United States of America, at the office of the treasurer  
 8 of the state, or, at \_\_\_\_\_ bank in the city of  
 9 New York, or, at \_\_\_\_\_, within the state,  
 10 at the option of the holder, the sum of \_\_\_\_\_  
 11 dollars, the same being semiannual interest on Vietnam  
 12 Veterans Bonus Bond No. \_\_\_\_\_.

13 \_\_\_\_\_  
 14 Treasurer of the State of West Virginia

15 The signature of the treasurer to such coupon shall be  
 16 by his facsimile signature and the coupons shall be num-  
 17 bered in the order of their maturity, from number one

18 consecutively. The bonds and coupons may be signed, as  
19 provided in this act, by the present treasurer and auditor,  
20 or by any of their respective successors in office, and the  
21 bonds signed by the persons now in the office may be sold  
22 by the governor or his successor in office without being  
23 signed by the successor in office of the present treasurer  
24 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  
3 books provided for the purpose, in each case giving the  
4 date, number, character and amount of obligations issued,  
5 and in case of registered bonds, the name and post-office  
6 address of the person, firm or corporation registered as  
7 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 sink-  
2 ing fund. Into such fund there shall be paid all moneys  
3 received from all taxes or charges made applicable by  
4 law to the payment of such bonds or the interest thereon,  
5 from transfer and registration fees as herein provided,  
6 and from any other source whatsoever which is made  
7 liable by law for the payment of the principal of such  
8 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 all  
11 money belonging to the fund shall be deposited in the  
12 state treasury to the credit thereof.

13 Such fund shall be applied by the treasurer of the state,  
14 first to the payment of the principal and semiannual  
15 interest on such bonds as it shall become due as herein  
16 provided. The remainder of the fund shall be invested by  
17 the state treasurer in obligations of the government of the  
18 United States, bonds of the state of West Virginia, or  
19 any political subdivision thereof. The bonds or other  
20 obligations so purchased by the state treasurer shall  
21 mature so as to provide sufficient money to pay off all  
22 bonds herein provided to be issued as they become due;

23 and the money so paid into the Vietnam veterans bonus  
24 sinking fund under the provisions of this act shall be ex-  
25 pended for the purpose of paying the interest and princi-  
26 pal of the bonds hereby provided for as they severally  
27 become due and payable and for no other purpose except  
28 that the fund may be invested until needed, as herein  
29 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  
3 follows: (1) That all the provisions of this act shall be  
4 and constitute an irrevocable contract with the holders of  
5 such bonds from time to time; (2) that the additional  
6 charge on the sale of each bottle of alcoholic liquor, other-  
7 wise provided by law for payment of such bonds, shall  
8 not be reduced so long as any of the bonds, or any interest  
9 thereon, are outstanding and unpaid, unless the payment  
10 thereof has been adequately provided for; (3) that if in  
11 any fiscal year the amount of money derived from such  
12 charge is insufficient to meet all principal and interest  
13 payments due on such bonds during that year, it will levy  
14 and collect such additional charge on alcoholic liquor in  
15 such an amount as may be required to produce sufficient  
16 revenue to meet such payments as the same shall become  
17 due, or that in lieu of such increased charge on alcoholic  
18 liquor, it may levy and collect an additional cigarette tax,  
19 or a tax on any other tobacco product, or an additional  
20 tax on nonintoxicating beer, or an additional general con-  
21 sumers sales tax, or a graduated income tax, or any  
22 combination of one or more of such taxes and charges, or  
23 such other dedicated tax as the Legislature may deter-  
24 mine, in such amount as may be required for payments  
25 of principal and interest; (4) that all such additional taxes  
26 or charges so levied or collected shall be irrevocably  
27 dedicated for the payment of the principal of and interest  
28 on such bonds until such principal of and interest on such  
29 bonds are finally paid and discharged; and (5) to the  
30 full extent permitted by the constitution of West Virginia,  
31 any of the covenants, agreements or provisions in the  
32 acts of the Legislature providing for such levying or  
33 collection of such taxes or charges shall be enforceable



34 in any court of competent jurisdiction by any of the  
35 holders of such bonds or of any interest coupon appertain-  
36 ing thereto.

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

1 The governor shall sell the bonds herein authorized at  
2 such time or times on and after the twentieth day of Feb-  
3 ruary, one thousand nine hundred seventy-five, as he may  
4 determine necessary to provide funds for the payment of  
5 the bonus as herein provided. All sales shall be at not  
6 less than par and accrued interest. All interest coupons  
7 becoming payable prior to the sale date shall be cancelled  
8 by the treasurer and rendered ineffective, before the  
9 delivery of the bond<sup>s</sup> so sold.

**§9. Legislative appropriations and bond sale proceeds paid into Vietnam veterans bonus fund; expenditures; investment thereof; unexpended balance.**

1 All moneys as appropriated and made available by the  
2 Legislature for the payment of a cash bonus to veterans  
3 as provided in said amendm<sup>nt</sup>et and the proceeds of all  
4 sales of bonds herein authorized shall be paid into the  
5 Vietnam veterans bonus fund which is hereby creat<sup>ed</sup>  
6 in the office of the state treasurer and such fund shall  
7 be expended solely for the payment of such veterans'  
8 bonus and the cost of administration necessarily incident  
9 thereto. Except for such sums necessary for current  
10 operating balances, such fund shall be invested and re-  
11 invested in short-term obligations of the United States  
12 treasury: *Provided*, That no such investment or reinvest-  
13 ment shall adversely affect the current operating balances  
14 of such fund.

15 Any unexpended balance remaining in this fund after  
16 payment of all legal bonuses have been made or ade-  
17 quately provided for shall be available for further legis-  
18 lative appropriation, unless bonds shall have been issued,  
19 in which case such unexpended balance shall be trans-  
20 ferred to the Vietnam veterans bonus sinking fund and  
21 used solely for payment of the bonus bonds.

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

1 The plates, casts, dies or other forms from which the

2 bonds authorized by this act are produced or made shall  
3 be the 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  
2 bonds issued pursuant to the provisions of this act.

**§12. Interim certificates.**

1 For the purpose of facilitating the payment of Vietnam  
2 veterans bonus awards, prior to the issuance of any per-  
3 manent bonds, the governor may authorize issuance by  
4 the state treasurer of short-term interim certificates to  
5 purchasers, on and after the twentieth day of February,  
6 one thousand nine hundred seventy-five, for a period not  
7 to exceed eighteen months and in sufficient amount as  
8 required to meet bonus award obligations. During the  
9 period such interim certificates are outstanding, as speci-  
10 fied, it shall be ascertained, as near as may be, the total  
11 number of persons entitled to such awards who have not  
12 been or cannot be paid out of legislative appropriations  
13 for such purpose, the total cost of such awards remaining  
14 to be made, and the most favorable time for market and  
15 sale of permanent bonds, with sale of permanent bonds  
16 to thereupon occur and with the resultant retirement of  
17 said interim certificates. The interim certificates, when  
18 issued and outstanding, shall be full and legal obligations  
19 of the state of West Virginia under all of the provisions  
20 of this act just as fully and completely as permanent  
21 bonds.

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

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

**§14. Attorney general or his duly appointed legal representa-  
tive to serve as bond counsel.**

1 The attorney general, or his duly appointed legal repre-  
2 sentative, shall serve as bond counsel and shall be re-  
3 sponsible for the issuance of a final approving opinion  
4 regarding the legality of the sale of such bonds.

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

1 All necessary expenses, including legal expenses ap-  
2 proved by the attorney general, incurred in the execution  
3 of this act shall be paid out of the Vietnam veterans bonus  
4 fund on warrants of the auditor of the state drawn on  
5 the state treasurer.

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

H. Darrel Darby  
Chairman Senate Committee

Shirley B. Chumley  
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

Howard W. Canon  
Clerk of the Senate

C. A. Blankenship  
Clerk of the House of Delegates

W. T. Brotherton Jr.  
President of the Senate

Lewis F. McManus  
Speaker House of Delegates

The within approved this the 8th  
day of July, 1974.

Anna. Shaefer  
Governor

PRESENTED TO THE  
GOVERNOR

Date 7/2/74  
Time 3:30 p.m.

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OFFICE OF  
SECRETARY OF STATE  
STATE OF WEST VIRGINIA