WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1974

ENROLLED

SENATE BILL NO. 239

(By Mr. [Name] )

PASSED March 3, 1974

In Effect [Signature] From Passage
AN ACT authorizing the issuance and sale, subsequent to the first day of August, one thousand nine hundred seventy-four, 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-five, 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 bondholders; providing that the proceeds from 
the sale of the bonds shall be paid into a separate and dis-
tinct 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 at-
torney 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.

Bonds of the state of West Virginia, under authority of 
the better school buildings amendment of 1972, of the par 
value not to exceed fifty million dollars during the fiscal 
year ending the thirtieth day of June, one thousand nine 
hundred seventy-five, are hereby authorized to be issued 
and sold, at some date subsequent to the first day of 
August, 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 gen-
eral law and used and appropriated by such county boards 
of education solely for the construction, renovation or re-
modeling of elementary or secondary 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 schools buildings or facilities. Such 
bonds may be issued by the governor in such amounts, in 
coupon or registered form, in such denominations, at such
time, after the first day of August, one thousand nine
hundred seventy-four, bearing such date or dates, as the
governor may determine, based upon an examination of
the needs of the various county boards of education which
justify the issuance by the governor of said bonds, and
shall become due and payable serially, annually or semi-
annually, in such amounts and mature in such years as
the governor may determine. Such bonds shall mature
within and not exceeding twenty-five years from their
date. The governor must offer said bonds for competitive
bids from recognized financial investment institutions be-
fore said bonds may be sold.

§2. Transfer fee; registration fee; where payable; interest
rate; tax exempt.

The auditor and the treasurer are hereby authorized to
arrange for the transfer of registered bonds and for each
such transfer a fee of one dollar shall be charged by and
paid to the state of West Virginia, to the credit of the state
school buildings bond debt service account. Bonds taken
in exchange shall be cancelled by the auditor and trea-
surer and be carefully preserved by the treasurer. The
treasurer shall make provisions for registering “payable
to bearer” bonds and for each bond registered a fee of one
dollar shall likewise be charged by and paid to the state
of West Virginia, to the credit of the state school buildings
bond debt service account. All such bonds shall be pay-
able at the office of the treasurer of the state of West Vir-
ginia, or, at the option of the holder, at a bank in the city
of New York to be designated by the governor, or, at the
option of the holder at such other bank or banks, within
the state, as may be designated or approved by the gover-
nor. The bonds shall bear interest, payable semiannually,
to bearer, at the office of the treasurer of the state of West
Virginia, at the capitol of the state, or at the banks desig-
nated and approved by the governor, upon presentation
and surrender of interest coupons, then due, in the case of
coupon bonds. For the payment of interest on registered
bonds, the treasurer of the state of West Virginia shall
requisition a warrant from the auditor of the state to be
drawn on the state treasurer, and shall mail such warrant
27 to the registered owner at the address as shown by the
28 record of registration. Both the principal and interest of
29 the bonds shall be payable in lawful money of the United
30 States of America and the bonds shall be exempt from
taxation by the state of West Virginia, or by any county,
district or municipality thereof, which facts shall appear
on the face of the bonds as part of the contract with the
holder thereof.

§3. Form of bond.

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

COUPON SCHOOL BUILDINGS BOND
(Or registered school buildings bond, as the case may be)
OF THE
STATE OF WEST VIRGINIA

The state of West Virginia, under and by virtue of
authority of an amendment to the constitution, which was
proposed by Senate Joint Resolution No. 4, adopted the
ninth day of March, one thousand nine hundred seventy-
two, and was ratified by a vote of the people at the gen-
eral election on the seventh day of November, one thousand
nine hundred seventy-two, which is hereby made a part
hereof as fully as if set forth at length herein, acknowl-
edges itself to be indebted to and hereby promises to pay
to the bearer hereof (in case of a coupon bond) or to
or assigns (the owner of record,
in case of registered bonds) on the __________ day of
____________________, 19_____, in lawful money of the United
States of America at the office of the treasurer of the state
of West Virginia at the capitol of said state, or, at
The bond in the city of New York, or, at the sum of dollars, with interest thereon at percent a year from the date, payable semiannually in like lawful money of the United States of America at the treasurer's office or banks afore-said, on the first day of and the first day of of each year (and in the case of coupon bonds) according to the tenor of the annexed coupons bearing the facsimile signature of the treasurer of the state of West Virginia, upon surrender of such coupons. This bond (in case of a coupon bond) may be exchanged for a registered bond of like tenor upon application to the treasurer of the state of West Virginia.

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

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

In testimony whereof, witness the manual or facsimile signature of the treasurer of the state of West Virginia, and the manual or facsimile countersignature of the auditor of the state, hereto affixed according to law, dated the day of , one thousand nine hundred , and the seal of the state of West Virginia or a facsimile thereof.

Treasurer of the State of West Virginia
§4. **Form of coupon.**

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

STATE OF WEST VIRGINIA

Bond No.______________  Coupon No.______________

On the first day of ____________, 19____, the state of West Virginia will pay to the bearer, in lawful money of the United States of America, at the office of the treasurer of the state, or, at ___________________________ bank in the city of New York, or, at ___________________________, at the option of the holder, the sum of ______________________ dollars, the same being semiannual interest on School Buildings Bond No.______________.

Treasurer of the State of West Virginia

The signature of the treasurer to such coupon shall be by his facsimile signature and the coupons shall be numbered in the order of their maturity, from number one consecutively. The bonds and coupons may be signed, as provided in this act, by the present treasurer and auditor, or by any of their respective successors in office, and the bonds signed by the persons now in the office may be sold by the governor or his successor in office without being signed by the successor in office of the present treasurer or auditor.

§5. **Listing by auditor.**

All coupons and registered bonds issued under this act shall be separately listed by the auditor of the state in books provided for the purpose, in each case giving the date, number, character and amount of obligations issued, and in the case of registered bonds, the name and post-office address of the person, firm or corporation registered as the owner thereof.

1 The treasurer shall establish in his office a special account designated state school buildings bond debt service account. Into such account and from the appropriation made by the Legislature for such purpose there shall be transferred sufficient moneys to pay the interest as the same may accrue and the principal as the same mature on such bonds. Moneys received from transfer and registration fees shall likewise be deposited into said special account.

§7. Covenants of state.

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

§8. Sale by governor; minimum price.

1 The governor shall sell the bonds herein authorized at such time or times after the first day of August, one thousand nine hundred seventy-four, as he may determine necessary to provide funds for the construction, renovation, remodeling and equipping of elementary or secondary public school buildings or facilities as herein provided, and subject to the limitations contained in this act. All sales shall be at not less than par and accrued interest. All interest coupons becoming payable prior to the sale date shall be cancelled by the treasurer and rendered ineffective, before the delivery of the bonds so sold.
§9. Proceeds paid into separate account; expenditures.

The proceeds of all sales of bonds herein authorized shall be paid into a separate and distinct account and shall be used and appropriated solely for the construction, renovation, remodeling and equipping of elementary or secondary public school buildings or facilities as provided for by the state constitution and the laws enacted thereunder. Except for such sums necessary for current operating balances, such account shall be invested and reinvested in short-term obligations of the United States treasury: Provided, That no such investment or reinvestment shall adversely affect the current operating balances of such account.

§10. Plates, etc., property of state.

The plates, casts, dies or other forms from which the bonds authorized by this act are produced or made shall be the property of the state of West Virginia.

§11. Auditor to be custodian of unsold bonds.

The state auditor shall be the custodian of all unsold bonds issued pursuant to the provisions of this act.

§12. Interim certificates.

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

§13. State treasurer to be financial advisor.

The state treasurer shall serve as financial advisor to the 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 representative, shall serve as bond counsel and shall be responsible for the issuance of a final approving opinion regarding the legality of the sale of such bonds.

§15. Approval and payment of all necessary expenses.

1 All necessary expenses, including legal expenses approved by the attorney general, incurred in the execution of this act shall be chargeable to and paid out of the state school buildings bond debt service account on warrants of the auditor of the state drawn on the state treasurer.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within approved this the 9th day of March, 1974.

Governor
PRESENTED TO THE GOVERNOR

Date  3/5/74  
Time   4:38 p.m.
