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OFFICE OF
SECRETARY OF STATE
STATE OF WEST VIRGINIA

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1974

—●—
ENROLLED

SENATE BILL NO. 239

(By Mr. Sheppard)

—●—
PASSED March 2 1974

In Effect Thirty Day Term Passage



FILED IN THE OFFICE
EDGAR F. HEISKELL III
SECRETARY OF STATE
THIS DATE 3-9-74

239

ENROLLED

Senate Bill No. 239

(By MR. HUBBARD)

[Passed March 2, 1974; in effect ninety days 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 distinct 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 attorney 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.

1 Bonds of the state of West Virginia, under authority of
2 the better school buildings amendment of 1972, of the par
3 value not to exceed fifty million dollars during the fiscal
4 year ending the thirtieth day of June, one thousand nine
5 hundred seventy-five, are hereby authorized to be issued
6 and sold, at some date subsequent to the first day of
7 August, one thousand nine hundred seventy-four, for the
8 sole purpose of raising funds for distribution to county
9 boards of education that qualify by meeting conditions,
10 qualifications and requirements as are prescribed by gen-
11 eral law and used and appropriated by such county boards
12 of education solely for the construction, renovation or re-
13 modeling of elementary or secondary public school build-
14 ings or facilities, the equipping of the same in connection
15 with any such construction, renovation or remodeling, and
16 the acquisition and preparation of sites for elementary or
17 secondary public schools buildings or facilities. Such
18 bonds may be issued by the governor in such amounts, in
19 coupon or registered form, in such denominations, at such

20 time, after the first day of August, one thousand nine
21 hundred seventy-four, bearing such date or dates, as the
22 governor may determine, based upon an examination of
23 the needs of the various county boards of education which
24 justify the issuance by the governor of said bonds, and
25 shall become due and payable serially, annually or semi-
26 annually, in such amounts and mature in such years as
27 the governor may determine. Such bonds shall mature
28 within and not exceeding twenty-five years from their
29 date. The governor must offer said bonds for competitive
30 bids from recognized financial investment institutions be-
31 fore 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 state
5 school buildings bond debt service account. Bonds taken
6 in exchange shall be cancelled by the auditor and trea-
7 surer and be carefully preserved by the treasurer. The
8 treasurer shall make provisions for registering "payable
9 to bearer" bonds and for each bond registered a fee of one
10 dollar shall likewise be charged by and paid to the state
11 of West Virginia, to the credit of the state school buildings
12 bond debt service account. All such bonds shall be pay-
13 able at the office of the treasurer of the state of West Vir-
14 ginia, or, at the option of the holder, at a bank in the city
15 of New York to be designated by the governor, or, at the
16 option of the holder at such other bank or banks, within
17 the state, as may be designated or approved by the gover-
18 nor. The bonds shall bear interest, payable semiannually,
19 to bearer, at the office of the treasurer of the state of West
20 Virginia, at the capitol of the state, or at the banks desig-
21 nated and approved by the governor, upon presentation
22 and surrender of interest coupons, then due, in the case of
23 coupon bonds. For the payment of interest on registered
24 bonds, the treasurer of the state of West Virginia shall
25 requisition a warrant from the auditor of the state to be
26 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
31 taxation by the state of West Virginia, or by any county,
32 district or municipality thereof, which facts shall appear
33 on the face of the bonds as part of the contract with the
34 holder 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
4 a 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:

10 COUPON SCHOOL BUILDINGS BOND
11 (Or registered school buildings 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
16 authority of an amendment to the constitution, which was
17 proposed by Senate Joint Resolution No. 4, adopted the
18 ninth day of March, one thousand nine hundred seventy-
19 two, and was ratified by a vote of the people at the gen-
20 eral election on the seventh day of November, one thousand
21 nine hundred seventy-two, which is hereby made a part
22 hereof as fully as if set forth at length herein, acknowl-
23 edges itself to be indebted to and hereby promises to pay
24 to the bearer hereof (in case of a coupon bond) or to
25 _____ or assigns (the owner of record,
26 in case of registered bonds) on the _____ day of
27 _____, 19____, in lawful money of the United
28 States of America at the office of the treasurer of the state
29 of West Virginia at the capitol of said state, or, at

30 _____ bank in the city of New York, or,
31 at _____ bank, at the option of the hold-
32 er, the sum of _____ dollars, with interest
33 thereon at _____ percent a year from the date,
34 payable semiannually in like lawful money of the United
35 States of America at the treasurer's office or banks afore-
36 said, on the first day of _____ and the first day
37 of _____ of each year (and in the case of cou-
38 pon bonds) according to the tenor of the annexed coupons
39 bearing the facsimile signature of the treasurer of the
40 state of West Virginia, upon surrender of such coupons.
41 This bond (in case of a coupon bond) may be exchanged
42 for a registered bond of like tenor upon application to
43 the treasurer of the state of West Virginia.

44 (Redemption provisions, if any, to be inserted here.)

45 To secure the payment of the principal and interest of
46 this bond, the state of West Virginia covenants and agrees
47 with the holder as follows: (1) That this bond shall con-
48 stitute a direct and general obligation of the state of West
49 Virginia; (2) that the full faith and credit of the state is
50 pledged to secure the payment of the principal and in-
51 terest of this bond; (3) that an annual state tax shall be
52 collected in an amount sufficient to pay as it may accrue
53 the interest on this bond and the principal as the same
54 mature; and (4) that to the full extent permitted by the
55 constitution of West Virginia any of the covenants, agree-
56 ments and provisions of this act may be enforced in any
57 court of competent jurisdiction by any holder of such
58 bonds or of any interest coupon appertaining thereto.

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

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

69 _____

70

Treasurer of the State of West Virginia

71 (SEAL)

72 Countersigned:

73

74 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
6 of West Virginia will pay to the bearer, in lawful money
7 of the United States of America, at the office of the
8 treasurer of the state, or, at bank
9 in the city of New York, or, at,
10 at the option of the holder, the sum of
11 dollars, the same being semiannual interest on School
12 Buildings 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
22 sold by the governor or his successor in office without being
23 signed by the successor in office of the present treasurer or
24 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 the case of registered bonds, the name and post-
6 office address of the person, firm or corporation registered
7 as the owner thereof.

§6. Establishment of state school buildings bond debt service account; deposits therein.

1 The treasurer shall establish in his office a special ac-
2 count designated state school buildings bond debt service
3 account. Into such account and from the appropriation
4 made by the Legislature for such purpose there shall be
5 transferred sufficient moneys to pay the interest as the
6 same may accrue and the principal as the same mature
7 on such bonds. Moneys received from transfer and regis-
8 tration fees shall likewise be deposited into said special
9 account.

§7. Covenants of state.

1 The state of West Virginia covenants and agrees with
2 the holders of the bonds issued pursuant hereto as fol-
3 lows: (1) That such bonds shall constitute a direct and
4 general obligation of the state of West Virginia; (2) that
5 the full faith and credit of the state is hereby pledged to
6 secure the payment of the principal and interest of such
7 bonds; (3) that an annual state tax shall be collected in
8 an amount sufficient to pay as it may accrue the interest
9 on this bond and the principal as the same mature; and
10 (4) that to the full extent permitted by the constitution of
11 West Virginia any of the covenants, agreements and pro-
12 visions of this act may be enforced in any court of compe-
13 tent jurisdiction by any holder of such bonds or of any
14 interest coupon appertaining thereto.

§8. Sale by governor; minimum price.

1 The governor shall sell the bonds herein authorized at
2 such time or times after the first day of August, one
3 thousand nine hundred seventy-four, as he may deter-
4 mine necessary to provide funds for the construction,
5 renovation, remodeling and equipping of elementary or
6 secondary public school buildings or facilities as herein
7 provided, and subject to the limitations contained in this
8 act. All sales shall be at not less than par and accrued in-
9 terest. All interest coupons becoming payable prior to
10 the sale date shall be cancelled by the treasurer and
11 rendered ineffective, before the delivery of the bonds so
12 sold.

§9. Proceeds paid into separate account; expenditures.

1 The proceeds of all sales of bonds herein authorized
2 shall be paid into a separate and distinct account and shall
3 be used and appropriated solely for the construction,
4 renovation, remodeling and equipping of elementary or
5 secondary public school buildings or facilities as provided
6 for by the state constitution and the laws enacted there-
7 under. Except for such sums necessary for current operat-
8 ing balances, such account shall be invested and rein-
9 vested in short-term obligations of the United States treas-
10 ury: *Provided*, That no such investment or reinvestment
11 shall adversely affect the current operating balances of
12 such account.

§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 The governor may authorize the issuance of interim
2 certificates to be issued to the purchasers of such bonds
3 to be held by them in lieu of permanent bonds. When
4 interim certificates are so issued, they shall become full
5 and legal obligations of the state of West Virginia under
6 all of the provisions of this act just as fully and completely
7 as the permanent 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 representative 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 chargeable to and paid out of the state
- 4 school buildings bond debt service account on warrants of
- 5 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.

H. Darrell Darley
Chairman Senate Committee

Lawrence R. Chuska
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

Howard Utason
Clerk of the Senate

C. Blankenship
Clerk of the House of Delegates

W. P. Brotherton Jr.
President of the Senate

Lewis R. M. Menn
Speaker House of Delegates

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

Anna C. Thayer
Governor

PRESENTED TO THE
GOVERNOR

Date 3/5/74

Time 4:38 p.m.