WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1974

ENROLLED

SENATE BILL NO. 523

PASSED March 9, 1974

In Effect July 1, 1974

Filed in the Office
EDGAR F. HEISKELL III
Secretary of State
This Date: June 10, 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:

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

Bonds of the state of West Virginia, under authority of the Vietnam Veterans' Bonus Amendment of 1973, of the par value not to exceed forty million dollars are hereby authorized to be issued and sold for the purpose of raising funds for the payment of a cash bonus to veterans, including the costs of administration necessarily incident thereto. Such bonds may be issued by the governor in such amounts, in coupon or registered form, in such denominations, at such times, bearing such date or dates as the governor may determine, and shall become due and payable serially, annually or semiannually, beginning one year and ending not more than twenty-five years from the date thereof: Provided, That the governor must offer said bonds for competitive bids from recognized financial investment institutions before 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 Vietnam veterans' bonus sinking fund. Bonds taken in exchange shall be cancelled by the auditor and treasurer 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 sinking fund. All of such bonds shall be payable at the office
of the treasurer of the state of West Virginia, 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 governor. The
bonds shall bear interest, payable semiannually, to bearer,
at the office of the treasurer of the state of West Vir-
ginia, 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 of regis-
tered 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 to the registered owner at the address as shown
by the record of registration. Both the principal and in-
terest of the bonds shall be made payable in lawful money
of the United 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: Pro-
vided, That one of said signatures on said bonds shall be
a manual signature and said bonds shall be in the follow-
ing form or to the following effect, as nearly as may be,
namely:

VIETNAM VETERANS' BONUS
COUPON BOND
(Or registered bond, as the case may be)
OF THE
STATE OF WEST VIRGINIA

The state of West Virginia, under and by virtue of au-
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thority of an amendment to the constitution, which was proposed by House Joint Resolution No. 5, adopted the fourteenth day of April, one thousand nine hundred seventy-three, and was ratified by a vote of the people at the special election on the sixth day of November, one thousand nine hundred seventy-three, which is hereby made a part hereof as fully as if set forth at length herein, acknowledges 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 ___________________________________________________________________, 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 ____________________________________________________________________________ bank in the city of New York, or, at ______________________________________________________________________________ bank, within the state, at the option of the holder, 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 aforesaid, 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.

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

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 _____________. 
§ 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 __________________________, within the state, at the option of the holder, the sum of ______________________________ dollars, the same being semiannual interest on Vietnam Veterans' Bonus Bond No. _______________________________.

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

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

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

Such fund shall be applied by the treasurer of the state, first to the payment of the principal and semiannual interest on such bonds as it shall become due as herein provided. The remainder of the fund shall be invested by the state treasurer in obligations of the government of the United States, bonds of the state of West Virginia, or any political subdivision thereof. The bonds or other obligations so purchased by the state treasurer shall mature so as to provide sufficient money to pay off all bonds herein provided to be issued as they become due; and the money so paid into the Vietnam veterans' bonus sinking fund under the provisions of this act shall be expended for the purpose of paying the interest and principal of the bonds hereby provided for as they severally become due and payable and for no other purpose except that the fund may be invested until needed, as herein provided.

§7. Covenants of state.

The state of West Virginia hereby covenants and agrees with the holders of the bonds issued pursuant hereto as follows: (1) That all the provisions of this act shall be
and constitute an irrevocable contract with the holders of such bonds from time to time; (2) that the additional charge on the sale of each bottle of alcoholic liquor, otherwise provided by law for payment of such bonds, shall not be reduced so long as any of the bonds, or any interest thereon, are outstanding and unpaid, unless the payment thereof has been adequately provided for; (3) that in any fiscal year the amount of money derived from such charge is insufficient to meet all principal and interest payments due on such bonds during that year, it will levy and collect such additional charge on alcoholic liquor in such an amount as may be required to produce sufficient revenue to meet such payments as the same shall become due, or that in lieu of such increased charge on alcoholic liquor, it may levy and collect an additional cigarette tax, or a tax on any other tobacco product, or an additional tax on nonintoxicating beer, or an additional general consumers sales tax, or a graduated income tax, or any combination of one or more of such taxes and charges, or such other dedicated tax as the Legislature may determine, in such amount as may be required for payments of principal and interest; (4) that all such additional taxes or charges so levied or collected shall be irrevocably dedicated for the payment of the principal of and interest on such bonds until such principal of and interest on such bonds are finally paid and discharged; and (5) to the full extent permitted by the constitution of West Virginia, any of the covenants, agreements or provisions in the acts of the Legislature providing for such levying or collection of such taxes or charges shall be enforceable in any court of competent jurisdiction by any of the holders of such bonds or of any interest coupon appertaining thereto.

§8. Sale by governor; minimum price.

The governor shall sell the bonds herein authorized at such time or times as he may determine necessary to provide funds for the payment of the bonus as herein provided. 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 Vietnam veterans' bonus fund; expenditures.
1 The proceeds of all sales of bonds herein authorized shall
2 be paid into the Vietnam veterans' bonus fund which is
3 hereby created, and shall be expended solely for the pay-
4 ment of the veterans' bonus and the cost of administration
5 necessarily incident thereto. Except for such sums neces-
6 sary for current operating balances, such fund shall be in-
7 vested and reinvested in short-term obligations of the
8 United States treasury: Provided, That no such invest-
9 ment or reinvestment shall adversely affect the current
10 operating balances of such fund.

§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 be
3 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 re-
4 garding 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 paid out of the Vietnam veterans' bonus fund 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.

Takes effect July 1, 1974.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within ____________ this the ____________ day of ____________, 1974.

Governor
PRESENTED TO THE GOVERNOR

Date 3/14/74
Time 2:15 p.m.