

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1974

ENROLLED

SENATE BILL NO. 523

*Originating*  
~~(By H.R.)~~ *with the Committee on Finance*

PASSED March 9 1974

In Effect July 1, 1974 ~~Passage~~



FILED IN THE OFFICE  
EDGAR F. WEISKELL III  
SECRETARY OF STATE  
THIS DATE 3/29/74

523 - VETO

## **ENROLLED**

### **Senate Bill No. 523**

(Originating in the Committee on Finance)

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[Passed March 9, 1974; in effect July 1, 1974.]

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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.**

1 Bonds of the state of West Virginia, under authority  
2 of the Vietnam Veterans' Bonus Amendment of 1973,  
3 of the par value not to exceed forty million dollars are  
4 hereby authorized to be issued and sold for the purpose  
5 of raising funds for the payment of a cash bonus to vet-  
6 erans, including the costs of administration necessarily  
7 incident thereto. Such bonds may be issued by the gov-  
8 ernor in such amounts, in coupon or registered form,  
9 in such denominations, at such times, bearing such date  
10 or dates as the governor may determine, and shall be-  
11 come due and payable serially, annually or semiannually,  
12 beginning one year and ending not more than twenty-  
13 five years from the date thereof: *Provided*, That the  
14 governor must offer said bonds for competitive bids from  
15 recognized financial investment institutions before said  
16 bonds may be sold.

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

1 The auditor and the treasurer are hereby authorized  
2 to arrange for the transfer of registered bonds, and for  
3 each such transfer a fee of one dollar shall be charged  
4 by and paid to the state of West Virginia, to the credit  
5 of the Vietnam veterans' bonus sinking fund. Bonds  
6 taken in exchange shall be cancelled by the auditor and  
7 treasurer and be carefully preserved by the treasurer.  
8 The treasurer shall make provisions for registering "pay-  
9 able to bearer" bonds, and for each bond registered a fee  
10 of one dollar shall likewise be charged by and paid to  
11 the state of West Virginia, to the credit of the sinking  
12 fund. All of such bonds shall be payable at the office

13 of the treasurer of the state of West Virginia, or, at the  
 14 option of the holder, at a bank in the city of New York  
 15 to be designated by the governor, or, at the option of  
 16 the holder at such other bank or banks, within the state  
 17 as may be designated or approved by the governor. The  
 18 bonds shall bear interest, payable semiannually, to bearer,  
 19 at the office of the treasurer of the state of West Vir-  
 20 ginia, 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  
 23 of coupon bonds. For the payment of interest of regis-  
 24 tered bonds, the treasurer of the state of West Virginia  
 25 shall requisition a warrant from the auditor of the state  
 26 to be drawn on the state treasurer, and shall mail such  
 27 warrant to the registered owner at the address as shown  
 28 by the record of registration. Both the principal and in-  
 29 terest of the bonds shall be made payable in lawful money  
 30 of the United States of America and the bonds shall be  
 31 exempt from taxation by the state of West Virginia, or  
 32 by any county, district or municipality thereof, which  
 33 facts shall appear on the face of the bonds as part of the  
 34 contract with the 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  
 4 or a facsimile thereof, and countersigned by the manual  
 5 or facsimile signature of the auditor of the state: *Pro-*  
 6 *vided*, That one of said signatures on said bonds shall be  
 7 a manual signature and said bonds shall be in the follow-  
 8 ing form or to the following effect, as nearly as may be,  
 9 namely:

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

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

16 The state of West Virginia, under and by virtue of au-

17 thority 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  
20 seventy-three, and was ratified by a vote of the people  
21 at the special election on the sixth day of November,  
22 one thousand nine hundred seventy-three, which is here-  
23 by made a part hereof as fully as if set forth at length  
24 herein, acknowledges itself to be indebted to and hereby  
25 promises to pay to the bearer hereof (in case of a coupon  
26 bond) or to \_\_\_\_\_ or  
27 assigns (the owner of record, in case of registered bonds)  
28 on the \_\_\_\_\_ day of \_\_\_\_\_,  
29 19\_\_\_\_\_, in lawful money of the United States of Amer-  
30 ica at the office of the treasurer of the state of West  
31 Virginia at the capitol of said state, or, at \_\_\_\_\_  
32 \_\_\_\_\_ bank in the city of New York, or, at  
33 \_\_\_\_\_ bank, within the state, at  
34 the option of the holder, the sum of \_\_\_\_\_  
35 dollars, with interest thereon at \_\_\_\_\_ percent  
36 a year from the date, payable semiannually in like lawful  
37 money of the United States of America at the treasurer's  
38 office or banks aforesaid, on the first day of \_\_\_\_\_  
39 and the first day of \_\_\_\_\_ of each year  
40 (and in the case of coupon bonds) according to the tenor  
41 of the annexed coupons bearing the facsimile signature  
42 of the treasurer of the state of West Virginia, upon sur-  
43 render of such coupons. This bond (in case of a coupon  
44 bond) may be exchanged for a registered bond of like  
45 tenor upon application to the treasurer of the state of  
46 West Virginia.

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

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

51 In testimony whereof, witness the manual or facsimile  
52 signature of the treasurer of the state of West Virginia,  
53 and the manual or facsimile countersignature of the  
54 auditor of the state, hereto affixed according to law, dated  
55 the \_\_\_\_\_ day of \_\_\_\_\_, one  
56 thousand nine hundred \_\_\_\_\_,

57 and the seal of the state of West Virginia or a facsimile  
58 thereof.

59

60 \_\_\_\_\_  
Treasurer of the State of West Virginia

61 (SEAL)

62 Countersigned:

63

64 \_\_\_\_\_  
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 trea-  
8 surer of the state, or, at \_\_\_\_\_  
9 bank in the city of New York, or, at \_\_\_\_\_,  
10 within the state, at the option of the holder, the sum of  
11 \_\_\_\_\_ dollars, the same  
12 being semiannual interest on Vietnam Veterans' Bonus  
13 Bond No. \_\_\_\_\_.

14

15 \_\_\_\_\_  
Treasurer of the State of West Virginia

16 The signature of the treasurer to such coupon shall be  
17 by his facsimile signature and the coupons shall be num-  
18 bered in the order of their maturity, from number one  
19 consecutively. The bonds and coupons may be signed,  
20 as provided in this act, by the present treasurer and  
21 auditor, or by any of their respective successors in office,  
22 and the bonds signed by the persons now in the office  
23 may be sold by the governor or his successor in office  
24 without being signed by the successor in office of the  
25 present treasurer 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 postoffice  
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 law  
4 to the payment of such bonds or the interest thereon, from  
5 transfer and registration fees as herein provided, and from  
6 any other source whatsoever which is made liable by law  
7 for the payment of the principal of such bonds or the in-  
8 terest thereon.

9 All such funds shall be kept by the treasurer in a sep-  
10 arate 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 in-  
15 terest on such bonds as it shall become due as herein pro-  
16 vided. The remainder of the fund shall be invested by the  
17 state treasurer in obligations of the government of the  
18 United States, bonds of the state of West Virginia, or any  
19 political subdivision thereof. The bonds or other obliga-  
20 tions so purchased by the state treasurer shall mature so  
21 as to provide sufficient money to pay off all bonds herein  
22 provided to be issued as they become due; and the money  
23 so paid into the Vietnam veterans' bonus sinking fund  
24 under the provisions of this act shall be expended for the  
25 purpose of paying the interest and principal of the bonds  
26 hereby provided for as they severally become due and  
27 payable and for no other purpose except that the fund  
28 may be invested 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  
3 follows: (1) That all the provisions of this act shall be

4 and constitute an irrevocable contract with the holders  
5 of 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 not  
8 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,<sup>3</sup> or an additional  
20 tax on nonintoxicating beer, or an additional general con-  
21 sumers sales tax, or a graduated income tax, or any com-  
22 bination of one or more of such taxes and charges, or such  
23 other dedicated tax as the Legislature may determine, in  
24 such amount as may be required for payments of principal  
25 and interest; (4) that all such additional taxes or charges  
26 so levied or collected shall be irrevocably dedicated for  
27 the payment of the principal of and interest on such bonds  
28 until such principal of and interest on such bonds are  
29 finally paid and discharged; and (5) to the full extent per-  
30 mitted by the constitution of West Virginia, any of the  
31 covenants, agreements or provisions in the acts of the  
32 Legislature providing for such levying or collection of  
33 such taxes or charges shall be enforceable in any court of  
34 competent jurisdiction by any of the holders of such bonds  
35 or of any 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 as he may determine necessary to pro-  
3 vide funds for the payment of the bonus as herein pro-  
4 vided. All sales shall be at not less than par and accrued  
5 interest. All interest coupons becoming payable prior to  
6 the sale date shall be cancelled by the treasurer and  
7 rendered ineffective, before the delivery of the bonds so  
8 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 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 the  
5 state treasurer.

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

H. Daniel Hardy  
Chairman Senate Committee

Lawrence L. Christian Jr.  
Chairman House Committee

Originated in the Senate.

Takes effect July 1, 1974.

Laurie W. Carson  
Clerk of the Senate

Q. Blankenship  
Clerk of the House of Delegates

H. P. Brotherton Jr.  
President of the Senate

Lewis D. McKenna  
Speaker House of Delegates

The within disapproved this the 26th  
March  
day of \_\_\_\_\_, 1974.

Arch A. Phares Jr.  
Governor

PRESENTED TO THE  
GOVERNOR

Date 3/14/74

Time 2:15 p.m.