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WEST VIRGINIA

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1975

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ENROLLED

HOUSE BILL No. 1072

(By Mr. Speaker, Mr. McManus and Mr. Leibert)

— ● —

PASSED February 21, 1975

In Effect ninty days from Passage



ENROLLED

H. B. 1077

(By MR. SPEAKER, MR. McMANUS, and MR. SEIBERT)

[Passed February 21, 1975; 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-five, 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-six, 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 BUILDINGS BONDS.

§1. School buildings bonds; amount; when may issue.

1 Bonds of the state of West Virginia, under authority of the
2 better school buildings amendment of 1972, of the par value
3 not to exceed fifty million dollars during the fiscal year ending
4 the thirtieth day of June, one thousand nine hundred seventy-
5 six, are hereby authorized to be issued and sold, at some date
6 subsequent to the first day of August, one thousand nine
7 hundred seventy-five, for the sole purpose of raising funds for
8 distribution to county boards of education that qualify by
9 meeting conditions, qualifications and requirements as are
10 prescribed by general law and used and appropriated by such
11 county boards of education solely for the construction, reno-
12 vation or remodeling of elementary or secondary public school
13 buildings or facilities, the equipping of the same in connection
14 with any such construction, renovation or remodeling, and the
15 acquisition and preparation of sites for elementary or sec-
16 ondary public school buildings or facilities. Such bonds may be
17 issued by the governor in such amounts, in coupon or regist-
18 ered form, in such denominations, at such time, after the first
19 day of August, one thousand nine hundred seventy-five, bear-
20 ing such date or dates, as the governor may determine, based
21 upon an examination of the needs of the various county boards

22 of education which justify the issuance by the governor of said
23 bonds, and shall become due and payable serially, annually or
24 semiannually, in such amounts and mature in such years as
25 the governor may determine. Such bonds shall mature within
26 and not exceeding twenty-five years from their date. The gov-
27 ernor must offer said bonds for competitive bids from recog-
28 nized financial investment institutions before said bonds may
29 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 such
3 transfer a fee of one dollar shall be charged by and paid to the
4 state of West Virginia, to the credit of the state school
5 buildings bond debt service account. Bonds taken in exchange
6 shall be cancelled by the auditor and treasurer and be care-
7 fully preserved by the treasurer. The treasurer shall make pro-
8 visions for registering "payable to bearer" bonds and for
9 each bond registered a fee of one dollar shall likewise be
10 charged by and paid to the state of West Virginia, to the
11 credit of the state school buildings bond debt service ac-
12 count. All such bonds shall be payable at the office of the
13 treasurer of the state of West Virginia, or, at the option of the
14 holder, at a bank in the city of New York to be designated by
15 the governor, or, at the option of the holder at such other
16 bank or banks, within the state, as may be designated or ap-
17 proved by the governor. The bonds shall bear interest, pay-
18 able semiannually, to bearer, at the office of the treasurer of
19 the state of West Virginia, at the capitol of the state, or at
20 the banks designated and approved by the governor, upon pre-
21 sentation and surrender of interest coupons, then due, in the
22 case of coupon bonds. For the payment of interest on register-
23 ed bonds, the treasurer of the state of West Virginia shall
24 requisition a warrant from the auditor of the state to be drawn
25 on the state treasurer, and shall mail such warrant to the
26 registered owner at the address as shown by the record of
27 registration. Both the principal and interest of the bonds shall
28 be payable in lawful money of the United States of America
29 and the bonds shall be exempt from taxation by the state of

30 West Virginia, or by any county, district or municipality
31 thereof, which facts shall appear on the face of the bonds as
32 part of the contract with the holder thereof.

§3. Form of bond.

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

9 COUPON SCHOOL BUILDINGS BOND

10 (or registered school buildings bond, as the case may be)

11 OF THE

12 STATE OF WEST VIRGINIA

13 \$ _____ No. _____

14 The state of West Virginia, under and by virtue of authority
15 of an amendment to the constitution, which was proposed by
16 Senate Joint Resolution No. 4, adopted the ninth day of March,
17 one thousand nine hundred seventy-two, and was ratified by
18 a vote of the people at the general election on the seventh
19 day of November, one thousand nine hundred seventy-two,
20 which is hereby made a part hereof as fully as if set forth at
21 length herein, acknowledges itself to be indebted to and here-
22 by promises to pay to the bearer hereof (in case of a coupon
23 bond) or to _____ or assigns (the owner or
24 record, in case of registered bonds) on the _____ day of
25 _____, 19____, in lawful money of the Unit-
26 ed States of America at the office of the treasurer of the state
27 of West Virginia at the capitol of said state, or, at _____
28 _____ bank in the city of New York, or at _____
29 _____ bank, within the state, at the option of
30 the holder, the sum of _____ dollars,
31 with interest thereon at _____ percent a year from
32 the date, payable semiannually in like lawful money of the
33 United States of America at the treasurer's office or banks

34 aforesaid, on the first day of _____
35 and the first day of _____ of each year
36 (and in the case of coupon bonds) according to the tenor of the
37 annexed coupons bearing the facsimile signature of the trea-
38 surer of the state of West Virginia, upon surrender to such
39 coupons. This bond (in case of a coupon bond) may be ex-
40 changed for a registered bond of like tenor upon application
41 to the treasurer of the state of West Virginia.

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

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

56 This bond is hereby made exempt from any taxation by
57 the state of West Virginia, or by any county, district or muni-
58 cipal corporation thereof.

59 In testimony whereof, witness the manual or facsimile sig-
60 nature of the treasurer of the state of West Virginia, and the
61 manual or facsimile countersignature of the auditor of the
62 state, hereto affixed according to law, dated the _____
63 _____ day of _____, one thousand nine
64 hundred _____, and the seal of the state of
65 West Virginia or a facsimile thereof.

66

67 Treasurer of the State of West Virginia

68 (SEAL)

69 Countersigned:

70

:

71 Auditor of the State of West Virginia

§4. Form of coupon.

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

3 STATE OF WEST VIRGINIA

4 Bond No. _____ Coupon No. _____

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

13

14 Treasurer of the State of West Virginia

15 The signature of the treasurer to such coupon shall be by
16 his facsimile signature and the coupons shall be numbered in
17 the order of their maturity, from number one consecutively.
18 The bonds and coupons may be signed, as provided in this
19 act, by the present treasurer and auditor, or by any of their
20 respective successors in office, and the bonds signed by the
21 persons now in the office may be sold by the governor or his
22 successor in office without being signed by the successor in
23 office of the 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 books
3 provided for the purpose, in each case giving the date, number,
4 character and amount of obligations issued, and in the case of
5 registered bonds, the name and post-office address of the per-
6 son, firm or corporation registered 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 account
2 designated state school buildings bond debt service account.

3 Into such account and from the appropriation made by the
4 Legislature for such purpose there shall be transferred suffi-
5 cient moneys to pay the interest as the same may accrue and
6 the principal as the same mature on such bonds. Moneys re-
7 ceived from transfer and registration fees shall likewise be
8 deposited into said special account.

§7. Covenants of state.

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

§8. Sale by governor; minimum price.

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

§9. Proceeds paid into separate account; expenditures.

1 The proceeds of all sales of bonds herein authorized shall
2 be paid into a separate and distinct account and shall be used
3 and appropriated solely for the construction, renovation, re-
4 modeling and equipping of elementary and secondary public
5 school buildings or facilities as provided for by the state con-
6 stitution and the laws enacted thereunder. Except for such

7 sums necessary for current operating balances, such account
8 shall be invested and reinvested in short-term obligations of the
9 United States treasury: *Provided*, That no such investment
10 or reinvestment shall adversely affect the current operating
11 balances of such account.

§10. Plates, etc., property of state.

1 The plates, casts, dies or other forms from which the bonds
2 authorized by this act are produced or made shall be the prop-
3 erty 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 bonds
2 issued pursuant to the provisions of this act.

§12. Interim certificates.

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

§13. State treasurer to be financial advisor.

1 The state treasurer shall serve as financial advisor to the
2 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 representa-
2 tive, shall serve as bond counsel and shall be responsible for
3 the issuance of a final approving opinion regarding the legality
4 of the sale of such bonds.

§15. Approval and payment of all necessary expenses.

1 All necessary expenses, including legal expenses approved
2 by the attorney general, incurred in the execution of this act
3 shall be chargeable to and paid out of the state school build-
4 ings bond debt service account on warrants of the auditor of
5 the state drawn on the state treasurer.

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

James L. Davis
Chairman Senate Committee

Corcoran C. Churchman
Chairman House Committee

Originated in the House.

Takes effect ninety days from passage.

J. Dillon Jr.
Clerk of the Senate

C. A. Blackenships
Clerk of the House of Delegates

W. T. Brotherton Jr.
President of the Senate

Lewis H. McManus
Speaker House of Delegates

The within approved this the 3rd
March
day of _____, 1975.

Arthur A. Hanes Jr.
Governor



PRESENTED TO THE
GOVERNOR

Date 2/26/75

Time 5:20 p.m.