WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1975

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ENROLLED

HOUSE BILL No. 1072

(By Mr. Speaker, Mr. McNamara, and Mr. Seliker)

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PASSED February 21, 1975

In Effect ninety days from Passage

1011
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
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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 prop­
erty of the state; providing for interim certificates in lieu of
permanent bonds; providing for the state treasurer to be finan­
cial advisor; providing for the attorney general or his duly ap­
pointed legal representative to serve as bond counsel; and pro­
viding that all necessary expenses, including legal expenses ap­
proved by the attorney general, incurred in the execution of this
act shall be paid out of the state school buildings bond debt ser­
vie 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.

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-
six, are hereby authorized to be issued and sold, at some date
subsequent to the first day of August, 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, reno­
vation 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 secon­
dary public school buildings or facilities. Such bonds may be
issued by the governor in such amounts, in coupon or regist­
ered form, in such denominations, at such time, after the first
day of August, one thousand nine hundred seventy-five, bear­
ing 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
semiannually, 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 gov-
ernor must offer said bonds for competitive bids from recog-
nized 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 state school
buildings bond debt service account. Bonds taken in exchange
shall be cancelled by the auditor and treasurer and be care-
fully preserved by the treasurer. The treasurer shall make pro-
visions 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 ac-
count. All 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 ap-
proved by the governor. The bonds shall bear interest, pay-
able 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 designated and approved by the governor, upon pre-
sentation and surrender of interest coupons, then due, in the
case of coupon bonds. For the payment of interest on register-
ed 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 interest of the bonds shall
be 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: 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

$__________________________ No. _____________________________

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 general 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, 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 or 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 _______________ 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 trea-
surer of the state of West Virginia, upon surrender to such
coupons. This bond (in case of a coupon bond) may be ex-
changed 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.)

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 en-
forced 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 munici-
pal corporation thereof.

In testimony whereof, witness the manual or facsimile sig-
nature 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

(SEAL)

Countersigned:

Auditor 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 _____________________________ bank, within the state, at the option of the holder, the sum of _______________ dollars, the same being semi-annual 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.


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.

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.

The governor shall sell the bonds herein authorized at such time or times 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 and 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.

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.

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.

James L. Davis  
Chairman Senate Committee

Chairman House Committee

Originated in the House.  
Takes 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 3rd day of __________________________, 1975.

Governor
PRESENTED TO THE
GOVERNOR

Date: 2/26/75
Time: 5:20 p.m.