

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1977



ENROLLED

HOUSE BILL No. 1751

Originating in the
(By Mr. House Committee on Finance)



PASSED April 9, 1977

In Effect - from - Passage

ENROLLED

H. B. 1751

(Originating in the House Committee on Finance)

[Passed April 9, 1977; in effect from passage.]

AN ACT to amend chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article, designated article twelve-b, relating to the issuance of revenue bonds of the West Virginia board of regents; authorizing board of regents to issue revenue bonds for certain capital improvements; directing board to issue bonds for specified purposes within certain time; providing for payment of relocation costs in connection with acquisition of private property for certain projects; providing for the creation of a state system tuition fee special capital improvements fund in the state treasury; authorizing transfer of moneys from preexisting capital improvements funds to state system tuition fee special capital improvements fund; requiring payment of tuition fees into such fund; authorizing board of regents to fix, establish, maintain and collect tuition fees from students at state institutions of higher education; authorizing pledge of moneys in such fund as security for revenue bonds; authorizing board to finance projects on a cash basis; providing for the method and manner by which revenue bonds are to be issued and executed; providing for the issuance of revenue refunding bonds; authorizing the issuance of bonds for combined purposes; providing that the bonds are negotiable instruments; authorizing the board of regents to enter into trust agreements for the bondholders; providing for payments to the state sinking fund commission; providing that bonds are not obligations of the state; providing for such bonds to be exempt from taxation by the state of West Vir-

ginia, or any county, school district, municipality, or political subdivision thereof; making attorney general bond counsel; and providing that the provisions of the act supersede provisions of any other law or laws in conflict therewith.

Be it enacted by the Legislature of West Virginia:

That chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new article, designated article twelve-b, to read as follows:

ARTICLE 12B. REVENUE BONDS FOR STATE INSTITUTIONS OF HIGHER EDUCATION—CAPITAL IMPROVEMENTS ON SYSTEM BASIS.

§18-12B-1. Board of regents authorized to issue revenue bonds for certain capital improvements.

1 The West Virginia board of regents shall have authority, as
2 provided in this article, to issue revenue bonds of the state
3 from time to time, either to finance the cost of major reno-
4 vations, repairs and safety upgrading and providing new capi-
5 tal improvements consisting of facilities, buildings and struc-
6 tures, for those state institutions of higher education as deter-
7 mined by resolution of the board of regents, including any
8 college, university or community college under its supervision,
9 management and control, or to refund, at the discretion of the
10 board of regents, bonds issued and outstanding under and
11 pursuant to the provisions of this article or article eleven-b of
12 this chapter, or both. Such major renovations, repairs and
13 safety upgrading and capital improvements may, in each case,
14 include land for current or future use in connection therewith
15 and equipment and machinery and other similar items essen-
16 tial or convenient in connection with the foregoing but shall
17 not include such items as books, fuel, supplies or other items
18 which are customarily deemed to result in a current operating
19 charge. The principal of, interest and redemption premium, if
20 any, on such bonds shall be payable solely from the special
21 fund herein provided for such payment. The costs of any such
22 major renovations, repairs and safety upgrading and capital
23 improvements shall include the cost of acquisition of land,
24 the construction and acquisition of any such major renova-

25 tions, repairs and safety upgrading and capital improvements
26 and equipment and machinery therefore, and the provision
27 of roads, utilities, and other services necessary, appurtenant or
28 incidental to the foregoing; and shall also include all other
29 charges or expenses necessary, appurtenant or incidental to
30 the construction, acquisition, and financing including, but not
31 limited to, debt service reserve requirements and capitalized
32 interest, and placing in operation of any such major renova-
33 tions, repairs and safety upgrading and capital improvements:
34 *Provided*, That from time to time but not later than the first
35 day of March, one thousand nine hundred seventy-eight, the
36 board shall issue and sell bonds pursuant to this article in an
37 amount which, when combined with cash available under the
38 provisions of section two of this article, will be sufficient to
39 finance the costs of the following purposes and projects:

40 (1) Refunding of all bonds issued and outstanding under
41 and pursuant to the provisions of article eleven-b of this
42 chapter;

43 (2) A building to house the music, arts and theatre pro-
44 grams at Shepherd College, at a cost not to exceed two mil-
45 lion five hundred thousand dollars;

46 (3) A field house at West Liberty State College at a cost
47 not to exceed two million seven hundred thousand dollars;

48 (4) A shop and laboratory building at West Virginia State
49 College at a cost not to exceed two million six hundred thou-
50 sand dollars;

51 (5) A multipurpose physical education facility at Marshall
52 University, at a cost not to exceed eighteen million dollars;

53 (6) A new football stadium at West Virginia University
54 (at a different location than the existing stadium) at a cost not
55 to exceed twenty million dollars; and

56 (7) An all-purpose shell building for sports and physical
57 education at West Virginia University, at a cost not to exceed
58 four million five hundred thousand dollars.

59 In the event that private real property is acquired in con-
60 nection with the above enumerated projects, the board shall

61 reimburse individuals, families, and business concerns for relo-
62 cation costs incurred as a consequence of being displaced by
63 such acquisition. With respect to payment of such relocation
64 costs, the board shall follow the same procedure and be
65 subject to the same limitations as required for the commis-
66 sioner of highways under section twenty, article two-a, chapter
67 seventeen of this code and regulations promulgated pursuant
68 thereto, but in no event shall such payments exceed the sum
69 of three hundred dollars for individuals and families and two
70 thousand five hundred dollars for business concerns.

§18-12B-2. Special state system capital improvements fund in state treasury; collections to be paid into special fund; authority of board of regents to pledge such collections as security for revenue bonds; authority of board to finance projects on a cash basis.

1 There is created in the state treasury a state system tuition
2 fee special capital improvements fund to be expended by the
3 board of regents for the benefit of the state institutions of
4 higher education, which shall include any college, university
5 or community college under its supervision, management and
6 control.

7 On and after the first day of July, one thousand nine hun-
8 dred seventy-seven, the board of regents may periodically
9 transfer from the special nonrevolving West Virginia Uni-
10 versity capital improvements fund created in the state treasury
11 pursuant to the provisions of article eleven-b of this chapter
12 and from the special nonrevolving Marshall University capital
13 improvements fund created in the state treasury pursuant to
14 the provisions of article twelve-a of this chapter, into the
15 state system tuition fee special capital improvements fund
16 moneys in excess of the amount pledged for the payment of
17 the principal of, interest and redemption premium, if any,
18 on any revenue bonds or revenue refunding bonds issued
19 pursuant to such articles eleven-b or twelve-a prior to the
20 first day of July, one thousand nine hundred seventy-seven.
21 Said Marshall University capital improvements fund is hereby
22 continued notwithstanding the retirement of outstanding bonds
23 issued pursuant to such article twelve-a, but on and after the
24 first day of July, one thousand nine hundred seventy-seven, no

25 bonds shall be issued pursuant to article twelve-a, nor shall any
26 moneys be expended (unless the board of regents shall by
27 board action have made a commitment with respect thereto)
28 pursuant to such article twelve-a. On and after the first day of
29 July, one thousand nine hundred seventy-seven there shall be
30 paid directly into such state system tuition fee special capital
31 improvements fund subject to the prior lien and pledge, if any,
32 of outstanding bonds issued pursuant to the provisions of
33 articles eleven-b and twelve-a of this chapter all tuition fees
34 collected under the provisions of section one, article twenty-
35 four, chapter eighteen of this code, from students at West
36 Virginia and Marshall University; and on and after the first
37 day of July, one thousand nine hundred seventy-eight, in addi-
38 tion to said fees from students at West Virginia University and
39 Marshall University (and subject to said prior lien and pledge,
40 if any) there shall be paid directly into such state system tuition
41 fee special capital improvements fund all tuition fees collected
42 under the provisions of section one, article twenty-four, chap-
43 ter eighteen of this code, from students at all other state in-
44 stitutions of higher education which are under the supervision,
45 management and control of the board of regents: *Provided,*
46 That tuition fees from students at community colleges shall not
47 be paid into the state system tuition fee special capital improve-
48 ments fund unless the board shall otherwise determine by
49 resolution.

50 The board of regents shall have authority to pledge all or
51 such part of the revenues and tuition fees paid into the state
52 system tuition fee special capital improvements fund as may
53 be needed to meet the requirements of any revenue bond issue
54 or issues authorized by this article, including the payment of
55 principal of, interest and redemption premium, if any, on such
56 revenue bonds, the establishing and maintaining of a reserve
57 fund or funds for the payment of the principal of, interest and
58 redemption premium, if any, on such revenue bond issue or
59 issues when other moneys pledged may be insufficient therefor
60 and including such additional protective pledge of revenues and
61 fees as the board of regents in its discretion may provide by
62 resolution authorizing the issue of such bonds and in any
63 trust agreement made in connection therewith, and the board of
64 regents may further provide in such resolution and in such

65 trust agreement, for such priorities on the revenues and fees
66 paid into such state system tuition fee special capital im-
67 provements fund as may be necessary for the protection of the
68 prior rights of the holders of bonds issued at different times
69 under the provisions of this article.

70 Any balance remaining in the state system tuition fee special
71 capital improvements fund after the board of regents has
72 issued bonds authorized by this article, and after the require-
73 ments of all funds including reserve funds established in con-
74 nection with the bonds issued pursuant to this article have been
75 satisfied, may be used (i) for the redemption of any of the
76 outstanding bonds issued hereunder which by their terms are
77 then redeemable, or for the purchase of such bonds at the
78 market price, but at not exceeding the price, if any, at which
79 such bonds shall in the same year be redeemable, and all bonds
80 redeemed or purchased shall forthwith be canceled and shall
81 not again be issued or (ii) for any lawful purpose for which
82 the board of regents may expend funds.

83 The board of regents, in its discretion, may use the moneys
84 in such state system tuition fee special capital improvements
85 fund to finance the cost of projects and purposes on a cash
86 basis. Any pledge of moneys in such fund for revenue bonds
87 shall be a prior and superior charge on such fund over the use
88 of any of the moneys in such fund to pay for the cost of any
89 project or purpose on a cash basis: *Provided*, That except
90 for the projects and purposes expressly enumerated in section
91 one of this article, any expenditures from such fund, other than
92 for the retirement of revenue bonds, may only be made by
93 the board to meet the cost of a predetermined capital improve-
94 ments program for one or more of the state institutions of
95 higher education, in such order or priority as shall have been
96 agreed upon by the board of regents and presented to the
97 governor for inclusion in the annual budget bill, and only with
98 the approval of the legislature as indicated by direct appro-
99 priation for the purpose.

§18-12B-3. Board of regents to fix fees.

1 The board of regents shall fix, establish, maintain and collect
2 the tuition fees provided for in section one, article twenty-

3 four, chapter eighteen of this code, from students at all
4 state institutions of higher education other than (unless the
5 board of regents shall otherwise determine by resolution)
6 tuition fees from students attending community colleges, in
7 amounts at least sufficient, at all times, after depositing
8 (subject to, or until termination of, the lien and pledge re-
9 ferred to in section two of this article) in the special non-
10 revolving Marshall University capital improvements fund, and
11 the special nonrevolving West Virginia University capital
12 improvements fund referred to in section two of this article
13 such tuition fees as are now required to be deposited therein
14 pursuant to section one, article twenty-four, chapter eighteen
15 of this code, to provide revenues for deposit in the state
16 system tuition fee special capital improvements fund which
17 are adequate to pay the principal of, interest and redemption
18 premium, if any, on the bonds authorized to be issued pur-
19 suant to this article as the same mature and become due and
20 to make all reserve and other payments to be required by the
21 proceedings which authorize such bonds, and to provide any
22 additional protective pledge of revenues and fees and reserve
23 or other payments as the board of regents may in its discre-
24 tion require by the resolution authorizing any issue of bonds
25 pursuant to this article and any trust agreement made in con-
26 nection therewith, and to make all other payments required by
27 this article or any such proceedings, resolutions or trust agree-
28 ments.

§18-12B-4. Issuance of revenue bonds; bonds exempt from taxation.

1 The issuance of revenue bonds under the provisions of this
2 article shall be authorized from time to time by resolution
3 or resolutions of the board of regents, which shall set forth
4 the proposed major renovations, repairs and safety upgrading
5 and capital improvements authorized by section one of this
6 article; and shall provide for the issuance of bonds in amounts
7 sufficient, when sold as hereinafter provided, to provide
8 moneys deemed by the board of regents sufficient to pay
9 such costs, less the amounts of any other funds available for
10 said costs from any other moneys of the board of regents
11 available therefor or from any appropriation, grant or gift

12 therefor. Such resolution shall prescribe the rights and duties
13 of the bondholders and the board of regents, and for such
14 purpose may prescribe the form of the trust agreement here-
15 inafter referred to. The bonds may be issued from time to
16 time, in such amounts, shall be of such series, bear such
17 date or dates, mature at such time or times not exceeding
18 forty years from their respective dates, bear interest at such
19 rate or rates; be in such denominations; be in such form,
20 either coupon or registered, carrying such registration, ex-
21 changeability and interchangeability privilege; be payable in
22 such medium of payment and at such place or places within
23 or without the state, be subject to such terms of redemption at
24 such prices not exceeding one hundred five percent of the
25 principal amount thereof, and be entitled to such priorities
26 on the revenues and fees paid into the state system tuition
27 fee special capital improvements fund as may be provided
28 in the resolution authorizing the issuance of the bonds or in
29 any trust agreement made in connection therewith. The bonds
30 shall be signed by the governor, and by the president or
31 vice president of the board of regents, under the great seal
32 of the state, attested by the secretary of state, and the coupons
33 attached thereto shall bear the facsimile signature of the
34 president or vice president of the board of regents. In case any
35 of the officers whose signatures appear on the bonds or
36 coupons cease to be such officers before the delivery of such
37 bonds, such signatures shall nevertheless be valid and suffi-
38 cient for all purposes the same as if such officers had remained
39 in office until such delivery. Such revenue bonds shall be
40 sold in such manner as the board of regents may determine
41 to be for the best interests of the state.

42 Any pledge of funds and fees for such revenue bonds
43 made by the board of regents shall be valid and binding
44 between the parties from the time the pledge is made; and
45 the funds so pledged shall immediately be subject to the
46 lien of such pledge without any further physical delivery
47 thereof or further act. The lien of such pledge shall be
48 valid and binding against all parties having claims of any
49 kind in tort, contract or otherwise, irrespective of whether
50 such parties have notice of the lien of such pledge, and such

51 pledge shall be a prior and superior charge over any other
52 use of such funds so pledged.

53 The proceeds of such bonds shall be used solely for the pay-
54 ment of the cost of those major renovations, repairs and safety
55 upgrading and capital improvements as generally and specifical-
56 ly set forth in section one of this article, and shall be deposited
57 in the state treasury in a special fund to be disbursed as provid-
58 ed by law for the disbursement of any other state funds. If the
59 proceeds of such bonds, by error in calculations or otherwise,
60 shall be less than the cost of such major renovations, repairs
61 and safety upgrading and capital improvements, additional
62 bonds may in like manner be issued to provide the amount of
63 the deficiency; and unless otherwise provided for in the resolu-
64 tion or trust agreement hereinafter mentioned, such additional
65 bonds shall be deemed to be of the same issue, and shall be en-
66 titled to payment from the same fund, without preference or
67 priority, as the bonds before issued for major renovations, re-
68 pairs and safety upgrading and capital improvements. If the
69 proceeds of bonds issued for such major renovations, repairs
70 and safety upgrading and capital improvements shall exceed the
71 cost thereof, the surplus may be used for such other capital im-
72 provements as the board of regents may determine or in
73 such other manner as the resolution authorizing such bonds
74 may provide. Prior to the preparation of definitive bonds, the
75 board may, under like restrictions, issue temporary bonds with
76 or without coupons, exchangeable for definitive bonds upon
77 the issuance of such definitive bonds. The term "cost," as
78 used in this section, shall be deemed to include all of the items
79 contemplated by the use of that term in section one of this
80 article.

81 After the issuance of any such revenue bonds the tuition
82 fees at the state institutions of higher education pledged
83 therefor shall not be reduced as long as any of such revenue
84 bonds are outstanding and unpaid except under such terms,
85 provisions and conditions as shall be contained in the resolu-
86 tion, trust agreement or other proceedings under which such
87 revenue bonds were issued.

88 Such revenue bonds and the revenue refunding bonds, and
89 bonds issued for combined purposes shall, together with the

90 interest thereon, be exempt from all taxation by the state of
91 West Virginia, or by any county, school district, municipality
92 or political subdivision thereof.

§18-12B-5. Issuance of revenue refunding bonds.

1 The issuance of revenue refunding bonds under the provi-
2 sions of this article shall be authorized by resolution of the
3 board of regents and shall otherwise be subject to the limita-
4 tions, conditions and provisions of section four of this article.
5 Such revenue refunding bonds may be issued in an amount at
6 the option of the board of regents sufficient to pay either in
7 full or together with interest earned on the investment of the
8 proceeds thereof, whether or not at the time of the issuance
9 of the revenue refunding bonds the hereafter mentioned bonds
10 are payable or callable for optional redemption, (1) the prin-
11 cipal of any outstanding bonds heretofore issued pursuant to
12 the provisions of article eleven-b of this chapter or this article
13 (hereinafter referred to as the "outstanding bonds"); (2) the
14 redemption premium, if any, on such outstanding bonds or the
15 prior redemption thereof; (3) the interest due and payable
16 on such outstanding bonds to and including the first date
17 upon which said outstanding bonds are callable prior to ma-
18 turity, not exceeding, however, ten years from the date of
19 issuance of such revenue refunding bonds, or the dates upon
20 which the principal of said outstanding bonds mature before
21 such first date on which the same are callable prior to maturity,
22 including any interest theretofore accrued and unpaid; and
23 (4) all expenses of the issuance and sale of said revenue re-
24 funding bonds, including all necessary financial and legal
25 expenses, and also including the creation of initial debt ser-
26 vice reserve funds. Any moneys in funds pledged with respect
27 to the outstanding bonds may be used for any or all of the
28 purposes stated in (1), (2), (3) and (4) above or may be de-
29 posited in a sinking fund or reserve fund or other funds for
30 the issue of bonds which have been issued wholly or in part
31 for the purpose of such refunding. Such amount of the pro-
32 ceeds of the revenue refunding bonds as shall be sufficient for
33 the payment of the principal of, interest and redemption
34 premium, if any, on such outstanding bonds which will not be
35 immediately due and payable shall be deposited in trust, for

36 the sole purpose of making such payments, with the treasurer
37 of the state of West Virginia or the state sinking fund com-
38 mission. Any of the moneys so deposited in trust may, prior to
39 the date on which such moneys will be needed for the payment
40 of principal of, interest and redemption premium, if any, on
41 such outstanding bonds, be invested and reinvested as deter-
42 mined by the board of regents, in whole or in part: (a) in
43 direct obligations issued by the United States of America or one
44 of its agencies or in direct obligations of the state of West
45 Virginia, (b) in obligations unconditionally guaranteed by the
46 United States of America as to principal and interest, or (c) in
47 certificates of deposit of a banking corporation or association
48 which is a member of the federal deposit insurance corporation,
49 or successor; but any such certificates of deposit must be
50 fully secured as to both principal and interest by pledged col-
51 lateral consisting of direct obligations of or obligations guar-
52 anteed by the United States of America, or direct obligations of
53 the state of West Virginia, having a market value, excluding ac-
54 crued interest, at all times at least equal to the amount of the
55 principal of and accrued interest on such certificates of deposit.
56 Any such investments must mature, or be payable in advance of
57 maturity at the option of the holder, and must bear interest in
58 such manner as to provide funds which, together with unin-
59 vested money, will be sufficient to pay when due or called for
60 redemption the bonds refunded, together with interest accrued
61 and to accrue thereon and redemption premiums, if any, and
62 such refunding bonds proceeds or obligations so purchased
63 therewith shall be deposited in escrow and held in trust for
64 the payment and redemption of the bonds refunded: *Provided,*
65 That if interest earned by any investment in such escrow is
66 shown to be in excess of the amounts required from time to
67 time for the payment of interest on and principal of the re-
68 funded bonds, including applicable redemption premium, then
69 such excess may be withdrawn from escrow and disbursed in
70 such manner as the board of regents shall by resolution deter-
71 mine, subject to the provisions of section two of this article.
72 Any moneys in the sinking or reserve funds or other funds
73 maintained for the outstanding bonds to be refunded may be
74 applied in the same manner and for the same purpose as are the
75 net proceeds of refunding bonds or may be deposited in the

76 special fund or any reserve funds established for account of the
77 refunding bonds.

78 The authority to issue revenue refunding bonds shall be in
79 addition to any other authority to refund bonds conferred by law.

80 The board of regents shall have power to enter into such
81 escrow agreements and to insert therein such protective and
82 other covenants and provisions as it may consider necessary
83 to permit the carrying out of the provisions of this article
84 and to insure the prompt payment of principal of and interest
85 and redemption premiums on the revenue bonds refunded.

86 Where any revenue bonds to be refunded are not to be
87 surrendered for exchange or payment and are not to be
88 paid at maturity with escrowed obligations, but are to be
89 paid from such source prior to maturity pursuant to call for
90 redemption exercised under a right of redemption reserved
91 in such revenue bonds, the board of regents shall, prior to
92 the issuance of the refunding bonds, determine which re-
93 demption date or dates shall be used, call such revenue bonds
94 for redemption and provide for the giving of the notice
95 of redemption required by the proceedings authorizing such
96 revenue bonds. Where such notice is to be given at a time
97 subsequent to the issuance of the refunding bonds, the neces-
98 sary notices may be deposited with the state sinking fund
99 commission or the bank acting as escrow agent of the refund-
100 ing bond proceeds and the escrow agent appropriately in-
101 structed and authorized to give the required notices at the
102 prescribed time or times. If any officer of the public body
103 signing any such notice shall no longer be in office at the
104 time of the utilization of the notice, the notice shall neverthe-
105 less be valid and effective for its intended purpose.

§18-12B-6. Bonds may be issued for combined purposes.

1 The board of regents may authorize by one or more resolu-
2 tions a single issue of bonds for the combined purposes of re-
3 funding the outstanding bonds as herein authorized and fi-
4 nancing one or more of the major renovations, repairs and
5 safety upgrading and capital improvements herein authorized.

§18-12B-7. Bonds shall be negotiable instruments.

1 The revenue bonds, revenue refunding bonds and bonds

2 issued for combined purposes under the provisions of this
3 article shall, independently of the requirements of any other
4 provision of law and solely by virtue of the provisions of this
5 section, be and have all the qualities and incidents of nego-
6 tiable instruments.

§18-12B-8. Trust agreements for holders of bonds.

1 The board of regents may enter into an agreement or agree-
2 ments with any trust company, or with any bank having the
3 powers of a trust company, either within or outside the state,
4 to act as trustee for the holders of bonds issued hereunder,
5 setting forth therein such duties and containing such legally
6 binding covenants of the board of regents with the holders of
7 the bonds in respect to the payment of the bonds, the fixing,
8 establishing and collecting of the fees hereinbefore referred to;
9 the acquisition, construction, improvement, maintenance, oper-
10 ation, repair and insurance of authorized major renovations,
11 repairs and safety upgrading and capital improvements; the
12 custody, safeguarding and disposition of the proceeds of the
13 bonds, and the moneys in such special funds, sinking funds,
14 reserve funds, or any other moneys or funds, notwithstanding
15 provisions of this article to the contrary; the security for
16 moneys on hand or on deposit, and the rights and remedies of
17 the trustee and the holders of the bonds, as may be agreed
18 upon with the purchasers of such bonds; provisions restricting
19 the individual right of action of bondholders as is customary
20 in trust agreements respecting bonds and debentures of muni-
21 cipal corporations, protecting and enforcing the rights and
22 remedies of the trustee and the bondholders; and provisions
23 as to any other matters which are deemed necessary and ad-
24 visable by the board of regents in the best interests of the state
25 and to enhance the marketability of the bonds. Any such agree-
26 ment entered into by the board of regents shall be binding in
27 all respects on such board and its successors from time to
28 time in accordance with the terms thereof; and all the pro-
29 visions thereof shall be enforceable by appropriate proceedings
30 at law or in equity, or otherwise.

§18-12B-9. Sinking fund for payment of bonds.

1 From the state system tuition fee special capital improve-

2 ments fund the board of regents shall make periodic payments
3 to the state sinking fund commission in an amount sufficient to
4 meet the requirements of any issue of bonds sold under the
5 provisions of this article, as may be specified in the resolution
6 of the board authorizing the issue thereof and in any trust
7 agreement entered into in connection therewith. The payments
8 so made shall be placed by the commission in a special sink-
9 ing fund which is hereby pledged to and charged with the
10 payment of the principal of the bonds of such issue and the
11 interest thereon, and to the redemption or repurchase of such
12 bonds, such sinking fund to be a fund for all bonds of such
13 issue without distinction or priority of one over another, ex-
14 cept as may be provided in the resolution authorizing such
15 issue of bonds. The moneys in the special sinking fund, less
16 such reserve for payment of principal and interest and redemp-
17 tion premium, if any, as may be required by the resolution of
18 the board of regents, authorizing the issue and any trust agree-
19 ment made in connection therewith, may be used for the re-
20 demption of any of the outstanding bonds payable from such
21 fund which by their terms are then redeemable, or for the
22 purchase of bonds at the market price, but at not exceeding
23 the price if any, at which such bonds shall in the same year be
24 redeemable; and all bonds redeemed or purchased shall forth-
25 with be cancelled and shall not again be issued.

§18-12B-10. Credit of state not pledged.

1 No provisions of this article shall be construed to authorize
2 the board of regents at any time or in any manner to pledge
3 the credit or taxing power of the state, nor shall any of the
4 obligations or debts created by the board under the authority
5 herein granted be deemed to be obligations of the state.

§18-12B-11. 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 the
3 issuance of a final approving opinion regarding the legality of
4 the sale of bonds under this article.

§18-12B-12. Conflicting laws superseded.

1 The powers conferred by this article shall be in addition

2 and supplemental to the existing powers of the board of
3 regents. The provisions of any other law or laws conflicting
4 with the provisions of this article shall be and the same are
5 hereby superseded to the extent of any such conflict.

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

James L. Davis
Chairman Senate Committee

Clarence C. Chestnut Jr.
Chairman House Committee

Originated in the House.

Takes effect from passage.

J. H. Wilson, Jr.
- Clerk of the Senate

C. Blankenship
Clerk of the House of Delegates

W. F. Buthart Jr.
President of the Senate

Donald L. Kopp
Speaker House of Delegates

The within *is approved* this the *27*
day of *April*, 1977.

John D. Ralston W
Governor

APPROVED AND SIGNED BY THE GOVERNOR

RECEIVED

APR 21 2 25 PM '77

OFFICE OF THE GOVERNOR

Date April 27, 1977

Time 8:45 A.M.

RECEIVED

77 APR 27 P 6: 28

OFFICE
REGY. OF STATE