WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1977

ENROLLED
SENATE BILL NO. 521

(By Mr. Brobst as President, et al.)

PASSED April 5, 1977

In Effect ninety days from Passage
ENROLLED

Senate Bill No. 521
(By Mr. Brotherton, Mr. President)

[Passed April 5, 1977; in effect ninety days from passage.]

AN ACT to authorize the issuance and sale, subsequent to the first day of February, one thousand nine hundred seventy-eight, 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, 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 BUILDING BONDS.

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

1. 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, are hereby authorized to be issued and sold, at some date subsequent to the first day of February, one thousand nine hundred seventy-eight, 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. Such bonds may be issued by the governor in such amounts, in coupon or registered form, in such denominations, at such time, after the first day of February, one thousand nine hundred seventy-eight, bearing 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 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.

1. 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 canceled 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 state school buildings bond debt service account. 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 approved by the governor. The bonds shall bear interest, payable 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 presentation and surrender of interest coupons, then due, in the case of coupon bonds. For the payment of interest on registered 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.

1. 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 of 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 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. )

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 enforced in any court of competent jurisdic-
tion 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 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 audi-
tor of the state, hereto affixed according to law, dated
the ______ day of ______________, one thousand nine hun-
dred ______________, and the seal of the state of West Vir-
ginia 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.

1. 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.

1. 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 canceled by the treasurer and rendered ineffective, 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 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.
1 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.
1 The state auditor shall be the custodian of all unsold bonds issued pursuant to the provisions of this act.

§12. Interim certificates.
1 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.
1 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.
1 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.
1 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

Clarence C. Chastain Jr.
Chairman House Committee

Originated in the Senate.

To take effect ninety days from passage.

J. E. Dillavou Jr.
Clerk of the Senate

C. A. Blankenship
Clerk of the House of Delegates

W. B. Battle
President of the Senate

Donald L. Zupp
Speaker House of Delegates

The within __________ approved __________ this the __________
day of __________, 1977.

Paul B. Johnson
Governor
RECEIVED
Apr 9 2:59 PM '77
OFFICE OF THE GOVERNOR

APPROVED AND SIGNED BY THE GOVERNOR

Date April 13, 1977
Time 9:20 A.M.

OFFICE
SECG. OF STATE

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