WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1980

ENROLLED
Committee Substitute for
SENATE BILL NO. 444

(By Mr. Sharpe)

PASSED March 7, 1980
In Effect from Passage
ENROLLED

COMMITTEE SUBSTITUTE
FOR

Senate Bill No. 444
(Mr. Sharpe, original sponsor)

(Passed March 7, 1980; in effect from passage.)

AN ACT to amend and reenact sections nine and fourteen, article three, chapter seven of the code of West Virginia, one thousand nine hundred thirty-one, as amended; to amend and reenact section twelve, article sixteen; section fourteen, article eighteen; sections four and six, article nineteen; and section five, article twenty, all of chapter eight of said code; to amend and reenact section fourteen, article one; and section five, article two-a, chapter thirteen of said code; to amend and reenact section ten, article thirteen; and section thirteen, article thirteen-a, chapter sixteen of said code; and to amend and reenact section six, article twenty-four, chapter eighteen of said code, all relating to increasing to ten percent the maximum interest rate that revenue bonds or general obligation bonds issued under these code sections may bear and provide for a corresponding increase in the allowable bond yield.

Be it enacted by the Legislature of West Virginia:

That sections nine and fourteen, article three, chapter seven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted; that section twelve, article sixteen; section fourteen, article eighteen; sections four and six, article nineteen; and section five, article twenty, all of chapter eight of said code be amended and reenacted; that section fourteen, article one; and section five, article two-a, chapter thirteen of said code be amended and reenacted; that section ten, article thirteen; and section thirteen, article thirteen-a, chapter sixteen of said code be...
amended and reenacted; and that section six, article twenty-four, chapter eighteen of said code be amended and reenacted, all to read as follows:

CHAPTER 7. COUNTY COMMISSIONS AND OFFICERS.
ARTICLE 3. COUNTY PROPERTY.
§7-3-9. Form and payment of bonds; use of proceeds of bonds.  
1. Any county commission issuing revenue bonds under the provisions of this article shall thereafter, so long as any such bonds remain outstanding, operate and maintain said courthouse, hospital, other public buildings, or jail, to provide revenues sufficient to pay all operating costs, provide a sinking fund for, and to retire such bonds and pay the interest thereon as the same may become due. The amounts, as and when so set apart by said county commission, shall be remitted to the West Virginia municipal bond commission at least thirty days previous to the time interest or principal payments become due, to be retained and paid out by said commission consistent with the provisions of this article and with the order pursuant to which such bonds have been issued. The West Virginia municipal bond commission is hereby authorized to act as fiscal agent for the administration of such sinking fund under any order passed pursuant to the provisions of this article, and shall invest all sinking funds, as provided by general law. Revenue bonds issued under the provisions of this article are hereby declared to be and to have all the qualities of negotiable instruments. Such bonds shall bear interest at not more than ten percent per annum, payable semiannually, and shall mature at any time fixed by the county commission, in not more than thirty years from their date. Such bonds shall be sold at a price not lower than a price which, when computed upon standard tables of bond values, will show a net return of not more than eleven percent per annum to the purchaser upon the amount paid therefor. Such bonds may be made redeemable at the option of the county commission at such price and under terms and conditions as said commission may fix, by its order, prior to the issuance of such bonds. Revenue bonds issued hereunder shall be payable at the
office of the state treasurer, or some bank in the city of
New York.

In case any of the officers whose signatures appear on
such bonds or coupons shall cease to be such officers
before the delivery of such bonds, such signatures shall,
nevertheless, be valid and sufficient for all purposes the
same as if they had remained in office until such delivery.
The county commission shall by order entered prior to
the issuance of said bonds, fix the denominations, times
and places of payment of such bonds, the principal and
interest of which shall be payable in lawful money of
the United States of America. The proceeds of such bonds
shall be used solely for the payment of the cost of land,
buildings, furniture and equipment thereon, and shall
be checked out by the county commission under such
restrictions as are contained in the order providing for
the issuance of said bonds. If the proceeds of such bonds
issued for any courthouse, hospital, other public build-
ings, or jail, shall exceed the cost thereof, the surplus
shall be paid into the fund herein provided for the pay-
ment of principal and interest upon such bonds. Such
fund may be used for the purchase or redemption of
any of the outstanding bonds payable from such fund
at the market price, but at not exceeding the price at
which any of such bonds shall in the same year be re-
deemable, as fixed by the commission in its said order,
and all bonds redeemed or purchased shall forthwith
be canceled, and shall not again be issued.

Prior to the preparation of definitive bonds, the county
commission may, under like restrictions, issue temporary
bonds, or interim certificates, with or without coupons,
exchangeable for definitive bonds upon the issuance of
the latter. Such bonds may be issued without any other
proceedings or the happening of any other conditions
or things than those proceedings, conditions and things
which are specified and required by this article.

§7-3-14. Authority to acquire and operate hospitals, clinics,
long-term care facilities and other related facilities;
financing.

The county commission of any county is hereby author-
ized and empowered to acquire by purchase or construc-
tion and to thereafter own, equip, furnish, operate, lease,
improve and extend a public hospital, clinic, long-term
care facility and other related facilities, with all appurte-
nances, including the necessary real estate as a site there-
for. Any such county public hospital acquired pursuant
thereto may include a nurses home and nurses training
school. The county commission is further authorized and
empowered, upon acquiring a hospital, clinic, long-term
care facility or other related facility, to lease to others any
or all such facilities for such rentals and upon such terms
and conditions as the county commission may deem
advisable. For the purpose of paying all or any part of
the costs, not otherwise provided, of acquiring, complet-
ing, equipping, furnishing, improving or extending such
hospital, clinic, long-term care facility or other related
facility, the county commission is hereby authorized and
empowered by order duly entered of record, to issue and
sell the negotiable revenue bonds of such county, which
shall be payable solely and only from all or such part of
the net revenues from the operation of such county public
hospital, clinic, long-term care facility or other related
facility as may be provided by said order; and each such
revenue bond so issued shall contain a recital that pay-
ment or redemption of the bond and payment of the
interest thereof is secured by the revenues pledged there-
for, and that such bond does not constitute an indebted-
ness of such county or the county commission thereof
within the meaning of any constitutional or statutory
limitation or provision. Such revenue bonds may bear
such date or dates, may mature at such time or times
not exceeding thirty-four years from their respective
dates, may bear interest at such rate or rates not exceed-
ing ten percent per annum, may be of such denomination
or denominations, may be in such form, may carry such
registration privileges, may be made subject to such terms
of redemption with or without premium, and may contain
such other terms and covenants not inconsistent with
this article as may be provided in such order. Such
revenue bonds shall be exempt from taxation by the
state of West Virginia and the other taxing bodies of the
In determining the amount of revenue bonds to be issued, there may be included any expenses in connection with and incidental to the issuance and sale of bonds and for the preparation of plans, specifications, surveys and estimates, interest during the estimated construction period and for six months thereafter, and a reasonable amount for working capital and prepaid insurance. Such bonds may be sold in such manner at such times and upon such terms as may be determined by the county commission to be for the best interests of the county: Provided, That no bonds may be sold upon terms which will result in the net interest cost of more than eleven percent per annum computed to maturity of the bonds according to standard tables of bond values. There may be included in any such order authorizing the issuance of revenue bonds such covenants, stipulations and conditions as may be deemed necessary with respect to the expenditure of the bond proceeds, the operation and maintenance of the county public hospital, clinic, long-term care facility or other related facility, and the custody and application of the revenues from such operation. The holder of any bond or bonds may, by mandamus or other appropriate proceedings, require and compel performance of any duties imposed by law in connection with the hospital, clinic, long-term care facility or other related facility, or any covenant, stipulation or condition that may have been expressed in such bond order.

CHAPTER 8. MUNICIPAL LAW, MUNICIPALITIES AND COUNTIES; INTERGOVERNMENTAL RELATIONS.

ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING.

§8-16-12. Interest rate and life of bonds; redemption; how payable; form, denominations, etc.; additional bonds authorized; interim certificates.

1 Such revenue bonds shall bear interest at not more than ten percent per annum, payable semiannually, or at shorter intervals, and shall mature at such time or times, not exceeding forty years, as may be determined by the ordinance or ordinances authorizing the issuance of such bonds. Such bonds may be made redeemable
before maturity, at the option of the municipality or
municipalities issuing the same, to be exercised by said
board, at not more than the par value thereof, and at
a premium of not more than five percent, under such
terms and conditions as may be fixed by the ordinance
or ordinances authorizing the issuance of the bonds. The
principal and interest of the bonds may be made pay-
able in any lawful medium. Such ordinance or ordinances
shall determine the form of the bonds, including the
interest coupons to be attached thereto, and shall fix
the denomination or denominations of such bonds, and
the place or places of the payment of the principal and
interest thereof, which may be at any banking institution
or trust company within or without the state. When
two or more municipalities take joint action under the
provisions of this article, the bonds shall be issued by
the participating municipalities either as separate
or joint bonds, as the governing bodies thereof
may agree, and when separate bonds are issued, the
amount of the bonds to be issued by each participating
municipality shall be fixed by agreement of the govern-
ing bodies of the participating municipalities set forth
in the ordinance of each participating municipality
authorizing the issuance of such bonds. The bonds shall
contain a statement on their face that the municipality
or municipalities issuing the same shall not be obligated
to pay the same, or the interest thereon, except from
the special fund derived from the net revenue of the
works, or the pro rata part thereof, as provided for in
section eleven hereof. All such bonds shall be, and shall
have and are hereby declared to have all the qualities
and incidents of negotiable instruments, under the Uni-
form Commercial Code of this state. Provision may be
made for the registration of any of the bonds in the
name of the owner as to principal alone; but bonds shall
be executed in such manner as the governing body or
bodies may direct. The bonds shall be sold by the govern-
ing body or bodies in such manner as may be determined
to be for the best interest of the municipality or munici-
palities: Provided, That said bonds shall not be negotiated
at a price lower than a price which when computed to
maturity upon standard tables of bond values will show
a net return of more than ten percent per annum to
the purchaser upon the amount paid therefor. Any sur-
pus of the bond proceeds over and above the cost of
the project shall be paid into the sinking fund hereina-
fter provided for. If the proceeds of the bonds, by error
of calculation or otherwise, shall be less than the cost
of the project, additional bonds may in like manner be
issued to provide the amount of such deficit, and, unless
otherwise provided in the ordinance or ordinances
authorizing the issuance of the bonds first issued, or
in the trust indenture hereinafter authorized, shall be
deemed to be of same issue, and shall be entitled to
payment without preference or priority of the bonds
first issued; and if any preference or priority of the bonds
first issued is provided for in the ordinance or ordinances
authorizing the issuance of the bonds first issued or in
said trust indenture, such preference to priority shall
not extend to an amount exceeding ten percent of the
original issue. Prior to the preparation of the definitive
bonds, interim certificates may, under like restrictions,
be issued with or without coupons exchangeable for de-
finitive bonds upon the issuance of the latter.

ARTICLE 18. ASSESSMENTS TO IMPROVE STREETS, SIDE-
walks and sewers; sewer connections
and board of health.

1 Every municipality is hereby empowered and author-
2 ized to issue its bonds for any improvements under the
3 provisions of this article in anticipation of special as-
4 sessments to be made upon the property abutting upon
5 the streets, alleys, public ways or easements, or sewer
6 rights-of-way or easements, so improved, and such bonds
7 may be in such an amount as will be sufficient to pay
8 the entire estimated cost and expense of such improve-
9 ments for which such special assessments are levied.
10 Such municipality is also authorized to sell such bonds,
11 but the price for which they are sold shall not be below
12 the par value of such bonds. Such bonds shall be pay-
13 able in not to exceed ten years from the date of the
14 issuance thereof, and shall bear interest at not to exceed
ten percent per annum, payable annually; and in the
issuance and sale of such bonds, the municipality shall
be governed by all the restrictions and limitations of
the constitution of this state, and by the restrictions and
limitations of the statutes of this state with respect to
the issuance and sale of other bonds, so far as they are
not in conflict with the provisions of this article; and
the assessments shall be collected as provided in sec-
tions ten and twelve of this article, and as paid and col-
lected shall be applied to the liquidation of such bonds
and the interest thereon; and if by reason of penalties
collected with delinquent assessments there be any
balance after the payment of such bonds and all accrued
interest and cost, such balance shall be turned into the
municipal treasury to the credit of the interest and
sinking fund of the municipality: Provided, That no such
municipality shall by sale or issuance of such bonds cause
the aggregate of its indebtedness of every kind whatso-
ever to exceed five percent of the value of taxable
property therein: Provided, however, That nothing here-
in contained shall be construed as authorizing any such
municipality to become indebted in any other manner
or for any other purpose, to an amount, including its
existing indebtedness, in the aggregate exceeding two
and one-half percent of the value of the taxable property
therein, as provided in section three, article one, chapter
thirteen of this code, except for the purpose of grading,
regrading, paving, repaving, surfacing, resurfacing, curb-
ing, recurbing, building or renewing sidewalks, or con-
structing sewers or otherwise improving or re improving
the streets, alleys, public ways or easements, or sewer
rights-of-way or easements, of such municipality, as pro-
vided for in this article; nor shall such municipality make
such issuance and sale without at the same time pro-
viding for the collection of a direct annual tax sufficient
to pay annually the interest on such debt and the principal
thereof within not exceeding ten years. All of the
assessments, interest and penalties collected from the
abutting property owners on account of the grading, re-
grading, paving, repaving, surfacing, resurfacing, curbing,
recurfing, building or renewing sidewalks, or constructing
sewers or otherwise improving or reimproving the streets,
alley, public ways or easements, or sewer rights-of-way
or easements, of any such municipality, under the provi-
sions of this article, shall annually be applied to the annual
tax required to pay the interest on such debt and such
principal within and not exceeding ten years; and in the
event that the assessments, interest and penalties so col-
lected do not amount to a sum sufficient to pay annually
the interest on such debt and the principal thereof within
and not exceeding ten years, then the governing body of
such municipality shall collect so much of such levy as
will pay annually the interest on such debt and the
principal thereof within and not exceeding ten years.

ARTICLE 19. MUNICIPAL WATERWORKS SYSTEMS.
§8-10-4. Estimate of cost; ordinance for issuance of revenue
bonds; interest on bonds; rates for services.
Whenever a municipality shall, under the provisions of
this article, determine to acquire, by purchase or other-
wise, construct, establish, extend or equip a waterworks
system, or to construct any additions, betterments or im-
provements to any waterworks or electric power system,
it shall cause an estimate to be made of the cost thereof,
and shall, by ordinance, provide for the issuance of rev-
ene bonds under the provisions of this article, which
ordinance shall set forth a brief description of the con-
templated undertaking, the estimated cost thereof, the
amount, rate or rates of interest, the time and place of
payment, and other details in connection with the issu-
ance of the bonds. Such bonds shall be in such form and
shall be negotiated in such manner and upon such terms
as the governing body of such municipality may by ordi-
nance specify. All such bonds and the interest thereon,
and all properties and revenues and income derived from
such waterworks or electric power system, shall be ex-
empt from all taxation by this state, or any county,
municipality, political subdivision or agency thereof. Such
bonds shall bear interest at not more than ten percent
per annum, payable semiannually, and shall be payable
at such times, not exceeding forty years from their date,
and at such place or places, within or without the state, as
shall be prescribed in the ordinance providing for their issuance. Such ordinance shall also declare that a statutory mortgage lien shall exist upon the property so to be acquired, constructed, established, extended or equipped, fix minimum rates or charges for water to be collected prior to the payment of all of said bonds and shall pledge the revenues derived from the waterworks or electric power system for the purpose of paying such bonds and interest thereon, which pledge shall definitely fix and determine the amount of revenues which shall be necessary to be set apart and applied to the payment of the principal of and interest upon the bonds and the proportion of the balance of such revenues, which are to be set aside as a proper and adequate depreciation account, and the remainder shall be set aside for the reasonable and proper maintenance and operation thereof. The rates or charges to be charged for the services from such waterworks or electric power system shall be sufficient at all times to provide for the payment of interest upon all bonds and to create a sinking fund to pay the principal thereof as and when the same become due, and reasonable reserves therefor, and to provide for the repair, maintenance and operation of the waterworks or electric power system, and to provide an adequate depreciation fund, and to make any other payments which shall be required or provided for in the ordinance authorizing the issuance of said bonds.

§8-19-6. Amount, negotiability and execution of bonds.

Bonds herein provided for shall be issued in such amounts as may be necessary to provide sufficient funds to pay all costs of acquisition, construction, establishment, extension or equipment, including engineering, legal and other expenses, together with interest to a date six months subsequent to the estimated date of completion. Bonds issued under the provisions of this article are hereby declared to be negotiable instruments, and the same shall be executed by the proper legally constituted authorities of the municipality and be sealed with the corporate seal of the municipality, and in case any of the officers whose signatures appear on the bonds or coupons...
shall cease to be such officers before delivery of such bonds, such signatures shall nevertheless be valid and sufficient for all purposes the same as if they had remained in office until such delivery. All signatures on the bonds or coupons and the corporate seal may be mechanically reproduced if authorized in the ordinance authorizing the issuance of the bonds. Said bonds shall not be negotiated at a price lower than a price which when computed to maturity upon standard tables of bond values will show a net return of more than ten percent per annum to the purchaser upon the amount paid therefor.

ARTICLE 20. COMBINED WATERWORKS AND SEWERAGE SYSTEMS.

§8-20-5. Amount, negotiability and execution of bonds; refund of outstanding obligations or securities by sale or exchange of bonds.

For the purpose of defraying the cost of acquisition, construction, establishment or equipment of any such waterworks or sewerage system, or a combined waterworks and sewerage system, and for the purpose of paying the cost of constructing any extensions, additions, betterments or improvements to either the waterworks or sewerage system of said combined waterworks and sewerage system, or both, any such municipality may issue revenue bonds under the provisions of this article. All such bonds may be authorized, issued and sold pursuant to ordinance in installments at different times or an entire issue or series may be sold at one time. Such bonds shall bear interest at a rate not to exceed ten percent per annum, payable semiannually, and shall mature within the period of usefulness of the project involved, to be determined by the governing body and in any event within a period of not more than forty years. Such bonds may be in such denomination or denominations, may be in such form, either coupon or registered, may carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment, at such place or places, may be subject to such terms of redemption, with or without a premium, may be declared
to become due before the maturity date thereof, may
provide for the replacement of mutilated, destroyed,
and upon compliance with such conditions, and may con-
tain such other terms and covenants, as may be provided
by ordinances of the governing body of the municipality.
Notwithstanding the form of tenor thereof, and in the
absence of an express recital on the face thereof that the
bond is nonnegotiable, all such bonds shall at all times be,
and shall be treated as, negotiable instruments for all
purposes. Said bonds and the interest thereon, together
with all properties and facilities of said municipality
owned or used in connection with said combined water-
works or sewerage system, and all the moneys, revenues
and other income of such municipality derived from
such combined waterworks and sewerage system shall
be exempt from all taxation by this state or any county,
municipality, political subdivision or agency thereof.
Such bonds may be sold in such manner as the governing
body shall determine and if issued to bear interest at the
rate of ten percent per annum shall be sold for not less
than par and accrued interest. If any such bonds shall be
issued to bear interest at a rate of less than ten percent
per annum, the minimum price at which they may be
sold shall be such that the interest cost to such munici-
pality of the proceeds of such bonds shall not exceed ten
percent per annum computed to maturity according to
the standard table of bond values: Provided, That if the
governing body of the municipality determines to sell
any revenue bonds of such combined waterworks and
sewerage system for refunding purposes, such bonds shall
be sold at not less than par and accrued interest and the
proceeds deposited at the place of payment of the bonds,
obligations or securities being refunded thereby. In case
any officer whose signature appears on such bonds or
coupons attached thereto shall cease to be such officer
before the delivery of the bonds to the purchaser, such
signature shall nevertheless be valid and sufficient for
all purposes, with the same effect as if he had remained
in office until the delivery of the bonds. All signatures on
the bonds or coupons and the corporate seal may be
mechanically reproduced if authorized in the ordinance authorizing the issuance of the bonds. Such bonds shall have all the qualities of negotiable instruments under the law of this state.

Whenever a waterworks and sewerage system is included in a combined waterworks and sewerage system under the provisions of this article and there are unpaid and outstanding revenue bonds or any other obligations or securities previously issued which are payable solely from the revenues of such waterworks or such sewerage system or any part thereof, such outstanding bonds, obligations or securities may be refunded by the issuance and sale or exchange therefor of revenue bonds to be issued under the provisions of this article. Whenever any outstanding bonds, obligations or securities previously issued which are payable solely from the revenues of any waterworks or sewerage system included in a combined waterworks and sewerage system under the provisions of this article are refunded and the refunding is to be accomplished by exchange, such outstanding bonds, obligations or securities shall be surrendered and exchanged for revenue bonds of such combined waterworks and sewerage system of a total principal amount which shall not be more and may be less than the principal amount of the bonds, obligations or securities surrendered and exchanged plus the interest to accrue thereon to the date of surrender and exchange, and if the refunding is to be accomplished through the sale of revenue bonds of such combined waterworks and sewerage system the total principal amount of such revenue bonds which may be sold for refunding purposes shall not exceed the principal amount of the bonds, obligations or securities being refunded plus the interest to accrue thereon to the retirement date or the next succeeding interest payment date, whichever date may be earlier. Provision may be made that each bond to be exchanged for refunding bonds shall be kept intact and shall not be canceled or destroyed until the refunding bonds, and interest thereon, have been finally paid and discharged; but each such bond shall be stamped with a legend to the effect that the same has been refunded pursuant to the provisions of this article.
CHAPTER 13. PUBLIC BONDED INDEBTEDNESS.

ARTICLE 1. BOND ISSUES FOR ORIGINAL INDEBTEDNESS.


1 If three fifths of all the votes cast for and against the proposition to incur debt and issue negotiable bonds shall be in favor of the same, the governing body of the political division shall, by resolution, authorize the issuance of such bonds in an amount not exceeding the amount stated in the proposition; fix the date thereof; set forth the denominations in which they shall be issued, which denominations shall be one hundred dollars or multiples thereof; determine the rate of interest which the bonds shall bear, which rate of interest shall be within the maximum rate stated in the proposition submitted to vote and payable semiannually, and shall in no case exceed ten percent per annum; prescribe the medium with which the bonds shall be payable; require that the bonds shall be made payable at the office of the state treasurer and at such other place or places as the body issuing the same may designate; provide for a sufficient levy to pay the annual interest on the bonds and the principal maturity; fix the times within the maximum period, as contained in the proposition submitted to vote, when the bonds shall become payable, which shall not exceed thirty-four years from the date thereof; and prescribe a form for executing the bonds authorized.

ARTICLE 2A. REVENUE BOND REFINANCING.

§13-2A-5. Form of bonds; interest rates; negotiability.

1 The refunding bonds may be issued in one or more series, may bear such date or dates, may mature at such time or times not exceeding the period of usefulness of the enterprise, as determined by the governing body in its discretion, not in any event exceeding forty years from their respective dates; may bear interest at such rate or rates not exceeding the maximum rate of interest borne by the notes, bonds or other obligations refinanced thereby; may be in such denomination or denominations, may be in such form either coupon or registered, may
carry such registration and conversion privileges, may be
exchanged in such manner, may be payable in such medium
of payment, at such place or places, may be subject to
such terms of redemption, with or without a premium,
may be declared or become due before the maturity date
thereof, may provide for the replacement of mutilated,
destroyed, stolen or lost bonds, may be authenticated in
such manner and upon compliance with such conditions;
and may contain such other terms and covenants, as
may be provided by resolution or resolutions of the
governing body of the public body: Provided, That if
the refinancing is for the sole purpose of discharging at
less than their face or par value all of the outstanding
notes, bonds or other obligations of a Class I or Class II
city, as defined in chapter eight of this code, and such
notes, bonds or other obligations are to be refinanced,
then such refunding bonds may bear interest at any rate
or rates, not exceeding ten percent per annum, which re-
sults in a total interest cost of not more than the total
amount of interest, including interest then in arrears,
that would have been payable from the date of such
refinancing to maturity of the notes, bonds or other
obligations so refinanced: Provided, however, That if the
governing body determines that one of the purposes of
issuing such refunding bonds is to effect the release,
termination or modification of liens, restrictions, con-
ditions or limitations imposed in connection with the
notes, bonds or other obligations refinanced thereby, then
such refunding bonds may be issued bearing interest at
such rate or rates as the governing body may determine,
but such rate or rates shall not exceed the maximum
stated rate of interest which the notes, bonds or other
obligations refinanced thereby could bear if they were
being issued as of the date of issuance of such refunding
bonds, and notwithstanding any other limitations con-
tained in this article, such refunding bonds may not be
sold or exchanged at a price which would result in a net
interest cost, herein defined to mean the total amount of
interest to accrue on the refunding bonds from the date
thereof to their respective maturities without regard to
any retained options of redemption plus the amount of any
discount below par or less the amount of any premium above par at which the bonds may be sold or exchanged, in excess of the maximum net interest cost which the outstanding notes, bonds or other obligations to be refinanced thereby could be sold or exchanged for if they were being issued as of the date of issuance of such refunding bonds.

Notwithstanding the form or tenor thereof, and in the absence of an express recital on the face thereof that the bond is nonnegotiable, all refunding bonds shall at all times be, and shall be treated as, negotiable instruments for all purposes.

CHAPTER 16. PUBLIC HEALTH.

ARTICLE 13. SEWAGE WORKS OF MUNICIPAL CORPORATIONS AND SANITARY DISTRICTS.

§16-13-10. Interest on and redemption of bonds; form; statement on face of bond; negotiability; exemption from taxation; registration; execution; sale; disposition of surplus proceeds; additional and temporary bonds.

Such revenue bonds shall bear interest at not more than ten percent per annum, payable semiannually, and shall mature at such time or times as may be determined by ordinance. Such bonds may be made redeemable before maturity at the option of the municipality, to be exercised by said board, at not more than the par value thereof and a premium of five percent, under such terms and conditions as may be fixed by the ordinance authorizing the issuance of the bonds. The principal and interest of the bonds may be made payable in any lawful medium. Said ordinance shall determine the form of the bonds, including the interest coupons to be attached thereto, and shall fix the denomination or denominations of such bonds and the place or places of payment of the principal and interest thereof, which may be at any bank or trust company within or without the state. The bonds shall contain a statement on their face that the municipality shall not be obligated to pay the same or the interest thereon except from the special fund provided from the net revenues of the works. All such bonds shall be, and shall have and are hereby declared to have
all the qualities and incidents of, negotiable instru-
ments under the Uniform Commercial Code of the state.
Said bonds shall be exempt from all taxation, state,
county and municipal. Provisions may be made for the
registration of any of the bonds in the name of the
owner as to principal alone. Such bonds shall be executed
by the proper legally constituted authorities of the
municipality and be sealed with the corporate seal of
the municipality, and in case any of the officers whose
signatures appear on the bonds or coupons shall cease
to be such officers, before delivery of such bonds, such
signatures shall nevertheless be valid and sufficient for
all purposes the same as if they had remained in office
until such delivery. Such bonds shall be sold at a price
not lower than a price, which when computed upon
standard tables of bond values, will show a net return
of not more than eleven per centum per annum to the
purchaser upon the amount paid therefor and the pro-
ceeds derived therefrom shall be used exclusively for
the purposes for which said bonds are issued and same
may be sold at one time or in parcels as funds are needed.
Any surplus of bond proceeds over and above the cost
of the works shall be paid into the sinking fund here-
inafter provided. If the proceeds of the bonds, by error
of calculation or otherwise, shall be less than the cost
of the works, additional bonds may in like manner be
issued to provide the amount of such deficit and, unless
otherwise provided in said ordinance authorizing the
issuance of the bonds first issued or in the trust indenture
hereinafter authorized, shall be deemed to be of the
same issue and shall be entitled to payment without
preference or priority of the bonds first issued. Prior
to the preparation of the definitive bonds, temporary
bonds may under like restrictions be issued with or with-
out coupons, exchangeable for definitive bonds upon the
issuance of the latter.

ARTICLE 13A. PUBLIC SERVICE DISTRICTS FOR WATER AND
SEWERAGE SERVICES.

1 For constructing or acquiring any public service prop-
2 erties for the authorized purposes of the district, or
necessary or incidental thereto, and for constructing improvements and extensions thereto, and also for reimbursing or paying the costs and expenses of creating the district, the board of any such district is hereby authorized to borrow money from time to time and in evidence thereof issue the bonds of such district, payable solely from the revenues derived from the operation of the public service properties under control of the district. Such bonds may be issued in one or more series, may bear such date or dates, may mature at such time or times not exceeding forty years from their respective dates, may bear interest at such rate or rates not exceeding ten percent per annum payable semiannually, may be in such form, may carry such registration privileges, may be executed in such manner, may be payable at such place or places, may be subject to such terms of redemption with or without premium, may be declared or become due before maturity date thereof, may be authenticated in any manner, and upon compliance with such conditions, and may contain such terms and covenants as may be provided by resolution or resolutions of the board. Notwithstanding the form or tenor thereof, and in the absence of any express recital on the face thereof, that the bond is nonnegotiable, all such bonds shall be, and shall be treated as, negotiable instruments for all purposes. Bonds bearing the signatures of officers in office on the date of the signing thereof shall be valid and binding for all purposes notwithstanding that before the delivery thereof any or all of the persons whose signatures appear thereon shall have ceased to be such officers. Notwithstanding the requirements or provisions of any other law, any such bonds may be negotiated or sold in such manner and at such time or times as is found by the board to be most advantageous, and all such bonds may be sold at such price that the interest cost of the proceeds therefrom does not exceed ten percent per annum, based on the average maturity of such bonds and computed according to standard tables of bond values. Any resolution or resolutions providing for the issuance of such bonds may contain such covenants and restrictions upon the issuance of additional bonds thereafter as may be deemed necessary.
or advisable for the assurance of the payment of the
bonds thereby authorized.

CHAPTER 18. EDUCATION.

ARTICLE 24. FEES AND OTHER MONEY COLLECTED AT STATE
INSTITUTIONS OF HIGHER EDUCATION.

§18-24-6. Disposition and use of student union fees; issuance of
revenue bonds.

1 Whenever the term "student union building" is used in
2 this section the same shall mean a student union building
3 or a combination student union building and dining hall
4 building; and wherever the term "building fund" is used
5 in this section the same shall mean the respective special
6 student union building funds created as provided in sec-
7 tion one of this article for each state educational institu-
8 tion which has imposed student union fees pursuant to
9 section one of this article, to be expended by the West
10 Virginia board of regents for the benefit of the state edu-
11 cational institutions under its control.
12 The West Virginia board of regents may make expendi-
13 tures from such building funds at the various state educa-
14 tional institutions under its control to finance in whole or
15 in part, together with any federal, state or other grants or
16 contributions, any one or more of the following purposes:
17 (1) The construction and acquisition of new student
18 union buildings. (2) The acquisition, renovation and im-
19 provement of existing buildings to be used as student
20 union buildings. (3) The construction of additions, exten-
21 sions and improvements to existing student union build-
22 ings. (4) The acquisition of furnishings and equipment for
23 any existing student union buildings or student union
24 buildings to be constructed or acquired, or the construc-
25 tion of any roads, utilities or other properties, real or
26 personal, or for any other purposes necessary, appur-
27 tenant or incidental to the construction, acquisition,
28 financing and placing in operation of such student union
29 buildings. (5) The payment of the cost of the operation
30 and maintenance of such student union buildings, subject
31 however to any covenants or agreements made with the
32 holders of revenue bonds heretofore or hereafter issued
pursuant to this section or pursuant to section one of this article.

The West Virginia board of regents, at its discretion, may use the moneys in such building funds to finance the costs of the above purposes on a cash basis, or may from time to time issue revenue bonds of the state as provided in this section to finance all or part of such purposes and pledge all or any part of the moneys in such building funds for the payment of the principal of and interest on such revenue bonds, and for reserves therefor. Any pledge of such building funds for such revenue bonds shall be a prior and superior charge on such special funds over the use of any of the moneys in such funds to pay for the cost of any of such purposes on a cash basis, or for the payment of the cost of operation and maintenance, or any part thereof, of such student union buildings, under such terms and conditions as shall be provided in the proceedings which authorized the issuance of such revenue bonds.

Such revenue bonds may be authorized and issued from time to time by the West Virginia board of regents to finance in whole or in part the purposes at any state educational institution under its control provided for in this section in an aggregate principal amount not exceeding the amount which the board shall determine can be paid as to both principal and interest and reasonable margins for a reserve therefor from the moneys in such building funds.

The issuance of such revenue bonds shall be authorized by a resolution adopted by the West Virginia board of regents, and such revenue bonds shall bear such date or dates, mature at such time or times not exceeding forty years from their respective dates; bear interest at such rate or rates not exceeding ten per centum per annum; be in such form either coupon or registered, with such exchangeability and interchangeability privileges; be payable in such medium of payment and at such place or places, within or without the state; be subject to such terms of prior redemption at such prices not exceeding one hundred five per centum of the principal amount thereof; and shall have such other terms and provisions
as the board shall determine. Such revenue bonds shall be
signed by the governor and by the president of the West
Virginia board of regents, under the great seal of the
state, attested by the secretary of state, and the coupons
attached thereto shall bear the facsimile signature of
the president of the West Virginia board of regents. Such
revenue bonds shall be sold in such manner as the board
may determine to be for the best interests of the state.

The West Virginia board of regents may enter into trust
agreements with banks or trust companies, within or with-
out the state, and in such trust agreements or the resolu-
tions authorizing the issuance of such bonds may enter in-
to valid and legally binding covenants with the holders of
such revenue bonds as to the custody, safeguarding and
disposition of the proceeds of such revenue bonds, the
moneys in such building funds, sinking funds, reserve
funds, or any other moneys or funds; as to the rank and
priority, if any, of different issues of revenue bonds issued
by the board for the same educational institution under
the provisions of this section; as to the maintenance or
revision of the amounts of such student union fees, and
the terms and conditions, if any, under which any of such
student union fees may be reduced; and as to any other
matters or provisions which are deemed necessary and
advisable by the board in the best interests of the state
and to enhance the marketability of such revenue bonds.

Any revenues or income derived from the operation of
such student union buildings may, in the discretion of the
board, be used to pay the cost of the operation and main-
tenance of such student union buildings, or for the debt
service on any bonds issued pursuant to this section or
pursuant to any other law.

After the issuance of any of such revenue bonds, the
student union fees at the state educational institution for
which such revenue bonds were issued shall not be re-
duced as long as any of such revenue bonds are outstand-
ing and unpaid except under such terms, provisions and
conditions as shall be contained in the resolution, trust
agreement or other proceedings under which such rev-
ue bonds were issued.
Such revenue bonds shall be and constitute negotiable instruments under the Uniform Commercial Code of the state, shall, together with the interest thereon, be exempt from all taxation by the state of West Virginia, or by any county, school district, municipality or political subdivision thereof; and such revenue bonds shall not be deemed to be obligations or debts of the state, and the credit or taxing power of the state shall not be pledged therefor, but such revenue bonds shall be payable only from the student union fees pledged therefor as provided in this section.

The provisions of this section shall constitute an additional, alternative and complete authority for the exercise of the powers and the issuance of the bonds provided for in this section, but shall not prevent the West Virginia board of regents from exercising similar or related powers or issuing bonds therefor under any other law or laws, but the board, in exercising the powers and issuing the bonds provided for in this section, shall only be required to comply with the provisions of this section and shall not be required to comply with or be subject to the provisions of any other law or laws.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

James L. Davis
Chairman Senate Committee

Clarence L. Martin
Chairman House Committee

Originated in the Senate.

To take effect from passage.

Joe C. Willis
Clerk of the Senate

W.E. Blankenship
Clerk of the House of Delegates

W. Brotherton
President of the Senate

Cynde M. Weltz
Speaker House of Delegates

The within is approved this the 26th day of March, 1980.

Governor