

No. 1623

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OFFICE OF THE GOVERNOR

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1984

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ENROLLED

HOUSE BILL No. 1623

(By ~~Mr.~~ Del. Kiedelhusch & Del. Ballou...)

— ● —

Passed March 7, 1984

In Effect Ninety Days From Passage



ENROLLED

H. B. 1623

(By DELEGATE WIEDEBUSCH and DELEGATE BALLOUZ)

[Passed March 7, 1984; in effect ninety days from passage.]

AN ACT to amend and reenact sections four and six, article nineteen, chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to municipal revenue bond financing; estimates of costs, amount, negotiability and execution of bonds; ordinance for issuance of bonds; rates for services; removal of limited rates of interest; and return on bonds for waterworks or electric power systems.

Be it enacted by the Legislature of West Virginia:

That sections four and six, article nineteen, chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 19. MUNICIPAL WATERWORKS AND ELECTRIC POWER SYSTEMS.

PART IV. REVENUE BOND FINANCING.

§8-19-4. Estimate of cost; ordinance for issuance of revenue bonds; interest on bonds; rates for services.

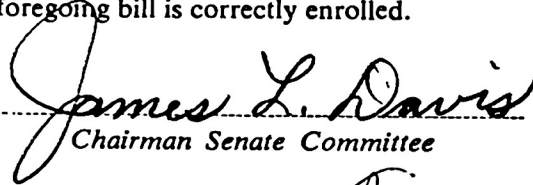
1 Whenever a municipality shall, under the provisions of this
2 article, determine to acquire, by purchase or otherwise, con-
3 struct, establish, extend or equip a waterworks system, or to
4 construct any additions, betterments or improvements to any
5 waterworks or electric power system, it shall cause an esti-
6 mate to be made of the cost thereof, and shall, by ordinance,
7 provide for the issuance of revenue bonds under the provisions

8 of this article, which ordinance shall set forth a brief descrip-
9 tion of the contemplated undertaking, the estimated cost there-
10 of, the amount, rate or rates of interest, the time and place of
11 payment, and other details in connection with the issuance of
12 the bonds. Such bonds shall be in such form and shall be
13 negotiated and sold in such manner and upon such terms as
14 the governing body of such municipality may by ordinance
15 specify. All such bonds and the interest thereon, and all prop-
16 erties and revenues and income derived from such waterworks
17 or electric power system, shall be exempt from all taxation by
18 this state, or any county, municipality, political subdivision or
19 agency thereof. Such bonds shall bear interest at a rate per
20 annum set by the municipality, payable at such times, and
21 shall be payable as to principal at such times, not exceeding
22 forty years from their date, and at such place or places, within
23 or without the state, as shall be prescribed in the ordinance
24 providing for their issuance. Such ordinance shall also declare
25 that a statutory mortgage lien shall exist upon the property
26 so to be acquired, constructed, established, extended or equip-
27 ped, fix minimum rates or charges for water to be collected
28 prior to the payment of all of said bonds and shall pledge the
29 revenues derived from the waterworks or electric power sy-
30 stem for the purpose of paying such bonds and interest there-
31 on, which pledge shall definitely fix and determine the amount
32 of revenues which shall be necessary to be set apart and applied
33 to the payment of the principal of and interest upon the bonds
34 and the proportion of the balance of such revenues, which are
35 to be set aside as a proper and adequate depreciation account,
36 and the remainder shall be set aside for the reasonable and
37 proper maintenance and operation thereof. The rates or
38 charges to be charged for the services from such waterworks
39 or electric power system shall be sufficient at all times to
40 provide for the payment of interest upon all bonds and to
41 create a sinking fund to pay the principal thereof as and
42 when the same become due, and reasonable reserves therefor,
43 and to provide for the repair, maintenance and operation of
44 the waterworks or electric power system, and to provide an
45 adequate depreciation fund, and to make any other payments
46 which shall be required or provided for in the ordinance
47 authorizing the issuance of said bonds.

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

1 Bonds herein provided for shall be issued in such amounts
2 as may be necessary to provide sufficient funds to pay all
3 costs of acquisition, construction, establishment, extension or
4 equipment, including engineering, legal and other expenses,
5 together with interest to a date six months subsequent to the
6 estimated date of completion. Bonds issued under the provi-
7 sions of this article are hereby declared to be negotiable in-
8 struments, and the same shall be executed by the proper legally
9 constituted authorities of the municipality, and be sealed with
10 the corporate seal of the municipality, and in case any of the
11 officers whose signatures appear on the bonds or coupons
12 shall cease to be such officers before delivery of such bonds,
13 such signatures shall nevertheless be valid and sufficient for
14 all purposes the same as if they had remained in office until
15 such delivery. All signatures on the bonds or coupons and the
16 corporate seal may be mechanically reproduced if authorized
17 in the ordinance authorizing the issuance of the bonds.

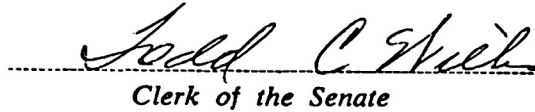
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

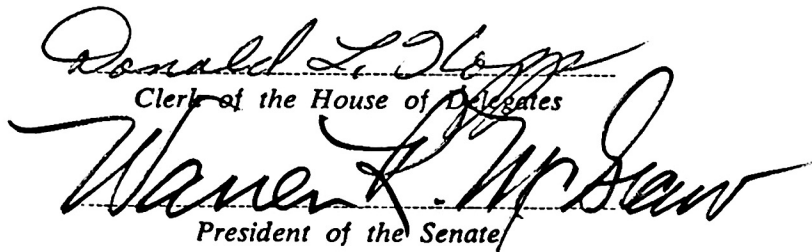
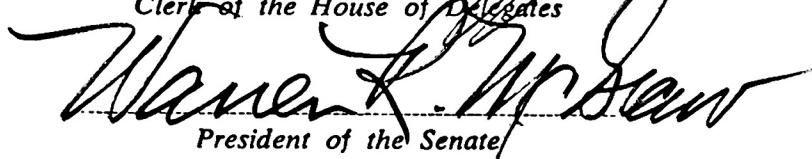

Chairman Senate Committee


Chairman House Committee

Originating in the House.

Takes effect ninety days from passage.


Clerk of the Senate


Clerk of the House of Delegates

President of the Senate


Speaker House of Delegates

The within is approved this the 30
day of March, 1984.


Governor

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