

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1986

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ENROLLED

Committee Substitute
SENATE BILL NO. 459

(By Senator *Tomblin*)

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PASSED *March 8,* 1986

In Effect *90 days from* Passage



ENROLLED

COMMITTEE SUBSTITUTE

FOR

Senate Bill No. 459

(SENATOR TOMBLIN, *original sponsor*)

[Passed March 8, 1986; in effect ninety days from passage.]

AN ACT to amend and reenact sections one, twelve and seventeen, article nineteen, chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended; to amend and reenact sections twelve and sixteen, article twenty of said chapter, as amended; to further amend said article twenty by adding thereto a new section, designated section one-b; to amend and reenact sections two, five and seven, article two-e, chapter thirteen of said code as amended; that said chapter thirteen be further amended by adding thereto a new article, designated article two-f; to amend and reenact sections one, fifteen and twenty-two-a, article thirteen, chapter sixteen of said code; and to amend and reenact section twenty-four, article thirteen-a of said chapter, all relating to bonded indebtedness upon municipal waterworks sewer systems and electric power systems; permitting the severance of combined municipal waterworks and sewage system and combined waterworks and electric power systems and the creation of a special fund for such purposes; permitting the severance of combined municipal waterworks and sewage systems; providing for the cancellation of outstanding bonded indebtedness upon such combined waterworks and sewage systems; permitting the reorganization of the

governing board of such combined systems of the separate boards upon severance; acquisition of municipal waterworks system resulting from the severance of a combined waterworks and sewerage system included in the definition of enterprise; authorization of refunding bonds for a combined waterworks and sewage system; and providing that a municipality may acquire sewerage system resulting from the severance of a combined waterworks and sewerage system; the creation of a special fund for municipal waterworks and electric power system bond requirements with the West Virginia municipal bond commission; providing direct payment of requirements on such bonds owned by the United States of America or any agency or department thereof; payment of interest on temporary financing for municipal waterworks and electric power systems from the proceeds of such financing until the maturity thereof; the creation from revenues of a special fund for municipal combined waterworks and sewerage system bond requirements with the West Virginia municipal bond commission; providing for direct payment of requirements on such bonds owned by the United States of America or any agency or department thereof; payment of interest on temporary financing for combined municipal waterworks and sewerage systems from the proceeds of such financing until the maturity thereof; authorizing the appointment of a corporate trustee to act as escrow agent for the proceeds of refunding bonds; the issuance by public bodies of public obligations in registered or book-entry form; purpose of the article and that the article governs over charter provisions; defining terms; authorizing issuance in registered and book-entry form; powers of the registrar or his designee; allowing confidentiality and setting forth the application of the article to public obligations approved by voters; creation from net revenues of a municipal bond fund for municipal and sanitary district sewage bonds with the West Virginia municipal bond commission; providing for direct payment of bonds owned by the United States of America or any agency or department thereof; payment of interest on temporary financing for sewage works of municipal corporations and sanitary districts from the proceeds of such financing until the maturity thereof; and payment of interest on temporary financing for public

service districts for water, sewerage and gas services from the proceeds of such financing until the maturity thereof.

Be it enacted by the Legislature of West Virginia:

That sections one, twelve and seventeen, article nineteen, chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted; that sections twelve and sixteen, article twenty of said chapter eight be amended and reenacted; that said article twenty be further amended by adding thereto a new section, designated section one-b; that sections two, five and seven, article two-e, chapter thirteen of said code be amended and reenacted; that said chapter thirteen be further amended by adding thereto a new article, designated article two-f; that sections one, fifteen and twenty-two-a, article thirteen, chapter sixteen of said code be amended and reenacted; and that section twenty-four, article thirteen-a of said chapter be amended and reenacted, all to read as follows:

CHAPTER 8. MUNICIPAL CORPORATIONS.

ARTICLE 19. MUNICIPAL WATERWORKS AND ELECTRIC POWER SYSTEMS.

§8-19-1. Acquisition and operation of municipal waterworks systems; construction of improvements to municipal electric power systems; extension beyond corporate limits; definitions.

1 Subject to and in accordance with the provisions of this
 2 article, any municipality may acquire, construct, establish,
 3 extend, equip, repair, maintain and operate, or lease to
 4 others for operation, a waterworks system, including
 5 acquisition of the municipal waterworks system resulting
 6 from the severance of a combined waterworks and sewerage
 7 system pursuant to section one-b, article twenty of this
 8 chapter, or construct, maintain and operate additions,
 9 betterments and improvements to an existing waterworks
 10 system or an existing electric power system,
 11 notwithstanding any provision or limitation to the contrary
 12 in any other law or charter: *Provided*, That such
 13 municipality shall not serve or supply water facilities or
 14 electric power facilities or services within the corporate
 15 limits of any other municipality without the consent of the
 16 governing body of such other municipality.

17 When used in this article, the term "waterworks system"
18 shall be construed to mean and include a waterworks
19 system in its entirety or any integral part thereof, including
20 mains, hydrants, meters, valves, standpipes, storage tanks,
21 pump tanks, pumping stations, intakes, wells, impounding
22 reservoirs, pumps, machinery, purification plants,
23 softening apparatus and all other facilities necessary,
24 appropriate, useful, convenient or incidental in connection
25 with or to a water supply system.

26 When used in this article, the term "electric power
27 system" means a system or facility which produces electric
28 power in its entirety or any integral part thereof, including,
29 but not limited to, power lines and wires, power poles, guy
30 wires, insulators, transformers, generators, cables, power
31 line towers, voltage regulators, meters, power substations,
32 machinery and all other facilities necessary, appropriate,
33 useful, or convenient or incidental in connection with or to
34 an electric power supply system.

**§8-19-12. Service charges; sinking fund; amount of bonds;
additional bonds; surplus.**

1 (a) Every municipality issuing bonds under the
2 provisions of this article shall thereafter, so long as any of
3 such bonds remain outstanding, repair, maintain and
4 operate its waterworks or electric power system as
5 hereinafter provided and shall charge, collect and account
6 for revenues therefrom as will be sufficient to pay all repair,
7 maintenance and operation costs, provide a depreciation
8 fund, retire the bonds and pay the interest requirements of
9 the bonds as the same become due. The ordinance pursuant
10 to which any such bonds are issued shall pledge the
11 revenues derived from the waterworks or electric power
12 system to the purposes aforesaid and shall definitely fix and
13 determine the amount of revenues which shall be necessary
14 and set apart in a special fund for the bond requirements.
15 The amounts as and when so set apart into said special fund
16 for the bond requirements shall be remitted to the West
17 Virginia municipal bond commission to be retained and
18 paid out by said commission consistent with the provisions
19 of this article and the ordinance pursuant to which such
20 bonds have been issued: *Provided*, That payment of
21 principal of and interest on any bonds owned by the United

22 States of America or any agency or department thereof may
 23 be made by the municipality directly to the United States of
 24 America or said agency or department thereof. The bonds
 25 hereby authorized shall be issued in such amounts as may
 26 be determined necessary to provide funds for the purpose
 27 for which they are authorized, and in determining the
 28 amount of bonds to be issued it shall be proper to include
 29 interest on the bonds for a period not beyond six months
 30 from the estimated date of completion.

31 (b) If the proceeds of the bonds, because of error or
 32 otherwise, shall be less than the cost of the property or
 33 undertaking for which authorized, additional bonds may be
 34 issued to provide the amount of such deficit and such
 35 additional bonds shall be deemed to be of the same issue and
 36 shall be entitled to payment from the same fund without
 37 preference or priority over the bonds first authorized and
 38 issued.

39 (c) If the proceeds of the bonds shall exceed the cost of
 40 the property or undertaking, the surplus shall be converted
 41 into the fund thereon.

PART V. GRANTS, LOANS AND ADVANCES, CUMULATIVE AUTHORITY.

§8-19-17. Grants, loans and advances.

1 Any municipality is hereby empowered and authorized to
 2 accept loans or grants and procure loans or temporary
 3 advances evidenced by notes or other negotiable
 4 instruments issued in the manner, and subject to the
 5 privileges and limitations, set forth with respect to bonds
 6 authorized to be issued under the provisions of this article,
 7 for the purpose of paying part or all of the cost of
 8 acquisition, construction, establishment, extension or
 9 equipment of waterworks systems and the construction of
 10 additions, betterments and improvements to existing
 11 waterworks systems or to existing electric power systems,
 12 and for the other purposes herein authorized, from any
 13 authorized agency of the state or from the United States of
 14 America or any federal or public agency or department of
 15 the United States or any private agency, corporation or
 16 individual, which loans or temporary advances, including
 17 the interest thereon, may be repaid out of the proceeds of
 18 bonds authorized to be issued under the provisions of this
 19 article, the revenues of the said waterworks system or

20 electric power system or grants to the municipality from
21 any agency of the state or from the United States of America
22 or any federal or public agency or department of the United
23 States or any private agency, corporation or individual or
24 from any combination of such sources of payment, and to
25 enter into the necessary contracts and agreements to carry
26 out the purposes hereof with any agency of the state, the
27 United States of America or any federal or public agency or
28 department of the United States, or with any private
29 agency, corporation or individual. Any other provisions of
30 this article to the contrary notwithstanding, interest on any
31 such loan or temporary advance may be paid from the
32 proceeds thereof until the maturity of such notes or other
33 negotiable instrument.

34 In no event shall any such loan or temporary advance be a
35 general obligation of the municipality and such loans or
36 temporary advances, including the interest thereon, shall
37 be paid solely from the sources specified in this section.

ARTICLE 20. COMBINED WATERWORKS AND SEWERAGE SYSTEMS.

§8-20-1b. Severance of combined system.

1 Any municipality which has combined its waterworks
2 and sewerage system under the provisions of this article, or
3 pursuant to provisions of any other law, may hereafter sever
4 said combined waterworks and sewerage system if the
5 following conditions are met:

6 (a) An ordinance is enacted by the governing body of the
7 municipality severing the combined waterworks and
8 sewerage system into a separate waterworks system and a
9 separate sewerage system.

10 (b) If revenue bonds or notes or other obligations with a
11 lien on or pledge of the revenues of said combined
12 waterworks and sewerage system, or any part thereof, are
13 outstanding, then the municipality must provide in said
14 ordinance (i) that the severance of the combined
15 waterworks and sewerage system is not effective until all
16 such outstanding revenue bonds or notes or other
17 obligations with a lien on or pledge of the revenues of the
18 system, or any part thereof, are paid and (ii) the method for
19 paying said outstanding revenue bonds or notes or other
20 obligations. For the purposes of this section, said

21 municipality may provide for payment of said outstanding
22 revenue bonds or notes or other obligations by:

23 (1) Depositing moneys and funds with the West Virginia
24 municipal bond commission or in escrow with a corporate
25 trustee, which may be a trust company or bank having
26 powers of a trust company within or without the state of
27 West Virginia selected by the issuer to pay interest when
28 due and to pay principal when due, whether at maturity or
29 earlier redemption;

30 (2) Depositing securities with the municipal bond
31 commission or said escrow trustee, the principal of and
32 earnings on which will provide moneys sufficient to pay
33 interest when due and to pay principal when due, whether
34 at maturity or earlier redemption; or

35 (3) Depositing with the municipal bond commission or
36 said escrow trustee any combination of the foregoing
37 sufficient to pay interest when due and to pay principal
38 when due, whether at maturity or earlier redemption.

39 (c) If the combined waterworks and sewerage system is
40 under the supervision and control of a separate committee,
41 board or commission, then the governing body of the
42 municipality must provide for the dissolution of such
43 committee, board or commission, and the creation of such
44 other committees, boards or commissions as may be
45 required by law.

§8-20-12. Use of revenues; sinking fund.

1 All revenues derived from the operation of any combined
2 waterworks and sewerage system under the provisions of
3 this article shall be set aside as collected and used only for
4 the purpose of paying the cost of repairing, maintaining and
5 operating such system, providing an adequate reserve fund,
6 an adequate depreciation fund, and paying the principal of
7 and interest upon the revenue bonds issued by the
8 municipality under the provisions of this article. The
9 ordinance pursuant to which any such bonds are issued
10 shall pledge the revenues derived from the combined
11 waterworks and sewerage system to the purposes aforesaid
12 and shall definitely fix and determine the amount of
13 revenues which shall be necessary and set apart in a special
14 fund for the bond requirements. The amounts as and when
15 so set apart into said special fund for the bond requirements

16 shall be remitted to the West Virginia municipal bond
17 commission to be retained and paid out by said commission
18 consistent with the provisions of this article and the
19 ordinance pursuant to which such bonds have been issued:
20 *Provided*, That payments of principal of and interest on any
21 bonds owned by the United States of America or any agency
22 or department thereof may be made by the municipality
23 directly to the United States of America or said agency or
24 department thereof.

PART IV. GRANTS, LOANS AND ADVANCES; CUMULATIVE
AUTHORITY.

§8-20-16. Grants, loans and advances.

1 Any municipality is hereby empowered and authorized to
2 accept loans or grants and procure loans or temporary
3 advances evidenced by notes or other negotiable
4 instruments issued in the manner, and subject to the
5 privileges and limitations, set forth with respect to bonds
6 authorized to be issued under the provisions of this article,
7 for the purpose of paying part or all of the cost of
8 acquisition, construction, establishment, extension or
9 equipment of combined waterworks and sewerage systems
10 and the construction of additions, betterments and
11 improvements thereto, and for the other purposes herein
12 authorized, from any authorized agency of the state or from
13 the United States of America or any federal or public
14 agency or department of the United States or any private
15 agency, corporation or individual, which loans or
16 temporary advances, including the interest thereon, may be
17 repaid out of the proceeds of bonds authorized to be issued
18 under the provisions of this article, the revenues of the said
19 combined waterworks and sewerage system or grants to the
20 municipality from any agency of the state or from the
21 United States of America or any federal or public agency or
22 department of the United States or any private agency,
23 corporation or individual or from any combination of such
24 sources of payment, and to enter into the necessary
25 contracts and agreements to carry out the purposes hereof
26 with any agency of the state, the United States of America
27 or any federal or public agency or department of the United
28 States, or with any private agency, corporation or
29 individual. Any other provisions of this article

30 notwithstanding, interest on any such loans or temporary
31 advances may be paid from the proceeds thereof until the
32 maturity of such notes or other negotiable instrument.

33 In no event shall any such loan or temporary advance be a
34 general obligation of the municipality and such loans or
35 temporary advances, including the interest thereon, shall
36 be paid solely from the sources specified in this section.

CHAPTER 13. PUBLIC BONDED INDEBTEDNESS.

ARTICLE 2E. REVENUE BOND REFUNDING ACT.

§13-2E-2. Definitions.

1 The following terms or words wherever used or referred
2 to in this article shall have the following meaning, unless a
3 different meaning plainly appears from the context:

4 The term "public body" means any city, town, village,
5 county, public service district, sanitary district, political
6 subdivision or any other similar public entity now or
7 hereafter created, and the state of West Virginia acting
8 through any of its agencies, boards, commissions or
9 departments, having power to issue revenue bonds.

10 The term "governing body" means a board, council or
11 other body having power to borrow money on behalf of a
12 public body.

13 The term "law" means any act or statutes, general, special
14 or local, of this state, including, without being limited to,
15 the charter of any public body.

16 The term "enterprise" means any work, undertaking, or
17 project which the public body is or may hereafter be
18 authorized to acquire or construct and from which the
19 public body has heretofore derived or may hereafter derive
20 revenues, for the refinancing of which enterprise refunding
21 bonds are issued under this article, and such enterprise
22 shall include all improvements, betterments, extensions
23 and replacements thereto, and all appurtenances, facilities,
24 lands, rights in land, water rights, franchises, and
25 structures in connection therewith or incidental thereto;
26 and for the purposes of this article "enterprise" includes the
27 waterworks system or the sewerage system, or both said
28 systems, resulting from the severance of a combined
29 waterworks and sewerage system pursuant to section one-
30 b, article twenty, chapter eight of this code, all as the

31 governing body shall authorize in the ordinance
32 authorizing said severance.

33 The term "revenues" means all fees, tolls, rates, rentals
34 and charges to be levied and collected in connection with
35 and all other income and receipts of whatever kind or
36 character derived by the public body from the operation of
37 any enterprise or arising from any enterprise, and including
38 earnings derived from investments and bank deposits.

39 The term "revenue bonds" means notes, bonds,
40 certificates or other obligations of a public body heretofore
41 or hereafter issued and outstanding under any law and
42 which by their terms are payable from the revenues derived
43 by such public body from the operation of an enterprise.

44 The term "refunding bonds" means notes, bonds,
45 certificates or other obligations of a public body issued
46 pursuant to this article.

47 The term "holder of bonds" or "bondholder" or any
48 similar term means any person who shall be the bearer of
49 any outstanding refunding bond or refunding bonds
50 registered to bearer or not registered, or the registered
51 owner of any such outstanding refunding bond or refunding
52 bonds which shall at the time be registered other than to
53 bearer.

54 The words "net interest cost" when referring to an
55 outstanding issue of revenue bonds to be refunded, means
56 the total amount of interest which would accrue on such
57 revenue bonds from the date of the refunding bonds to the
58 respective maturity dates of the outstanding revenue bonds
59 to be refunded, without regard to any retained options of
60 redemption.

61 The words "net interest cost" when referring to a
62 proposed issue of refunding bonds, means the total amount
63 of interest to accrue on the refunding bonds from their date
64 to their respective maturities, without regard to any
65 retained options of redemption, plus the amount of any
66 discount below par or less the amount of any premium
67 above par at which the bonds may be sold.

68 The words "net effective interest rate" when referring to
69 a proposed issue of refunding bonds, means the net interest
70 cost of said refunding bonds divided by the product
71 obtained by multiplying the aggregate principal amount of
72 such refunding bonds maturing on each maturity date by

73 the number of years from the date of the refunding bonds to
74 their respective maturities, without regard to any retained
75 options of redemption.

76 The term "certified public accountant" means an
77 independent certified public accountant or firm of certified
78 public accountants licensed to practice in this state.

79 Words importing the singular number shall include the
80 plural number in each case and vice versa, and words
81 importing persons shall include firms and corporations.

**§13-2E-5. Issuance of refunding bonds; application of
proceeds.**

1 Refunding bonds issued under this article may be
2 exchanged for not less than a like principal amount of the
3 revenue bonds to be refunded, or may be sold at public or
4 private sale, or may be exchanged in part and sold in part, in
5 such manner and upon such terms as may be determined by
6 the governing body to be for the best interests of the public
7 body: *Provided*, That such refunding bonds shall not be sold
8 or exchanged at a price lower than a price which will show a
9 net saving to the issuer after deducting all expenses of the
10 refunding: *Provided, however*, That if the governing body
11 determines that one of the purposes of issuing such
12 refunding bonds is to effect the release, termination or
13 modification of liens, restrictions, conditions or limitations
14 imposed in connection with the bonds which are to be
15 refunded, then such refunding bonds may be issued without
16 the necessity of showing a net saving to the issuer, in which
17 event such refunding bonds shall bear interest at such rate
18 or rates as the governing body may determine, but such rate
19 or rates shall not exceed the maximum stated rate of
20 interest which the revenue bonds to be refunded thereby
21 could bear if they were being issued as of the date of
22 issuance of such refunding bonds, and such refunding
23 bonds may not be sold or exchanged at a price which would
24 result in a net interest cost in excess of the maximum net
25 interest cost which the revenue bonds to be refunded could
26 be sold or exchanged for if they were being issued as of the
27 date of issuance of such refunding bonds.

28 If any such refunding bonds are to be sold, they may be
29 issued in such principal amount as may be determined
30 advisable by the governing body including, without

31 limitation, the aggregate principal amount of the revenue
32 bonds to be refunded, interest accrued and to accrue to the
33 date or dates on which the revenue bonds being refunded
34 are scheduled to mature or to be redeemed prior to
35 maturity, any redemption premiums which must be paid in
36 order to refund such outstanding revenue bonds and any
37 costs and expenses of issuing the refunding bonds and
38 providing for retirement of revenue bonds to be refunded. If
39 sold, the net proceeds shall either be immediately applied to
40 the payment or redemption and retirement of the revenue
41 bonds to be refunded, or the net proceeds of the refunding
42 bonds may be invested at the discretion and under the
43 supervision of the escrow agent in whole, or in part, (a) in
44 direct obligations issued by the United States of America or
45 one of its agencies, (b) in obligations unconditionally
46 guaranteed by the United States of America as to principal
47 and interest, or (c) in certificates of deposit of a banking
48 corporation or association which is a member of the federal
49 deposit insurance corporation, or successor; but any such
50 certificates of deposit must be fully secured as to both
51 principal and interest by pledged collateral consisting of
52 direct obligations of or obligations guaranteed by the
53 United States of America having a market value, excluding
54 accrued interest, at all times at least equal to the amount of
55 the principal of an accrued interest on such certificates of
56 deposit. Any such investments must mature, or be payable
57 in advance of maturity at the option of the holder, and must
58 bear interest in such manner as to provide funds which,
59 together with uninvested money placed in the hereinafter
60 mentioned escrow, will be sufficient to pay when due or
61 called for redemption the revenue bonds refunded, together
62 with interest accrued and to accrue thereon and redemption
63 premiums, if any, and such refunding bond proceeds or
64 obligations so purchased therewith shall, and with other
65 funds legally available to the public body for such purpose
66 may, be deposited in escrow with the West Virginia
67 municipal bond commission or a corporate trustee, which
68 may be a trust company or bank having powers of a trust
69 company within or without the state of West Virginia, to be
70 selected by the issuer to be held in trust for the payment and
71 redemption of the revenue bonds refunded, and such money
72 and obligations and any reinvestment thereof shall be held

73 in trust by such escrow agent for the payment of interest on
 74 the refunded bonds when due, and principal thereof and
 75 applicable redemption premiums, if any, when due, or upon
 76 the date or dates for which they shall have been called for
 77 redemption, or upon an earlier voluntary surrender at the
 78 option of the escrow agent; provided if interest earned by
 79 any investment in such escrow is shown to be in excess of
 80 the amounts required from time to time for the payment of
 81 interest on and principal of the refunded revenue bonds,
 82 including applicable redemption premium, then such
 83 excess may be withdrawn from escrow and disbursed by the
 84 public body as are other revenues of the enterprise. Any
 85 moneys in the sinking or reserve funds or other funds
 86 maintained for the outstanding revenue bonds to be
 87 refunded may be applied in the same manner and for the
 88 same purpose as are the net proceeds of refunding bonds or
 89 may be deposited in the special fund or any reserve funds
 90 established for account of the refunding bonds. The term
 91 "net proceeds" as used above shall mean the gross proceeds
 92 of the refunding bonds after the deduction therefrom of all
 93 accrued interest, costs and expenses incurred in connection
 94 with the authorization and issuance of the refunding bonds
 95 and the retirement of the outstanding revenue bonds, and
 96 including all costs and expenses resulting from price
 97 variations to par or otherwise incurred in the purchase of
 98 obligations for escrow and in the disposition of the
 99 refunding bonds.

§13-2E-7. Authorization for issuance.

1 Refunding bonds and all acts required to be authorized
 2 hereunder shall be authorized in the manner in which the
 3 bonds to be refunded were authorized and issued: *Provided,*
 4 That refunding bonds of a system resulting from the
 5 severance of a combined municipal waterworks and
 6 sewerage system shall to the extent applicable be
 7 authorized and issued under the terms and provisions of
 8 law, including, but not limited to, interest rates and net
 9 interest costs, under which revenue bonds of such resulting
 10 system would be authorized and issued.

ARTICLE 2F. PUBLIC OBLIGATIONS REGISTRATION ACT.

§13-2F-1. How article cited.

1 This article may be cited as "Public Obligations
 2 Registration Act."

§13-2F-2. Purposes; article governs over charter provisions.

1 The purpose of this article is to provide a mechanism for
2 public bodies in the state to issue public obligations in
3 compliance with section 310(b)(1) of the tax equity and
4 fiscal responsibility act of one thousand nine hundred
5 eighty-two, United States Internal Revenue Code section
6 103(j), as amended.

7 To fulfill the purpose, this article shall govern
8 notwithstanding any charter provisions.

§13-2F-3. Definitions.

1 The following terms wherever used or referred to in this
2 article shall have the following meanings, unless a different
3 meaning plainly appears from the context.

4 The term “public body” means any city, town, county
5 commission, building commission, board of education,
6 public service district, political subdivision or any other
7 public entity, whether created before, on or after the
8 effective date of this article, and the state of West Virginia
9 acting through any of its agencies, boards, commissions or
10 departments, having power to issue public obligations.

11 The term “public obligation” means notes, bonds,
12 certificates or other obligations of a public body issued and
13 outstanding on and after the first day of July, one thousand
14 nine hundred eighty-six.

15 The term “registered” means, with respect to a public
16 obligation, an obligation the ownership of which is noted on
17 books of registration kept by a registrar and which is
18 represented by certificates or other instruments to which no
19 coupons for interest payments are attached.

20 The term “book-entry” means, with respect to a public
21 obligation, an obligation the ownership of which is noted on
22 books of registration kept by a registrar, but which
23 ownership is not represented by any instrument.

24 The term “official registrar” means the official
25 designated by the specific provisions of this code pursuant
26 to which a public obligation is issued as the registrar of the
27 public obligation and, in lieu of statutory designation, the
28 person so designated by the act of the public body
29 authorizing the issuance of the specific public obligation.

§13-2F-4. Authority to issue public obligations in registered and book entry forms.

1 Notwithstanding any other provision of this code to the
 2 contrary, on and after the first day of July, one thousand
 3 nine hundred eighty-six, any public body may issue public
 4 obligations in registered or book entry form in addition to
 5 any form authorized by the specific provisions of this code
 6 pursuant to which the public obligations are issued.

§13-2F-5. Powers of official registrar; designee.

1 The official registrar shall (a) act as transfer agent or
 2 registrar for the exchange or transfer of registered public
 3 obligations or maintain the records so that public
 4 obligations in book-entry form may be effected, or (b)
 5 contract with or otherwise designate a bank, trust company
 6 or other person to act as transfer agent or registrar for the
 7 registered public obligations or maintain the records so that
 8 public obligations in book-entry form may be effected. The
 9 bank, trust company or other person may include the
 10 federal government or any of its agencies or
 11 instrumentalities and may be located or have its principal
 12 office within or without the state. Public obligations in
 13 book-entry form shall be effected by means of entries on the
 14 record of the official registrar or his designee which shall
 15 reflect the description of the issue, the principal amount,
 16 the interest rate, the maturity date and the owner of the
 17 public obligation and other information as is considered by
 18 the official registrar or his designee to be appropriate. The
 19 official registrar or his designee may effect conversion
 20 between book-entry public obligations and registered
 21 public obligations for owners of public obligations who
 22 request a change. The official registrar or his designee shall
 23 issue a confirmation of the transaction in the form of a
 24 written advice. The official registrar or his designee shall
 25 have such additional powers as are necessary to effectuate
 26 the purposes of this article.

§13-2F-6. Confidentiality.

1 Notwithstanding any other provision of this code to the
 2 contrary, the books of registry held by the official registrar
 3 or his designee shall be confidential, and the information
 4 contained therein shall not be available to the public.

§13-2F-7. Application to public obligations approved by voters.

1 The provisions of this article shall be effective with
2 respect to public obligations which have prior to the first
3 day of July, one thousand nine hundred eighty-six, been
4 approved by the voters of the issuer of the public
5 obligations at an election on the question of issuing public
6 obligations in coupon and registered form, or in coupon
7 form only, and the public obligations need not be
8 resubmitted to the voters for the purpose of approving the
9 issuance of the public obligations in registered form only.

CHAPTER 16. PUBLIC HEALTH.

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

**§16-13-1. Acquisition, operation, etc., of works; acquisition of
property; issuance of bonds.**

1 Any municipal corporation and/or sanitary district in the
2 state of West Virginia is hereby authorized and empowered
3 to own, acquire, construct, equip, operate and maintain
4 within and/or without the corporate limits of such
5 municipal corporation, a sewage collection system and/or a
6 sewage treatment plant or plants, intercepting sewers,
7 outfall sewers, force mains, pumping stations, ejector
8 stations, and all other appurtenances necessary or useful
9 and convenient for the collection and/or treatment,
10 purification and disposal, in a sanitary manner, of the
11 liquid and solid waste, sewage, night soil and industrial
12 waste of such municipal corporation and/or sanitary
13 district, including acquisition of the municipal sewerage
14 system resulting from the severance of a combined
15 waterworks and sewerage system pursuant to section one-
16 b, article twenty, chapter eight of this code, and shall have
17 authority to acquire by gift, grant, purchase,
18 condemnation, or otherwise, all necessary lands, rights-of-
19 way and property therefor, within and/or without the
20 corporate limits of such municipal corporation and/or
21 sanitary district, and to issue revenue bonds to pay the cost
22 of such works and property; and any such municipality may
23 serve and supply the facilities of such sewerage system
24 within the corporate limits of such municipality and within

25 the area extending twenty miles beyond the corporate
 26 limits of such municipality: *Provided*, That such
 27 municipality shall not serve or supply the facilities of such
 28 sewerage system within the corporate limits of any other
 29 municipality without the consent of the governing body
 30 thereof. No obligations shall be incurred by any such
 31 municipality and/or sanitary district in such construction
 32 or acquisition except such as is payable solely from the
 33 funds provided under the authority of this article.

§16-13-15. Sinking fund; transfer of balance of net revenues.

1 At or before the issuance of any such bonds the governing
 2 body shall by said ordinance create a sinking fund, to be
 3 remitted to and administered by the West Virginia
 4 municipal bond commission, for the payment of the bonds
 5 and the interest thereon and the payment of the charges of
 6 banks or trust companies for making payment of such
 7 bonds or interest, and shall set aside and pledge a sufficient
 8 amount of the net revenues of the works, hereby defined to
 9 mean the revenues of the works remaining after the
 10 payment of the reasonable expense of operation, repair and
 11 maintenance, such amount to be paid by the board into said
 12 sinking fund at intervals to be determined by ordinance
 13 prior to issuance of the bonds, for: (a) The interest upon
 14 such bonds as such interest shall fall due; (b) the necessary
 15 fiscal agency charges for paying bonds and interest; (c) the
 16 payment of the bonds as they fall due, or, if all bonds mature
 17 at one time, the proper maintenance of a sinking fund in
 18 such amounts as are necessary and sufficient for the
 19 payment thereof at such time; (d) a margin for safety and for
 20 the payment of premiums upon bonds retired by call or
 21 purchase as herein provided, which margin, together with
 22 any unused surplus of such margin carried forward from
 23 the preceding year, shall equal ten percent of all other
 24 amounts so required to be paid into the sinking fund. Such
 25 required payments shall constitute a first charge upon all
 26 the net revenue of the works. Prior to the issuance of the
 27 bonds the board may by ordinance be given the right to use
 28 or direct the West Virginia municipal bond commission to
 29 use such sinking fund or any part thereof in the purchase of
 30 any of the outstanding bonds payable therefrom at the
 31 market price thereof, but not exceeding the price, if any, at
 32 which the same shall in the same year be payable or

33 redeemable, and all bonds redeemed or purchased shall
34 forthwith be cancelled and shall not again be issued. After
35 the payments into such fund as herein required, the board
36 may at any time in its discretion transfer all or any part of
37 the balance of the net revenues, after reserving an amount
38 deemed by the board sufficient for operation, repair and
39 maintenance for an ensuing period of not less than twelve
40 months and for depreciation, into the sinking fund or into a
41 fund for extensions, betterments and additions to the
42 works. The amounts of the balance of the net revenue as and
43 when so set apart shall be remitted to the West Virginia
44 municipal bond commission to be retained and paid out by
45 said commission consistent with the provisions of this
46 article and with the ordinance pursuant to which such
47 bonds have been issued. The West Virginia municipal bond
48 commission is hereby authorized to act as fiscal agent for
49 the administration of such sinking fund, under any
50 ordinance passed pursuant to the provisions of this article,
51 and shall invest all such sinking funds as provided by
52 general law. Notwithstanding the foregoing, payments of
53 principal and interest on any bonds owned by the United
54 States of America or any agency or department thereof may
55 be made by the governing body directly thereto.

§16-13-22a. Grants, loans and advances.

1 Any municipality is authorized and empowered to accept
2 loans or grants and procure loans or temporary advances
3 evidenced by notes or other negotiable instruments issued
4 in the manner, and subject to the privileges and limitations,
5 set forth with respect to bonds authorized to be issued
6 under the provisions of this article, for the purpose of
7 paying part or all of the cost of acquisition or construction
8 of said sewage works and the construction of betterments
9 and improvements thereto, and for the other purposes
10 herein authorized, from any authorized agency of the state
11 or from the United States of America or any federal or
12 public agency or department of the United States or any
13 private agency, corporation or individual, which loans or
14 temporary advances, including the interest thereon, may be
15 repaid out of the proceeds of bonds authorized to be issued
16 under the provisions of this article, the revenues of the said
17 sewage works or grants to the municipality from any agency

18 of the state or from the United States of America or any
 19 federal or public agency or department of the United States
 20 or any private agency, corporation or individual or from
 21 any combination of such sources of payment, and to enter
 22 into the necessary contracts and agreements to carry out the
 23 purposes hereof with any agency of the state, the United
 24 States of America or any federal or public agency or
 25 department of the United States, or with any private
 26 agency, corporation or individual. Any other provisions of
 27 this article to the contrary notwithstanding, interest on any
 28 such loans or temporary advances may be paid from the
 29 proceeds thereof until the maturity of such notes or other
 30 negotiable instrument.

31 In no event shall any such loan or temporary advance be a
 32 general obligation of the municipality and such loans or
 33 temporary advances, including the interest thereon, shall
 34 be paid solely from the sources specified in this section.

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

**§16-13A-24. Acceptance of loans, grants or temporary
 advances.**

1 Any public service district created pursuant to the
 2 provisions of this article is authorized and empowered to
 3 accept loans or grants and procure loans or temporary
 4 advances evidenced by notes or other negotiable
 5 instruments issued in the manner, and subject to the
 6 privileges and limitations, set forth with respect to bonds
 7 authorized to be issued under the provisions of this article,
 8 for the purpose of paying part or all of the cost of
 9 construction or acquisition of water systems, sewage
 10 systems or gas facilities, or all of these, and the other
 11 purposes herein authorized, from any authorized agency or
 12 from the United States of America or any federal or public
 13 agency or department of the United States or any private
 14 agency, corporation or individual, which loans or
 15 temporary advances, including the interest thereon, may be
 16 repaid out of the proceeds of the bonds authorized to be
 17 issued under the provisions of this article, the revenues of
 18 the said water system, sewage system or gas facilities or
 19 grants to the public service district from any authorized

20 agency or from the United States of America or any federal
21 or public agency or department of the United States or from
22 any private agency, corporation or individual or from any
23 combination of such sources of payment, and to enter into
24 the necessary contracts and agreements to carry out the
25 purposes hereof with any authorized agency or the United
26 States of America or any federal or public agency or
27 department of the United States, or with any private
28 agency, corporation or individual. Any other provisions of
29 this article to the contrary notwithstanding, interest on any
30 such loans or temporary advances may be paid from the
31 proceeds thereof until the maturity of such notes or other
32 negotiable instrument.

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

Bruce O. Williams
.....
Chairman Senate Committee

Floyd Fuller
.....
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

Joel C. Sticks
.....
Clerk of the Senate

Donald L. Kopp
.....
Clerk of the House of Delegates

Sam Truhel
.....
President of the Senate

Joseph P. Allright
.....
Speaker House of Delegates

The within *approved* this the *26th*
March
day of, 1986.
Anna. Shuey
.....
Governor

PRESENTED TO THE

GOVERNOR

Date 3/24/86

Time 4:29 p.m.

RECEIVED

1986 MAR 26 AM 11:04

OFFICE OF THE
SECRETARY OF STATE

FILED IN THE OFFICE OF
SECRETARY OF STATE OF
WEST VIRGINIA

THIS DATE 3/26/86