WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1994

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ENROLLED

Com. Sel. For

HOUSE BILL No. H657

(By Delegate

Mr. Speaker, Mr. Chambers,
and Delegates Kiss, Facemyer,
Ashley and Browning)

Passed March 12, 1994

In Effect 90 Day From Passage

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OFFICE OF WEST VIRGINIA SECRETARY OF STATE
AN ACT to amend and reenact section sixteen-a, article two, chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to authority of the West Virginia board of education to build a lodge at the camp and conference center at Cedar Lakes; providing authority to issue revenue bonds or notes for said project; requirements and method of issuing bonds or notes; trustee for holder of bonds or notes; contents of trust agreement.

Be it enacted by the Legislature of West Virginia:

That section sixteen-a, article two, chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 2. STATE BOARD OF EDUCATION.

§18-2-16a. Construction of buildings and recreational facilities at state camp and conference center; charges for use; financing by revenue bonds or notes permissible; trustee for holders of bonds or notes; contents of trust agreement.

1 The West Virginia board of education is hereby
authorized to construct, erect, acquire and improve
dining halls, cottages, and other buildings or recrea-
tional facilities it considers necessary and beneficial for
the proper conduct and management of the camp and
conference center and may charge such rates, fees,
rentals and other charges for the use of the buildings
and recreational facilities as it determines necessary
and advisable.

The construction, erection, acquisition and improve-
ment of dining halls, cottages and other buildings or
recreational facilities may be financed by the issuance
of revenue bonds or notes of the state of West Virginia
payable solely from the revenues derived from the
operation of the camp and conference center notwith-
standing any of the provisions of section sixteen of this
article.

The revenue bonds or notes shall be authorized by
resolution of the West Virginia board of education,
hereinafter referred to in this section as the "board", and
the revenue bonds or notes shall not constitute a debt
of the state of West Virginia within the meaning of any
of its statutes or constitution.

The principal of and interest on the bonds or notes
shall be payable solely from the special fund provided
for in this section for such payment. The board shall
pledge the moneys in the special fund, except that part
of the proceeds of sale of any bonds or notes to be used
to pay the cost of a project, for the payment of the
principal of and interest on bonds or notes issued
pursuant to this section. The pledge shall apply equally
and ratably to separate series of bonds or notes or upon
such priorities as the board determines. The bonds or
notes shall be authorized by resolution of the board
which shall recite an estimate of the cost of the project,
and shall provide for the issuance of bonds or notes in
an amount sufficient, when sold as provided in this
section, to produce such cost, less the amount of any
funds, grant or grants, gift or gifts, contribution or
contributions received, or in the opinion of the board
expected to be received from any source. The acceptance
by the board of any and all funds, grants, gifts and
contributions, whether in money or in land, labor or materials, is hereby expressly authorized. All bonds or notes shall have and are hereby declared to have all the qualities of negotiable instruments. The bonds or notes shall bear interest at not more than twelve percent per annum, payable semiannually, and shall mature in not more than forty years from their date or dates of issuance, and may be made redeemable at the option of the board, at such price and under such terms and conditions, as the board may fix prior to the issuance of the bonds or notes. The board shall determine the form of the bonds or notes, including coupons, if any, to be attached thereto to evidence the right of interest payments, which bonds or notes shall be signed by the chairman and secretary of the board, under the great seal of the state, attested by the secretary of state, and the coupons, if any, attached thereto shall bear the facsimile signature of the chairman of the board. In case any of the officers whose signatures appear on the bonds or notes issued as authorized under this section shall cease to be such officers before the delivery of the bonds or notes, the signatures are nevertheless valid and sufficient for all purposes the same as if they had remained in office until such delivery. The board shall fix the denominations of the bonds or notes, the principal and interest of which shall be payable at the office of the treasurer of the state of West Virginia at the state capitol, or at the option of the holder, at some bank or trust company within or without the state of West Virginia to be named in the bonds or notes, in such medium as may be determined by the board. The bonds or notes and interest thereon are exempt from taxation by the state of West Virginia, or any county or municipality in the state. The board may provide for the registration of the bonds or notes in the name of the owners as to principal alone, and as to both principal and interest under such terms and conditions as the board may determine, and shall sell the bonds or notes in such manner as it may determine to be for the best interest of the state and the board, taking into consideration the financial responsibility of the purchaser, and the terms and conditions of the purchase, and especially
the availability of the proceeds of the bonds or notes
when required for payment of the cost of the project, the
sale to be made at a price not lower than a price which,
computed upon standard tables of bond values, will
show a net return of not more than thirteen percent per
annum to the purchaser upon the amount paid therefor.
The proceeds of the bonds or notes shall be used solely
for the payment of the cost of the project for which
bonds or notes were issued, and shall be deposited and
checked out in the same manner as provided by article
six, chapter five of this code, and under such further
restrictions, if any, as the board may provide. If the
proceeds of bonds or notes issued for a project or a
specific group of projects exceeds the cost of the project
or projects, the surplus shall be paid into the fund
provided for in this section for payment of the principal
and interest of the bonds or notes. The fund may be used
for the purchase of any of the outstanding bonds or notes
payable from the fund at the market price, but at not
exceeding the price, if any, at which the bonds or notes
are in the same year redeemable. All bonds or notes
redeemed or purchased shall forthwith be canceled, and
shall not again be issued. Prior to the preparation of
definitive bonds or notes, the board may, under like
restrictions, issue temporary bonds or notes with or
without coupons, exchangeable for definitive bonds or
notes upon the issuance of the latter. Notwithstanding
the provisions of sections nine and ten, article six,
chapter twelve of this code, revenue bonds or notes
issued under the authority granted in this section are
eligible as investments for the workers' compensation
fund, teachers retirement fund, division of public safety
death, disability and retirement fund, West Virginia
public employees retirement system and as security for
the deposit of all public funds. The revenue bonds or
notes 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, or by the
constitution of the state. For all projects authorized
under the provisions of this section, the aggregate
amount of all issues of bonds or notes outstanding at one
time shall not exceed two million five hundred thousand
dollars including the renegotiation, reissuance or
refinancing of any bonds or notes.

Notwithstanding anything in this section to the
contrary, the board is authorized to issue bonds or notes
or otherwise finance or refinance the projects in this
section, including the costs of issuance and sale of the
bonds or notes or financing, all necessary financial and
legal expenses and creation of debt service reserve funds
in an amount not to exceed two million five hundred-
thousand dollars.

The board may enter into an agreement or agree-
ments with any trust company, or with any bank having
the powers of a trust company, whether within or
outside of the state, as trustee for the holders of bonds
or notes issued under this section, setting forth in the
agreement the duties of the state and of the board in
respect of the acquisition, construction, improvement,
maintenance, operation, repair and insurance of the
project, the conservation and application of all moneys,
the insurance of moneys on hand or on deposit, and the
rights and remedies of the trustee and the holders of the
bonds or notes, as may be agreed upon with the original
purchasers of the bonds or notes. The agreement or
agreements shall include provisions restricting the
individual right of action of bondholders or noteholders
as is customary in trust agreements respecting bonds or
notes and debentures of corporations, protecting and
enforcing the rights and remedies of the trustee and the
bondholders or noteholders, and provide for approval by
the original purchasers of the bonds or notes of the
appointment of consulting architects, and of the security
given by those who contract to construct the project, and
by any bank or trust company in which the proceeds of
bonds or notes or rentals shall be deposited, and for
approval by the consulting architects of all contracts for
construction. All expenses incurred in carrying out the
agreement may be treated as a part of the cost of
maintenance, operation and repairs of the project.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Ernest C. Moore
Chairman House Committee

Originating in the House.

Takes effect ninety days from passage.

Clerk of the Senate

President of the Senate

Speaker of the House of Delegates

The within is approved this the 30th day of March 1994.

Governor
PRESENTED TO THE

GOVERNOR

Date 3/8/44
Time 4:17 pm