Committee Substitute for

House Bill 4265

(By Delegates Walters, Frich, Canterbury, McCuskey, Hanshaw, Skinner, Marcum and Perry)

[Passed March 11, 2016; in effect ninety days from passage.]
WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

ENROLLED

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for

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[Passed March 11, 2016; in effect ninety days from passage.]
AN ACT to amend and reenact §7-3-9 of the Code of West Virginia, 1931, as amended; to amend
and reenact §8-16-17 of said code; to amend and reenact §8-27-16 of said code; to amend
and reenact §10-2A-16 of said code; and to amend and reenact §17-17-22 and §17-17-
34 of said code; all relating to direct payments of principal and interest on certain bonds
owned by the United States or any governmental agency or department of the United
States.

Be it enacted by the Legislature of West Virginia:

That §7-3-9 of the Code of West Virginia, 1931, as amended be amended and reenacted;
that §8-16-17 of said code be amended and reenacted; that §8-27-16 of said code be amended
and reenacted; that §10-2A-16 of said code be amended and reenacted; and that §17-17-22 and
§17-17-34 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.

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, jail or regional correctional center, 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
the 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.
Notwithstanding the foregoing, payments of principal and interest on any bonds owned by the United States or any governmental agency or department thereof may be made by the county commission directly thereto. 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 the rate or rates set by the county commission, not to exceed twelve 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 thirteen 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 county 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 a designated bank or trust company within or without the State of West Virginia.

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 buildings, jail or regional correctional center, shall exceed the cost thereof, the surplus shall be paid into the fund herein provided for the payment 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 redeemable, 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.

CHAPTER 8. MUNICIPAL CORPORATIONS.

ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING.

§8-16-17. Sinking fund; West Virginia Municipal Bond Commission; transfer of funds;
purchase of outstanding bonds.

Before the issuance of any such bonds, the governing body or bodies shall, by ordinance
or ordinances, provide for a sinking fund for the payment of the bonds and the interest thereon,
and the payment of the charges of banking institutions or trust companies for making payment of
such bonds and interest, out of the net revenues of said works, and shall set aside and pledge a
sufficient amount of the net revenues of the works hereby defined to mean the revenues of the
works remaining after the payment of the reasonable expenses of repair (including replacements),
maintenance and operation, such amount to be paid by the board into the sinking fund at intervals,
to be determined by ordinance or ordinances adopted prior to the issuance of the bonds, for: (a)
The interest upon such bonds as such interest shall fall due; (b) the necessary fiscal agency
charges for paying bonds and interest; (c) the payment of the bonds as they fall due, or if all bonds
mature at one time, the proper maintenance of a sinking fund sufficient for the payment thereof
at such time; and (d) a margin for safety and for the payment of premium upon bonds retired by
call or purchase as herein provided, which margin, together with unused surplus of such margin
carried forward from the preceding year and the amounts set aside as reserves out of the
proceeds from the sale of the bonds, or from the revenues of said works, or from both, shall equal
ten percent of all other amounts so required to be paid into the sinking fund. Such required
payments shall constitute a first charge upon all the net revenues of the works. Prior to the
issuance of the bonds, the board may, by ordinance or ordinances, be given the right to use or
direct the trustee or the West Virginia Municipal Bond Commission to use such sinking fund, or
any part thereof, in the purchase of any of the outstanding bonds payable therefrom, at the market
prices thereof, but not exceeding the price, if any, at which the same shall in the same year be
payable or redeemable, and all bonds redeemed or purchased shall forthwith be cancelled, and
shall not again be issued. After the payments into the sinking fund as herein required and after
reserving an amount deemed by the board sufficient for repair (including replacements),
maintenance and operation for an ensuing period of not less than twelve months and for
depreciation, the board may at any time in its discretion transfer all or any part of the balance of
the net revenues into the sinking fund or into a fund for improvement, renovation, extension,
enlargement, increase or equipment for or to the works, or the governing body or bodies may,
notwithstanding the provisions of section twenty, article thirteen of this chapter, transfer all or any
part of the balance of the net revenues to the general or any special fund of the municipality or
municipalities and use such revenues for any purpose for which such general or special fund may
be expended.

All amounts for the sinking fund and interest, as and when set apart for the payment of
same, shall be remitted to the West Virginia Municipal Bond Commission at such periods as shall
be designated in the ordinance or ordinances, but in any event 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 the ordinance or ordinances 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 ordinance
or ordinances passed or adopted pursuant to the provisions of this article and shall invest all
sinking funds as provided by general law. Notwithstanding the foregoing, payments of principal
and interest on any bonds owned by the United States or any governmental agency or department
thereof may be made by the governing body directly thereto.

ARTICLE 27. INTERGOVERNMENTAL RELATIONS - URBAN MASS
TRANSPORTATION SYSTEMS.

§8-27-16. Sinking fund; West Virginia Municipal Bond Commission; purchase of
outstanding bonds.

Before the issuance of any bonds under the provisions of this article, the authority shall,
by resolution, provide for a sinking fund for the payment of the bonds and the interest thereon,
and the payment of the charges of banking institutions or trust companies for making payment of
such bonds and interest, out of the net revenues of said system, and, in this connection, shall set
aside and pledge a sufficient amount of the net revenues of the system for such purpose, such
net revenues being hereby defined to mean the revenues of the system remaining after the
payment of the reasonable expense of administration, maintenance, repair and operation, such
amount to be paid by such authority into the sinking fund at intervals, to be determined by
resolution adopted prior to the issuance of the bonds, for: (a) The interest upon such bonds as
such interest shall fall due; (b) the necessary fiscal agency charges for paying bonds and interest;
(c) the payment of the bonds as they fall due, or, if all the bonds mature at one time, the proper
maintenance of a sinking fund sufficient for the payment thereof at such time; and (d) a margin
for safety and for the payment of premium upon bonds retired by call or purchase as provided in
this article. Such required payments shall constitute a first charge upon all the net revenues of
such authority. Prior to the issuance of any bonds, the authority may, by resolution, be given the
right to use or direct the West Virginia Municipal Bond Commission to use such sinking fund, or
any part thereof, in the purchase of any of the outstanding bonds payable therefrom, at the market
prices thereof, but not exceeding the price, if any, at which the same shall in the same year be
payable or redeemable, and all bonds redeemed or purchased shall forthwith be cancelled, and
shall not again be issued. In addition to the payments into the sinking fund provided for above,
the authority may at any time in its discretion transfer all or any part of the balance of the net
revenues, after reserving an amount deemed by such authority sufficient for maintenance, repair
and operation for an ensuing period of not less than twelve months and for depreciation, into the
sinking fund.

The amounts of the balance of the net revenues as and when so set apart shall be remitted
to the West Virginia Municipal Bond Commission at such periods as shall be designated in the
resolution, but in any event 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 the resolution 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 resolution adopted pursuant to the provisions of this article and shall
invest all sinking funds as provided by general law. Notwithstanding the foregoing, payments of
principal and interest on any bonds owned by the United States or any governmental agency or
department thereof may be made by the authority directly thereto.

CHAPTER 10. PUBLIC LIBRARIES; PUBLIC RECREATION; ATHLETIC
ESTABLISHMENTS; MONUMENTS AND MEMORIALS; ROSTER OF
SERVICEMEN; EDUCATIONAL BROADCASTING AUTHORITY.

ARTICLE 2A. ATHLETIC ESTABLISHMENTS.


At or before the issuance of any such bonds, the board shall, by resolution, provide for a
sinking fund for the payment of the bonds and the interest thereon, and the payment of the
charges of banks or trust companies for making payment of such bonds, and interest, out of the
net revenues of said athletic establishment, and shall set aside and pledge a sufficient amount of
the net revenues of the athletic establishment to be paid by the board into such sinking fund at
intervals to be determined by resolution adopted prior to the issuance of the bonds, for: (a) The
interest upon such bonds as the same becomes due; (b) the necessary fiscal agency charges for
paying bonds and interest; (c) the payment of the bonds as they fall due, or if all bonds mature at
one time, the maintenance of a proper sinking fund for the payment thereof at such time; and (d)
a margin for safety and for the payment of premium upon bonds retired by call or purchase as
herein provided for, which margin, together with unused surplus of such margin carried forward
from the preceding year, shall equal ten per cent of all other amounts so required to be paid into
the sinking fund. Such required payments shall constitute a first charge upon all the net revenues
of the athletic establishment. Net revenues as used herein shall mean the revenues of the athletic
establishment remaining after the payment of reasonable expense of operation, repairs,
maintenance, insurance and all other reasonable costs of maintaining and operating the same
required to be paid from the revenues thereof. After the payment into the sinking fund as herein
required, the board may at any time in its discretion transfer all or any part of the balance of the
net revenues, after reserving an amount deemed by the board sufficient for operation, repairs,
maintenance and depreciation for an ensuing period of not less than twelve months, into the
sinking fund or into a fund for extensions, improvements and additions to such athletic
establishment. All amounts for sinking fund and interest, as and when set apart for the payment
of same, shall be remitted to the West Virginia Municipal Bond Commission at such periods as
shall be designated in the resolution, but in any event 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 provisions of this article and 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 resolution adopted pursuant to the provisions
of this article and shall invest all sinking funds as provided by general law. Notwithstanding the
foregoing, payments of principal and interest on any bonds owned by the United States or any
governmental agency or department thereof may be made by the board directly thereto.

CHAPTER 17. ROADS AND HIGHWAYS.

ARTICLE 17. TOLL BRIDGES.

§17-17-22. Tolls to be charged for bond payment; intrastate and interstate bridges included
in one issue; purchase of existing bridges; disposition of tolls.

Tolls shall be fixed, charged and collected for transit over such bridges and shall be so
fixed and adjusted, in respect of the aggregate of tolls from the bridge or bridges for which a single
issue of bonds is issued, as to provide a fund sufficient to pay the principal and interest of such
issue of bonds and to provide an additional fund to pay the cost of maintaining, repairing and
operating such bridge or bridges, subject, however, to any applicable law or regulation of the
United States of America now in force or hereafter to be enacted or made. Two or more bridges
may be included in one issue of bonds, and intrastate and interstate bridges may be grouped in
the same issue: Provided, That no existing bridge or bridges shall be acquired by purchase,
eminent domain, or otherwise, unless the state road commissioner shall have determined that the
income therefrom, based upon the toll receipts for the next preceding fiscal or calendar year, will
be sufficient to pay all expenses of operating and maintaining such bridge, in addition to the
interest and sinking fund requirements of any bonds to be issued to pay the purchase price
thereof, or, if such existing bridge or bridges are to be combined with any other bridge or bridges,
either then existing or thereafter to be constructed or acquired by purchase, eminent domain, or
otherwise, as provided in section twenty-three-b following, unless the state road commissioner
shall have determined that the income from such combined bridges, based upon the toll receipts
for the next preceding fiscal or calendar year in the case of any existing bridge or bridges and
upon estimates of future toll receipts in the case of any bridge or bridges to be constructed, will
be sufficient to pay all expenses of operating and maintaining such combined bridges, in addition
to the interest and sinking fund requirements of any bonds issued to pay the purchase price of
such existing bridge or bridges and the interest and sinking fund requirements of any bonds issued
to pay the cost of construction, acquiring, modernizing, repairing, reconstructing or improving any
bridge or bridges and approaches thereto, with which such existing bridge or bridges are to be so
combined. The tolls from the bridge or bridges for which a single issue of bonds is issued, except
such part thereof, as may be necessary to pay such cost of maintaining, repairing and operating
during any period in which such cost is not otherwise provided for (during which period the tolls
may be reduced accordingly), shall be transmitted each month to the West Virginia Municipal
Bond Commission and by it placed in a special fund which is hereby pledged to and charged with
the payment of the principal of such bonds and the interest thereon, and to the redemption or
repurchase of such bonds, such special fund to be a fund for all such bonds without distinction or
priority of one over another. The moneys in such special fund, less a reserve for payment of
interest, if not used by the West Virginia Municipal Bond Commission within a reasonable time for
the purchase of bonds for cancellation at a price not exceeding the market price and not
exceeding the redemption price, shall be applied to the redemption of bonds by lot at the
redemption price then applicable. Notwithstanding the foregoing, payments of principal and
interest on any bonds owned by the United States or any governmental agency or department
thereof may be made by the governing body directly thereto.

Any bridge or bridges constructed or acquired by purchase, eminent domain, or otherwise,
or reconstructed, repaired or improved, under the provisions of this article and forming a
connecting link between two or more state highways, or providing a river crossing for a state
highway, are hereby adopted as a part of the state road system, but no such bridge or bridges
shall be constructed or acquired by purchase, eminent domain, or otherwise, or reconstructed,
repaired or improved, under the provisions of this article without the approval in writing of the state
road commissioner and the Governor. If there be in the funds of the West Virginia Municipal Bond
Commission an amount insufficient to pay the interest and sinking fund on any bonds issued for
the purpose of constructing or acquiring by purchase, eminent domain, or otherwise, or
reconstructing, repairing or improving, such bridge or bridges, the state road commissioner is
authorized and directed to allocate to said commission, from the state road fund, an amount
sufficient to pay the interest on said bonds and/or the principal thereof, as either may become due
and payable.

§17-17-34. Same — Retiring bonds; remittance to sinking fund.

Every municipality or county court issuing bonds, or other evidences of indebtedness,
under the provisions of this act, shall thereafter, so long as any such bonds or other evidences of
indebtedness remain outstanding, operate and maintain its bridge so as to provide, charge, collect
and account for revenues therefrom as will be sufficient to pay all operating costs, provide a
depreciation fund, retire the bonds or other evidences of indebtedness, and pay the interest
requirements as the same may become due. The ordinance or order pursuant to which any such
bonds or other evidences of indebtedness are issued shall pledge the revenues derived from the
bridge to the purposes aforesaid, and shall definitely fix and determine the amount of revenues
which shall be necessary and set apart in a special fund for the bond requirements. The amounts,
as and when so set apart into said special fund for the bond requirements, 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 act and the ordinance or order pursuant to which such bonds or other
evidences of indebtedness have been issued. Notwithstanding the foregoing, payments of
principal and interest on any bonds owned by the United States or any governmental agency or
department thereof may be made by the governing body directly thereto.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman, House Committee

Originating in the House.

In effect ninety days from passage.

Clerk of the House of Delegates

Clerk of the Senate

Speaker of the House of Delegates

President of the Senate

The within bill approved this the 24th day of March, 2016.

Governor