

HB# 4657

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WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1994



ENROLLED

Com. Sub. for
HOUSE BILL No. 4657

(By ~~Delegate~~ Mr. Speaku, Mr. Chambers,
and Delegates Kiss, Tacumyer,
Ashley and Browning)

Passed March 12, 1994

In Effect 90 Days from Passage

ENROLLED
COMMITTEE SUBSTITUTE
FOR
H. B. 4657

(By MR. SPEAKER, MR. CHAMBERS, AND DELEGATES KISS,
FACEMYER, ASHLEY AND BROWNING)

[Passed March 12, 1994; in effect ninety days from passage.]

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

2 authorized to construct, erect, acquire and improve
3 dining halls, cottages, and other buildings or recrea-
4 tional facilities it considers necessary and beneficial for
5 the proper conduct and management of the camp and
6 conference center and may charge such rates, fees,
7 rentals and other charges for the use of the buildings
8 and recreational facilities as it determines necessary
9 and advisable.

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

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

24 The principal of and interest on the bonds or notes
25 shall be payable solely from the special fund provided
26 for in this section for such payment. The board shall
27 pledge the moneys in the special fund, except that part
28 of the proceeds of sale of any bonds or notes to be used
29 to pay the cost of a project, for the payment of the
30 principal of and interest on bonds or notes issued
31 pursuant to this section. The pledge shall apply equally
32 and ratably to separate series of bonds or notes or upon
33 such priorities as the board determines. The bonds or
34 notes shall be authorized by resolution of the board
35 which shall recite an estimate of the cost of the project,
36 and shall provide for the issuance of bonds or notes in
37 an amount sufficient, when sold as provided in this
38 section, to produce such cost, less the amount of any
39 funds, grant or grants, gift or gifts, contribution or
40 contributions received, or in the opinion of the board
41 expected to be received from any source. The acceptance
42 by the board of any and all funds, grants, gifts and

43 contributions, whether in money or in land, labor or
44 materials, is hereby expressly authorized. All bonds or
45 notes shall have and are hereby declared to have all the
46 qualities of negotiable instruments. The bonds or notes
47 shall bear interest at not more than twelve percent per
48 annum, payable semiannually, and shall mature in not
49 more than forty years from their date or dates of
50 issuance, and may be made redeemable at the option of
51 the board, at such price and under such terms and
52 conditions, as the board may fix prior to the issuance
53 of the bonds or notes. The board shall determine the
54 form of the bonds or notes, including coupons, if any,
55 to be attached thereto to evidence the right of interest
56 payments, which bonds or notes shall be signed by the
57 chairman and secretary of the board, under the great
58 seal of the state, attested by the secretary of state, and
59 the coupons, if any, attached thereto shall bear the
60 facsimile signature of the chairman of the board. In case
61 any of the officers whose signatures appear on the bonds
62 or notes or coupons issued as authorized under this
63 section shall cease to be such officers before the delivery
64 of the bonds or notes, the signatures are nevertheless
65 valid and sufficient for all purposes the same as if they
66 had remained in office until such delivery. The board
67 shall fix the denominations of the bonds or notes, the
68 principal and interest of which shall be payable at the
69 office of the treasurer of the state of West Virginia at
70 the state capitol, or at the option of the holder, at some
71 bank or trust company within or without the state of
72 West Virginia to be named in the bonds or notes, in such
73 medium as may be determined by the board. The bonds
74 or notes and interest thereon are exempt from taxation
75 by the state of West Virginia, or any county or
76 municipality in the state. The board may provide for the
77 registration of the bonds or notes in the name of the
78 owners as to principal alone, and as to both principal
79 and interest under such terms and conditions as the
80 board may determine, and shall sell the bonds or notes
81 in such manner as it may determine to be for the best
82 interest of the state and the board, taking into consid-
83 eration the financial responsibility of the purchaser, and
84 the terms and conditions of the purchase, and especially

85 the availability of the proceeds of the bonds or notes
86 when required for payment of the cost of the project, the
87 sale to be made at a price not lower than a price which,
88 computed upon standard tables of bond values, will
89 show a net return of not more than thirteen percent per
90 annum to the purchaser upon the amount paid therefor.
91 The proceeds of the bonds or notes shall be used solely
92 for the payment of the cost of the project for which
93 bonds or notes were issued, and shall be deposited and
94 checked out in the same manner as provided by article
95 six, chapter five of this code, and under such further
96 restrictions, if any, as the board may provide. If the
97 proceeds of bonds or notes issued for a project or a
98 specific group of projects exceeds the cost of the project
99 or projects, the surplus shall be paid into the fund
100 provided for in this section for payment of the principal
101 and interest of the bonds or notes. The fund may be used
102 for the purchase of any of the outstanding bonds or notes
103 payable from the fund at the market price, but at not
104 exceeding the price, if any, at which the bonds or notes
105 are in the same year redeemable. All bonds or notes
106 redeemed or purchased shall forthwith be canceled, and
107 shall not again be issued. Prior to the preparation of
108 definitive bonds or notes, the board may, under like
109 restrictions, issue temporary bonds or notes with or
110 without coupons, exchangeable for definitive bonds or
111 notes upon the issuance of the latter. Notwithstanding
112 the provisions of sections nine and ten, article six,
113 chapter twelve of this code, revenue bonds or notes
114 issued under the authority granted in this section are
115 eligible as investments for the workers' compensation
116 fund, teachers retirement fund, division of public safety
117 death, disability and retirement fund, West Virginia
118 public employees retirement system and as security for
119 the deposit of all public funds. The revenue bonds or
120 notes may be issued without any other proceedings or
121 the happening of any other conditions or things than
122 those proceedings, conditions and things which are
123 specified and required by this article, or by the
124 constitution of the state. For all projects authorized
125 under the provisions of this section, the aggregate
126 amount of all issues of bonds or notes outstanding at one

127 time shall not exceed two million five hundred thousand
128 dollars including the renegotiation, reissuance or
129 refinancing of any bonds or notes.

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

138 The board may enter into an agreement or agree-
139 ments with any trust company, or with any bank having
140 the powers of a trust company, whether within or
141 outside of the state, as trustee for the holders of bonds
142 or notes issued under this section, setting forth in the
143 agreement the duties of the state and of the board in
144 respect of the acquisition, construction, improvement,
145 maintenance, operation, repair and insurance of the
146 project, the conservation and application of all moneys,
147 the insurance of moneys on hand or on deposit, and the
148 rights and remedies of the trustee and the holders of the
149 bonds or notes, as may be agreed upon with the original
150 purchasers of the bonds or notes. The agreement or
151 agreements shall include provisions restricting the
152 individual right of action of bondholders or noteholders
153 as is customary in trust agreements respecting bonds or
154 notes and debentures of corporations, protecting and
155 enforcing the rights and remedies of the trustee and the
156 bondholders or noteholders, and provide for approval by
157 the original purchasers of the bonds or notes of the
158 appointment of consulting architects, and of the security
159 given by those who contract to construct the project, and
160 by any bank or trust company in which the proceeds of
161 bonds or notes or rentals shall be deposited, and for
162 approval by the consulting architects of all contracts for
163 construction. All expenses incurred in carrying out the
164 agreement may be treated as a part of the cost of
165 maintenance, operation and repairs of the project.

Enr. Com. Sub. for H. B. 4657] 6

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 of the House of Delegates

The within *is approved* this the *30th*
day of *March*, 199*9*.

Governor

PRESENTED TO THE

GOVERNOR

Date

3/8/94

Time

4:17pm