

WEST VIRGINIA LEGISLATURE

2024 SECOND EXTRAORDINARY SESSION

Introduced

House Bill 239

By Delegates Hanshaw (Mr. Speaker) and
Hornbuckle

(By Request of the Executive)

[Introduced on ; referred
to the Committee on]

1 A BILL to amend and reenact §5F-2-1 of the Code of West Virginia, 1931, as amended; to amend
2 and reenact §11B-1-2 of said code; to amend said code by adding thereto a new section,
3 designated §12-6A-8; and to amend and reenact §13-3-2, §13-3-3, §13-3-6, §13-3-7, §13-
4 3-9, and §13-3-12 of said code, all relating generally to the Municipal Bond Commission
5 governance; designating the State Treasurer as chairman of the commission; requiring the
6 chairman to appoint the chief administrative officer of the commission; requiring the State
7 Treasurer to provide office space and staff to support the commission; increasing the per
8 diem rate for members of the commission; allowing commission members to be
9 reimbursed for reasonable expenses; requiring the commission to produce quarterly
10 financial statements; requiring the commission to undergo an annual audit; providing for an
11 exemption from state purchasing; permitting the commission to conduct business via video
12 conferencing; authorizing the commission to enter into any existing contracts or
13 agreements with financial institutions; removing obsolete language; and making technical
14 corrections.

Be it enacted by the Legislature of West Virginia:

CHAPTER 5F. REORGANIZATION OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT.

ARTICLE 2. TRANSFER OF AGENCIES AND BOARDS.

§5F-2-1. Transfer and incorporation of agencies and boards; funds.

1 (a) The following agencies and boards, including all the allied, advisory, affiliated, or
2 related entities and funds associated with any agency or board, are incorporated in and
3 administered as a part of the Department of Administration:

- 4 (1) Public Employees Insurance Agency provided in §5-16-1 *et seq.* of this code;
- 5 (2) Governor's Mansion Advisory Committee provided in §5A-5-1 *et seq.* of this code;
- 6 (3) Commission on Uniform State Laws provided in §29-1A-1 *et seq.* of this code;

(4) West Virginia Public Employees Grievance Board provided in §6C-3-1 *et seq.* of this code;

(5) Board of Risk and Insurance Management provided in §29-12-1 *et seq.* of this code;

(6) Boundary Commission provided in §29-23-1 *et seq.* of this code;

(7) Public Defender Services provided in §29-21-1 *et seq.* of this code;

(8) Division of Personnel provided in §29-6-1 *et seq.* of this code;

(9) West Virginia Ethics Commission provided in §6B-2-1 *et seq.* of this code;

(10) Consolidated Public Retirement Board provided in §5-10D-1 *et seq.* of this code; and

(11) Real Estate Division provided in §5A-10-1 *et seq.* of this code.

(b) The following agencies and boards, including all the allied, advisory, affiliated, or related entities and funds associated with any agency or board, are incorporated in and administered as a part of the Department of Commerce:

(1) Division of Labor provided in §21-1-1 *et seq.* of this code, which includes:

(A) Occupational Safety and Health Review Commission provided in §21-3A-1 *et seq.* of this code; and

(B) Board of Manufactured Housing Construction and Safety provided in §21-9-1 *et seq.* of this code.

(2) Office of Miners' Health, Safety, and Training provided in §22A-1-1 *et seq.* of this code.

The following boards are transferred to the Office of Miners' Health, Safety, and Training for purposes of administrative support and liaison with the Office of the Governor:

(A) Board of Coal Mine Health and Safety and Coal Mine Safety and Technical Review Committee provided in §22A-6-1 *et seq.* of this code;

(B) Board of Miner Training, Education, and Certification provided in §22A-7-1 *et seq.* of this code; and

(C) Mine Inspectors' Examining Board provided in §22A-9-1 *et seq.* of this code.

(3) Division of Natural Resources and Natural Resources Commission provided in §20-1-1

33 *et seq.* of this code;

34 (4) Division of Forestry provided in §19-1A-1 *et seq.* of this code;

35 (5) Geological and Economic Survey provided in §29-2-1 *et seq.* of this code;

36 (6) Workforce West Virginia provided in chapter 21A of this code, which includes:

37 (A) Division of Unemployment Compensation;

38 (B) Division of Employment Service;

39 (C) Division of Workforce Development;

40 (D) Division of Research, Information and Analysis; and

41 (7) Division of Rehabilitation Services provided in §18-10A-1 *et seq.* of this code.

42 (c) The Economic Development Authority provided in §31-15-1 *et seq.* of this code is
43 continued as an independent agency within the executive branch.

44 (d) The Water Development Authority and the Water Development Authority Board
45 provided in §22C-1-1 *et seq.* of this code is continued as an independent agency within the
46 executive branch.

47 (e) The West Virginia Educational Broadcasting Authority provided in §10-5-1 *et seq.* of
48 this code is continued as a separate, independent agency within the Department of Arts, Culture,
49 and History, which shall provide administrative support for the authority.

50 (f) The Division of Culture and History as established in §29-1-1 *et seq.* of this code is
51 continued as an a separate independent agency within the Executive Branch as the Department of
52 Arts, Culture, and History. All references throughout this code to the "Division of Culture and
53 History" mean the "Department of Arts, Culture, and History".

54 (g) The following agencies and boards, including all of the allied, advisory, and affiliated
55 entities, are transferred to the Department of Environmental Protection for purposes of
56 administrative support and liaison with the Office of the Governor:

57 (1) Air Quality Board provided in §22B-2-1 *et seq.* of this code;

58 (2) Solid Waste Management Board provided in §22C-3-1 *et seq.* of this code;

(3) Environmental Quality Board, or its successor board, provided in §22B-3-1 *et seq.* of this code;

(4) Surface Mine Board provided in §22B-4-1 *et seq.* of this code;

(5) Oil and Gas Inspectors' Examining Board provided in §22C-7-1 *et seq.* of this code;

(6) Shallow Gas Well Review Board provided in §22C-8-1 *et seq.* of this code; and

(7) Oil and Gas Conservation Commission provided in §22C-9-1 *et seq.* of this code.

(h) Subject to the provisions of §5F-2-1a of this code, the following agencies and boards, including all of the allied, advisory, affiliated, or related entities and funds associated with any agency or board, are incorporated in and administered as a part of the Department of Health:

(1) Human Rights Commission provided in §5-11-1 *et seq.* of this code;

(2) Bureau for Public Health provided in §16-1-1 *et seq.* of this code;

(3) Office of Emergency Medical Services and the Emergency Medical Service Advisory Council provided in §16-4C-1 *et seq.* of this code;

(4) Health Care Authority provided in §16-29B-1 *et seq.* of this code;

(5) The Developmental Disabilities Council established by Executive Order No. 6-88 and continued by Executive Order No. 15-99;

~~(i) Subject to the provisions of §5F-2-1a of this code, the following agencies and boards, including all of the allied, advisory, affiliated, or related entities and funds associated with any agency or board, are incorporated in, and administered as a part of, the Department of Human Services:~~

~~(1)(6) Women's Commission provided in §29-20-1 *et seq.* of this code; and~~

~~(2)(7) Bureau for Child Support Enforcement provided in §48-1-1 *et seq.* of this code.~~

~~(j)(i)~~ The following agencies and boards, including all of the allied, advisory, affiliated, or related entities and funds associated with any agency or board, are incorporated in and administered as a part of the Department of Homeland Security:

(1) West Virginia State Police;

(2) Division of Emergency Management provided in §15-5-1 *et seq.* of this code and Emergency Response Commission provided in §15-5A-1 *et seq.* of this code: *Provided*, That notwithstanding any other provision of this code to the contrary, whenever in this code, or a rule promulgated thereunder, a reference is made to the Division of Homeland Security and Emergency Management, it shall be construed to mean the Division of Emergency Management;

(3) Division of Administrative Services;

(4) Division of Corrections and Rehabilitation;

(5) Fire Commission;

(6) State Fire Marshal;

(7) Board of Probation and Parole;

(8) The West Virginia Fusion Center;

(9) Division of Protective Services; and

(10) Any other agency or entity hereinafter established within the Department of Homeland Security by an act of the Legislature.

~~(k)~~(j) The following agencies and boards, including all of the allied, advisory, affiliated, or related entities and funds associated with any agency or board, are incorporated in and administered as a part of the Department of Revenue:

(1) Tax Division provided in §11-1-1 *et seq.* of this code;

(2) Racing Commission provided in §19-23-1 *et seq.* of this code;

(3) Lottery Commission and position of Lottery Director provided in §29-22-1 *et seq.* of this code;

(4) Insurance Commissioner provided in §33-2-1 *et seq.* of this code;

(5) West Virginia Alcohol Beverage Control Commissioner provided in §11-16-1 *et seq.* of this code and §60-2-1 *et seq.* of this code;

(6) Board of Banking and Financial Institutions provided in §31A-3-1 *et seq.* of this code;

(7) Lending and Credit Rate Board provided in §47A-1-1 *et seq.* of this code;

(8) Division of Financial Institutions provided in §31A-2-1 *et seq.* of this code;

(9) The State Budget Office provided in §11B-2-1 *et seq.* of this code;

~~(10) The Municipal Bond Commission provided in §13-3-1 *et seq.* of this code;~~

~~(11)~~ (10) The Office of Tax Appeals provided in §11-10A-1 *et seq.* of this code; and

~~(12)~~ (11) The State Athletic Commission provided in §29-5A-1 *et seq.* of this code.

~~(j)~~(k) The following agencies and boards, including all of the allied, advisory, affiliated, or related entities and funds associated with any agency or board, are incorporated in and administered as a part of the Department of Transportation:

(1) Division of Highways provided in §17-2A-1 *et seq.* of this code;

(2) Parkways Authority provided in §17-16A-1 *et seq.* of this code;

(3) Division of Motor Vehicles provided in §17A-2-1 *et seq.* of this code;

(4) Driver's Licensing Advisory Board provided in §17B-2-1 *et seq.* of this code;

(5) Aeronautics Commission provided in §29-2A-1 *et seq.* of this code;

(6) State Rail Authority provided in §29-18-1 *et seq.* of this code; and

(7) Public Port Authority provided in §17-16B-1 *et seq.* of this code.

~~(m)~~(l) Effective July 1, 2011, the Veterans' Council provided in §9A-1-1 *et seq.* of this code, including all the allied, advisory, affiliated, or related entities and funds associated with it, is incorporated in and administered as a part of the Department of Veterans' Assistance.

~~(n)~~(m) Except for powers, authority, and duties that have been delegated to the secretaries of the departments by §5F-2-2 of this code, the position of administrator and the powers, authority, and duties of each administrator and agency are not affected by the enactment of this chapter.

~~(o)~~(n) Except for powers, authority, and duties that have been delegated to the secretaries of the departments by §5F-2-2 of this code, the existence, powers, authority, and duties of boards and the membership, terms, and qualifications of members of the boards are not affected by the enactment of this chapter. All boards that are appellate bodies or are independent decision makers may not have their appellate or independent decision-making status affected by the enactment of

137 this chapter.

138 ~~(p)~~(o) Any department previously transferred to and incorporated in a department by prior
139 enactment of this section means a division of the appropriate department. Wherever reference is
140 made to any department transferred to and incorporated in a department created in §5F-1-2 of this
141 code, the reference means a division of the appropriate department and any reference to a
142 division of a department so transferred and incorporated means a section of the appropriate
143 division of the department.

144 ~~(q)~~(p) When an agency, board, or commission is transferred under a bureau or agency
145 other than a department headed by a secretary pursuant to this section, that transfer is solely for
146 purposes of administrative support and liaison with the Office of the Governor, a department
147 secretary, or a bureau. Nothing in this section extends the powers of department secretaries under
148 §5F-2-2 of this code to any person other than a department secretary and nothing limits or
149 abridges the statutory powers and duties of statutory commissioners or officers pursuant to this
150 code.

151 ~~(r)~~(q) The Department of Economic Development as established in §5B-2-1 *et seq.* of this
152 code is continued as a separate independent agency within the Executive Branch.

153 ~~(s)~~(r) The Department of Tourism as established in §5B-21-1 *et seq.* of this code is
154 continued as a separate independent agency within the Executive Branch.

CHAPTER 11B. DEPARTMENT OF REVENUE.

ARTICLE 1. DEPARTMENT OF REVENUE.

§11B-1-2. Agencies, boards, commissions, divisions, and offices comprising the department of finance and revenue.

1 (a) There shall be in the Department of Revenue the following agencies, boards,
2 commissions, divisions, and offices, including all the allied, advisory, affiliated, or related entities
3 which are incorporated in and shall be administered as part of the Department of Revenue:

(1) The Alcohol Beverage Control Commissioner provided for in W. Va. Code §11-16-1 *et seq.*, and W. Va. Code §60-1-1 *et seq.*;

(2) The Division of Banking provided for in article two, chapter thirty-one-a of this code;

(3) The board of banking and financial institutions provided for in article three, chapter thirty-one-a of this code;

(4) The state budget office, ~~heretofore known as the budget section of the Finance Division, Department of Administration, previously provided for in article two, chapter five-a of this code and now~~ provided for in W. Va. Code §11B-2-1 *et seq.*;

(5) The agency of Insurance Commissioner provided for in W. Va. Code §33-2-1 *et seq.*;

(6) The lending and credit rate board provided for in W. Va. Code §47a-1-1 *et seq.*;

(7) The Lottery Commission and the position of lottery director provided for in W. Va. Code §29-22-1 *et seq.*;

~~(8) The Municipal Bond Commission provided for in article three, chapter thirteen of this code;~~

(9) (8) The office of tax appeals provided for in W. Va. Code §11-10a-1 *et seq.*;

~~(10)~~ (9) The state athletic commission provided for in W. Va. Code §29-5a-1 *et seq.*;

~~(11)~~ (10) The Tax Division provided for in W. Va. Code §11-1-1 *et seq.*; and

~~(12)~~ (11) The West Virginia Racing Commission provided for in W. Va. Code §19-23-1 *et seq.*

(b) The department shall also include any other agency, board, commission, division, office, or unit subsequently incorporated in the department by the Legislature.

CHAPTER 12. PUBLIC MONEYS AND SECURITIES.

ARTICLE 6A. THE DEBT MANAGEMENT ACT OF 1991.

§12-6A-8. Treasurer as chair of Municipal Bond Commission, the state's fiscal agent, to provide support to the Municipal Bond Commission.

1 (a) The Treasurer shall chair the Municipal Bond Commission as specified in §13-3-1 *et*
2 *seq.* of this Code, and his or her office shall hire its own employees, consultants, managers, and
3 advisors, fix compensation, prescribe job duties, and provide suitable office space necessary to
4 provide support to the Municipal Bond Commission.

5 (b) The Commission shall produce quarterly financial statements for the assets managed
6 by the Commission and send them to each member of the Commission and provide copies as
7 reasonably requested.

8 (c) The Commission shall provide any other information requested in writing by the
9 Department of Revenue, the Joint Committee on Finance, or any member of the Legislature.

10 (d) *Annual Audits.* -- Beginning with fiscal year ending June 30, 2025, and each fiscal year
11 thereafter, the Commission shall have an annual financial and compliance audit of the assets,
12 accounts, payments, and transfers made by the Commission.

13 (e) *Purchasing Exemption.* -- Notwithstanding any other provision to the contrary, the
14 commission is exempt from all requirements of the Purchasing Division, authorized under §5A-3-1
15 *et seq.* of this Code.

CHAPTER 13. PUBLIC BONDED INDEBTEDNESS.

ARTICLE 3. MUNICIPAL BOND COMMISSION.

§13-3-2. Composition of commission; terms of appointment; vacancies; removal from office.

1 (a) The commission shall be composed of five members as follows: (1) The Auditor of the
2 state, by virtue of his or her office; (2) the Treasurer of the state, by virtue of his or her office; (3) the
3 State Tax Commissioner, by virtue of his or her office; and (4) two residents of the state appointed
4 by the Governor by and with the advice and consent of the Senate. Of the two appointed
5 members, one shall be, or shall have been, the mayor of a municipality, and one shall be, or shall
6 have been, a member of a county commission: *Provided*, That if such mayor or member of a

7 county commission is not presently serving in such position, he or she shall have served in such
8 position within the six years preceding the term for which such member is to be appointed. No
9 more than one of the members appointed by the Governor may belong to the same political party.

10 (b) The appointed members of the commission shall serve overlapping terms of four years
11 each and until their respective successors have been appointed and qualified, except for the
12 original appointments, one member shall be appointed for a term of four years and until his or her
13 successor has been appointed and qualified, one member shall be appointed for two years and
14 until his or her successor has been appointed and qualified. Each member shall take and
15 subscribe to the oath required by section five, article four of the Constitution of this state.

16 (c) Vacancies shall be filled by appointment by the Governor for the unexpired term of the
17 member whose office is vacant and such appointment shall be made within sixty days of the
18 occurrence of such vacancy.

19 (d) No member of the board appointed by the Governor may be removed from office except
20 for official misconduct, incompetency, neglect of duty, or gross immorality.

**§13-3-3. Officers; employees; chief administrative officer; meetings; quorum;
compensation and expenses; legal representation.**

1 (a) The ~~Tax Commissioner~~ State Treasurer or his or her designee shall be chair of the
2 commission.

3 (b) The ~~members of the commission~~ State Treasurer, in his or her capacity as the chair of
4 the commission, shall appoint a chief administrative officer and may fix his or her title and duties.
5 Notwithstanding the provisions of W. Va Code §6-7-2a, the commission shall have the authority to
6 set the compensation of the chief administrative officer. The chief administrative officer shall serve
7 as secretary to the board and treasurer of the commission. The chair may designate a board
8 member to serve as secretary in the absence of the chief administrative officer. The chair is
9 authorized with the approval of the commission, to employ other employees and consultants as
10 the commission deems advisable and fix their compensation and prescribe their duties.

(c) Appointed members of the commission shall be paid ~~\$50~~ \$500 for each day or substantial portion thereof that they are engaged in the work of the commission. Each member of the commission may be reimbursed for all reasonable and necessary expenses actually incurred in the performance of duties on behalf of the commission.

(d) The commission shall hold at least three meetings in each fiscal year, one of which meetings shall be within ~~sixty~~ 60 days of the end of the fiscal year and shall be the annual meeting. The meetings shall be held on dates and at places prescribed by the chair. Additional meetings may be held at the call of the chair or upon the written request of three members at such time and place as designated in such call or request. Three members of the commission constitute a quorum.

(e) The chair with the consent of the commission is authorized to provide or designate legal advisory services to the commission.

§13-3-6. Powers and duties of commission.

(a) The commission shall serve as fiscal agent for all issuers of general obligation bonds issued by the counties, municipalities, and school districts of the State of West Virginia when the commission is specifically named as the fiscal agent by statute.

(b) The commission shall serve as fiscal agent for all issuers of revenue bonds issued by the counties, municipalities, and school districts of this state when the commission is specifically named as the fiscal agent by statute.

(c) The commission shall serve as fiscal agent for the issuers of revenue bonds issued by the State of West Virginia through its departments, commissions, boards, or agencies, when the commission is specifically named as the fiscal agent by statute.

(d) The commission may serve as fiscal agent for the issuer of other public purpose revenue bond issues when so provided by bond ordinance.

(e) The commission may agree to serve as paying agent agents for all issuers when so provided by bond ordinance.

(f) The commission may conduct business by telephonic or video conference when necessary.

(g) The commission may use any contract or agreement of the State Treasurer's Office, Investment Management Board, or the West Virginia Board of Treasury Investments.

(h) The commission is hereby granted, has, and may exercise all powers necessary or appropriate to effectuate the purposes of this article.

§13-3-7. Permissible investments; limitations and prohibitions on purchase, sale, or exchange of securities; public records; combining funds and proration of interest; custody of securities.

(a) Notwithstanding any provisions of this code to the contrary, the commission may invest funds under its control in the following classes of securities and not otherwise:

(1) Securities of the United States or any agency thereof which are guaranteed by or for which the full faith and credit of the United States is pledged for the payment of the principal and interest;

~~(2) General obligations of this state or any of its agencies, boards or commissions;~~

~~(3) General obligations of any county, municipality or school district in this state;~~

~~(4)~~(2) Pools of investment operated by the West Virginia Board of Treasury Investments provided that their investments are limited to the above-named securities, and ~~provided that~~ if securities purchased for these pools following the date of the enactment of this article shall not have maturities greater than five years in length; and

~~(5)~~(3) Repurchase agreements or similar banking arrangements with a member bank of banks of the federal reserve system or a bank, the deposits of which are insured by the federal deposit insurance corporation, or its successor: *Provided*, That such investments shall only be made to the extent insured by the federal deposit insurance corporation or to the extent that the principal amount thereof shall be fully collateralized by direct obligations of or obligations guaranteed by the United States of America.

(b) Securities purchased or held under the provisions of this article may be sold or exchanged for other securities: *Provided*, That: (1) No security shall be purchased, sold, or exchanged without the concurrence or ratification of a majority of all members of the commission; (2) no security shall be purchased at a price above, nor sold or exchanged at a price below, its prevailing fair market value; (3) no security shall be purchased, sold, or exchanged for the purpose of aiding any individual, firm, or corporation by the payment of brokerage commissions or fees thereto; (4) no security purchased, sold, or exchanged shall benefit any member or employee of the commission; and (5) no security shall be received in exchange which does not comply with the requirements of this article.

(c) The commission shall record all pertinent information related to any purchase, sale, or exchange of securities and make such information available for public inspection during normal office hours of the commission.

(d) Funds from several or all accounts may be combined for investment and any interest earned shall be prorated and credited quarterly to the various contributing accounts ~~on the basis of~~ based on the amount thereof invested, calculated according to an average periodic balance, or other generally accepted accounting principle.

(e) All securities purchased by the commission as an investment for the funds shall remain in the custody of the state Board of Treasury Investments until the same are sold, exchanged, retired, or mature and are paid in full.

§13-3-9. Collection, deposit, and accounting funds; insufficient deposit; withdrawal of additional funds.

(a) Deposit of funds. -- All tax receipts and interest belonging to the counties, municipalities or school districts and earmarked for the purpose of amortizing bonded indebtedness, shall be, by the treasurer or collector thereof, forwarded to the commission at least quarterly to be deposited in the State Treasury to the credit of the Municipal Bond Commission: *Provided*, That all funds from the prior fiscal year shall be forwarded to the commission not later than the following thirtieth day of

6 September.

7 (b) Insufficient deposit. -- Whenever the amount deposited for any issuer is not sufficient to
8 meet the interest or principal due, it shall be the duty of the treasurer or collector of such issuer,
9 upon being notified of that fact by the commission, to immediately remit all funds in his or her
10 possession that have been earmarked by the issuer for the purpose of amortizing bonded
11 indebtedness plus such additional funds as are necessary to meet the interest or principal due.

12 (c) Withdrawal of additional funds. -- If an issuer has remitted to the commission funds not
13 earmarked for the purpose of amortizing bonded indebtedness, all or a portion of such funds may
14 be withdrawn by the issuer upon ~~sixty~~ 60 days' written notice to the commission: *Provided*, That
15 such withdrawal shall neither create a deficit in the issuer's account with the commission nor be in
16 conflict with terms of the bond issue.

17 (d) Payment of taxes. -- Any taxes to provide for the payment of principal, creation of a
18 reserve or sinking fund, or for the payment of interest on bonds by any county, municipality, or
19 school district which shall be collected by any state officer, shall be paid by such officer to the
20 commission to be at once applied to the payment of the debt of the county, municipality, or school
21 district and the fact of such application of such fund shall be reported by the Auditor to the
22 treasurer or collector of such issuer, which report shall be a receipt for the amount therein named.

23 (e) Municipal bond commission fund. -- The State Auditor and the State Treasurer shall
24 carry an account to be known as the Municipal Bond Commission fund. All deposits shall be
25 carried as a part of such fund.

26 (f) Deposit of collections. -- The commission shall deposit all collections and receipts with
27 the treasurer daily.

§13-3-12. Destruction of canceled bonds and coupons.

1 Any canceled bonds and interest coupons of any issue for which the commission acts as
2 fiscal agent or paying agent may be destroyed in the discretion of the commission by one of the
3 two methods described herein below.

4 Method I -- The commission shall maintain a permanent record for the purpose of
5 recording the destruction of bonds and coupons, showing the following: (1) With respect to bonds,
6 the purpose of issuance, the date of issue, serial numbers (if any), denomination, maturity date,
7 and total principal amount; and (2) with respect to coupons, the purpose of issue and date of the
8 bonds to which the coupons appertain, the maturity date of the coupons and, as to each maturity
9 date, the denomination, quantity, and total amount of coupons.

10 After recording the specified information, the commission shall have the canceled bonds
11 and coupons destroyed by either burning or shredding, in the presence of the chairman of the
12 commission and any three commission members, each of whom shall certify that he or she saw
13 the canceled bonds and coupons destroyed. Such certificates shall be made a part of the
14 permanent record. Canceled bonds or coupons shall not be destroyed until after one year from the
15 date of payment.

16 Method II -- The commission may contract with any bank or trust company acting as paying
17 agent or ~~co-paying~~ co-paying agent for a bond issue for the destruction of bonds and interest
18 coupons which have been canceled by the paying agent. The contract shall require that the paying
19 agent give the commission a written certificate containing the same information required by
20 Method I. The certificates shall be made part of the permanent record book of the commission.
21 Each contract shall also require that the paying agent be responsible for proper payment and
22 disposition of all bonds and coupons, and for any duplicate payments to unauthorized persons and
23 nonpayment to authorized persons occurring ~~as a result of~~ because of destruction of bonds or
24 coupons under this section. In addition, the commission may require the paying agent to submit an
25 indemnity bond, in an amount to be determined by the commission, to assure performance of the
26 duties specified in this section. Canceled bonds or coupons may not be destroyed until one year
27 from the date of payment.

NOTE: The purpose of this bill is to transfer powers and duties of the Municipal Bond Commission.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.