

FILED

2005 SEP 30 P 4: 26

OFFICE WEST VIRGINIA  
SECRETARY OF STATE

# WEST VIRGINIA LEGISLATURE

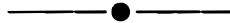
FOURTH EXTRAORDINARY SESSION, 2005



# ENROLLED

COMMITTEE SUBSTITUTE  
FOR  
**House Bill No. 412**

(By Mr. Speaker, Mr. Kiss, and Delegate Trump)  
[By Request of the Executive]



Passed September 12, 2005

In Effect from Passage

FILED

2005 SEP 30 P 4: 26

OFFICE WEST VIRGINIA  
SECRETARY OF STATE

**E N R O L L E D**

COMMITTEE SUBSTITUTE

FOR

**H. B. 412**

(BY MR. SPEAKER, MR. KISS, AND DELEGATE TRUMP)

[BY REQUEST OF THE EXECUTIVE]

[Passed September 12, 2005; in effect from passage]

AN ACT to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §23-2C-24; and to amend and reenact §23-2D-4 of said code, all relating generally to Workers' Compensation; authorizing the Governor to condition the transfer of certain funds to the New Fund administered by the successor to the Workers' Compensation Commission upon repayment of the funds under surplus note or other loan arrangement; allowing additional flexibility in terms and method for issuance of Workers' Compensation debt reduction revenue bonds; and allowing use of derivative products to reduce debt service costs and manage interest rate exposure.

*Be it enacted by the Legislature of West Virginia:*

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new section, designated §23-2C-24; and that

§23-2D-4 of said code be amended and reenacted, all to read as follows:

**ARTICLE 2C. EMPLOYERS' MUTUAL INSURANCE COMPANY.**

**§23-2C-24. Surplus note or other loan arrangement for new fund.**

1 (a) Notwithstanding any other provision of this article to the  
2 contrary, the transfer of all or a portion of the remainder of  
3 funds to be disbursed into the new fund as provided subsection  
4 (b), section six of this article, in such amount as may be  
5 determined by the Governor, may be conditioned upon the  
6 repayment thereof and subject to the terms of a surplus note or  
7 other loan arrangement. The Governor shall specify the amount  
8 that is to be transferred to the new fund conditioned upon the  
9 repayment thereof and subject to loan arrangement in the  
10 proclamation issued pursuant to section eleven of this article.  
11 The terms of any such surplus note or other loan arrangement  
12 must be approved by the Insurance Commissioner before  
13 execution of the said proclamation.

14 (b) Payments received by the Treasurer from the company  
15 in repayment of any outstanding surplus note or other loan  
16 arrangement made pursuant to this subsection shall be deposited  
17 in the treasury of the state to the credit of the old fund.

18 (c) The Insurance Commissioner may enter into such  
19 agreements, including loan arrangements, with the company  
20 that are necessary to accomplish the transfers addressed in this  
21 article.

**ARTICLE 2D. WORKERS' COMPENSATION DEBT REDUCTION BONDS.**

**§23-2D-4. Workers' Compensation debt reduction revenue bonds; amount; when may issue.**

1 (a) Revenue bonds of the State of West Virginia are hereby  
2 authorized to be issued and sold by the West Virginia Economic  
3 Development Authority created and provided in article fifteen,

4 chapter thirty-one of this code, solely for the paying down and  
5 elimination of the current unfunded liability of the Workers'  
6 Compensation Fund, as provided by the Constitution and the  
7 provisions of this article. The principal of, and the interest and  
8 redemption premium, if any, on the bonds shall be payable  
9 solely from the special fund provided in section six of this  
10 article for repayment.

11 (b) The West Virginia Economic Development Authority  
12 either in the resolution authorizing the issuance of the bonds or  
13 by the execution and delivery by the West Virginia Economic  
14 Development Authority of a trust indenture or agreement, shall  
15 stipulate the form of the bonds, whether the bonds are to be  
16 issued in one or more series, the date or dates of issue, the time  
17 or times of maturity, the rate or rates of interest payable on the  
18 bonds, which may be at fixed rates or variable rates and which  
19 interest may be current interest or may accrue, the denomina-  
20 tion or denominations in which the bonds are issued, the  
21 conversion or registration privileges applicable to some or all  
22 of the bonds, the sources and medium of payment and place or  
23 places of payment, the terms of redemption, any privileges of  
24 exchangeability or interchangeability applicable to the bonds,  
25 and the entitlement of holders of the bonds and the providers of  
26 any agreements provided in subsection (e) of this section to  
27 priorities of payment or security in the amounts deposited in the  
28 West Virginia Workers' Compensation Debt Reduction  
29 Revenue Bond Debt Service Fund: *Provided*, That in no event  
30 may the amount of bonds issued pursuant to this article exceed  
31 one billion five hundred million dollars: *Provided, however*,  
32 That the terms of the bonds shall not exceed thirty years from  
33 their respective issuance dates.

34 (c) Revenue bonds issued under this article shall state on  
35 their face that the bonds do not constitute a debt of the State of  
36 West Virginia; that payment of the bonds, interest and charges  
37 thereon cannot become an obligation of the State of West  
38 Virginia; and that the bondholders' remedies are limited in all

39 respects to the “special revenue fund” established in this article  
40 for the liquidation of the bonds.

41 (d) Net proceeds from sale of these bonds shall be depos-  
42 ited in the Old Fund.

43 (e) In addition and not in limitation to the other provisions  
44 of this section, in connection with any bonds issued or expected  
45 to be issued pursuant to this article, the West Virginia Eco-  
46 nomic Development Authority may enter into: (i) Commitments  
47 to purchase or sell bonds and bond purchase or sale agreements;  
48 (ii) agreements providing for credit enhancement or liquidity,  
49 including revolving credit agreements, agreements establishing  
50 lines of credit or letters of credit, insurance contracts, surety  
51 bonds and reimbursement agreements; (iii) agreements to  
52 manage interest rate exposure and tax risk and the return on  
53 investments, including interest rate exchange agreements,  
54 interest rate cap, collar, corridor, ceiling and floor agreements,  
55 option, rate spread or similar exposure agreements, float  
56 agreements and forward agreements; (iv) stock exchange listing  
57 agreements; and (v) any other commitments, contracts or  
58 agreements approved by the West Virginia Economic Develop-  
59 ment Authority: *Provided*, That the provider or providers of any  
60 of the agreements set forth above may be granted the same  
61 security and lien privileges as the bondholders and upon  
62 execution of such agreements will constitute a contract between  
63 the West Virginia Economic Development Authority and the  
64 provider or providers.


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

  
\_\_\_\_\_  
Chairman Senate Committee

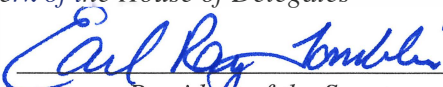
  
\_\_\_\_\_  
Chairman House Committee

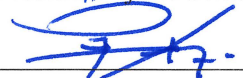
Originating in the House.

In effect 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 30<sup>th</sup>  
day of September, 2005.

  
\_\_\_\_\_  
Governor

PRESENTED TO THE  
GOVERNOR

Date 9/16/05

Time 4:25 pm