

Senate Bill No. 362

(By Senators Snyder, Plymale, Unger, Stollings, Kirkendoll,
Helmick, Jenkins, Laird, Barnes, Beach, Edgell and D. Facefire)

[Introduced January 20, 2012; referred to the Committee on
Natural Resources; and then to the Committee on Finance.]

**FISCAL
NOTE**

A BILL to amend the Code of West Virginia, 1931, as amended, by
adding thereto a new section, designated §29-22-18e; to amend
and reenact §31-15-16a of said code; and to amend said code by
adding thereto a new section, designated §31-15-16b, all
relating to authorizing the issuance of \$52.5 million in bonds
for capital improvements for Cacapon Resort State Park and
Beech Fork State Park; and providing that the bonds are
payable from the Education, Arts, Sciences and Tourism Debt
Service Fund.

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 §29-22-18e; that
§31-15-16a of said code be amended and reenacted; and that said
code be amended by adding thereto a new section, designated

1 §31-15-16b, all to read as follows:

2 **CHAPTER 29. MISCELLANEOUS BOARDS AND OFFICERS.**

3 **ARTICLE 22. STATE LOTTERY ACT.**

4 **§29-22-18e. Allocation to Education, Arts, Sciences and Tourism**
5 **Debt Service Fund from State Excess Lottery Revenue**
6 **Fund.**

7 Notwithstanding any provision of subsection (d), section
8 eighteen-a of this article to the contrary, the deposit of \$52.5
9 million, authorized by section sixteen-a, article fifteen, chapter
10 thirty-one of this code, from the State Excess Lottery Revenue Fund
11 into the Education, Arts, Sciences and Tourism Debt Service Fund,
12 established in section eleven-a, article six, chapter five of this
13 code, is a one time deposit only.

14 **CHAPTER 31. CORPORATIONS.**

15 **ARTICLE 15. WEST VIRGINIA ECONOMIC DEVELOPMENT AUTHORITY.**

16 **§31-15-16a. Bonds for capital improvements at institutions of**
17 **higher education, state parks, the State Capitol**
18 **Complex, other state facilities or tourism sites;**
19 **limitations; authority to issue revenue bonds; use**
20 **of funds to pay for projects.**

21 (a) (1) The economic development authority shall, in
22 accordance with the provisions of this article, issue revenue bonds
23 from time to time, to pay for a portion of the cost of

1 constructing, equipping, improving or maintaining capital
2 improvement projects under this section or to refund the bonds, at
3 the discretion of the authority. The principal amount of the bonds
4 issued under this section shall not exceed, in the aggregate, an
5 amount that, in the opinion of the authority, is necessary to
6 provide sufficient funds for achievement of the purposes of this
7 section and is within the limits of moneys pledged for the
8 repayment of the principal, interest and redemption premium, if
9 any, on any revenue bonds or refunding bonds authorized by this
10 section. Any revenue bonds issued on or after the effective date
11 of this section which are secured by lottery proceeds shall mature
12 at a time or times not exceeding thirty years from their respective
13 dates. The principal of, and the interest and redemption premium,
14 if any, on the bonds shall be payable solely from the Education,
15 Arts, Sciences and Tourism Debt Service Fund established in section
16 eleven-a, article six, chapter five of this code and continued by
17 this section.

18 (2) All amounts deposited in the fund shall be pledged to the
19 repayment of the principal, interest and redemption premium, if
20 any, on any revenue bonds or refunding revenue bonds authorized by
21 this section. The authority may further provide in the trust
22 agreement for priorities on the revenues paid into the Education,
23 Arts, Sciences and Tourism Debt Service Fund as may be necessary
24 for the protection of the prior rights of the holders of bonds

1 issued at different times under the provisions of this section or
2 section eleven-a, article six, chapter five of this code. The
3 bonds issued pursuant to this section shall be separate from all
4 other bonds which may be or have been issued from time to time
5 under the provisions of section eleven-a, article six, chapter five
6 of this code. The Education, Arts, Sciences and Tourism Debt
7 Service Fund shall be pledged solely for the repayment of bonds
8 issued pursuant to this section and section eleven-a, article six,
9 chapter five of this code. On or prior to May 1 of each year,
10 commencing May 1, 2010, the authority shall certify to the state
11 lottery director the principal and interest and coverage ratio
12 requirements for the following fiscal year on any revenue bonds or
13 refunding revenue bonds issued pursuant to this section, and for
14 which moneys deposited in the Education, Arts, Sciences and Tourism
15 Debt Service Fund have been pledged, or will be pledged, for
16 repayment pursuant to this section.

17 (3) After the authority has issued bonds authorized by this
18 section, and after the requirements of all funds have been
19 satisfied, including coverage and reserve funds established in
20 connection with the bonds issued pursuant to this section, any
21 balance remaining in the Education, Arts, Sciences and Tourism Debt
22 Service Fund may be used for the redemption of any of the
23 outstanding bonds issued under this section which, by their terms,
24 are then redeemable or for the purchase of the outstanding bonds at

1 the market price, but not to exceed the price, if any, at which
2 redeemable, and all bonds redeemed or purchased shall be
3 immediately canceled and shall not again be issued.

4 (b) The authority shall expend sixty percent of the bond
5 proceeds, net of issuance costs, reserve funds and refunding costs,
6 for certified capital improvement projects at state institutions of
7 higher education. The Higher Education Policy Commission shall
8 submit a proposed list of capital improvement projects to the
9 Governor on or before January 1, 2010. Thereafter, the Governor
10 shall certify to the authority on or before February 1, 2010, a
11 list of those capital improvement projects at state institutions of
12 higher education that will receive funds from the proceeds of bonds
13 issued pursuant to this section.

14 At any time prior to the issuance of bonds under this section,
15 the Governor may certify to the authority a revised list of capital
16 improvement projects at state institutions of higher education that
17 will receive funds from the proceeds of bonds issued pursuant to
18 this section. The Governor shall consult with the Higher Education
19 Policy Commission prior to certifying a revised list of capital
20 improvement projects to the authority.

21 (c) The authority shall expend the balance of the bond
22 proceeds for certified projects at state parks, the capitol
23 complex, other state facilities or tourism sites.

24 (1) A committee comprised of the secretary of the Department

1 of Administration, the director of the Division of Natural
2 Resources, the director of the West Virginia Development Office and
3 a representative of the capitol building commission, other than the
4 secretary of the Department of Administration, who shall be
5 selected by the capitol building commission, shall submit a
6 proposed list of capital improvement projects to the Governor on or
7 before January 1, 2010. Thereafter, the Governor shall certify to
8 the authority on or before February 1, 2010, a list of those
9 capital improvement projects at state parks, the State Capitol
10 Complex, other state facilities or tourism sites that will receive
11 funds from the proceeds of bonds issued pursuant to this section.

12 (2) At any time prior to the issuance of bonds under this
13 section, the Governor may certify to the authority a revised list
14 of capital improvement projects at state parks, the State Capitol
15 Complex, other state facilities or tourism sites that will receive
16 funds from the proceeds of bonds issued pursuant to this section.
17 The Governor shall consult with the committee established by this
18 subsection prior to certifying a revised list of capital
19 improvement projects to the authority.

20 (d) In addition to the amounts authorized by subsection (a) of
21 this section, the authority may issue, pursuant to section
22 sixteen-b, article fifteen of this chapter, bonds or notes in the
23 aggregate principal amount not to exceed \$52.5 million. This
24 authorization is for the limited purpose of providing grants for

1 capital improvements for Cacapon State Park and Beech Fork State
2 Park.

3 **§31-15-16b. Tourism lottery revenue bonds for Cacapon State Park**
4 **and Beech Fork State Park.**

5 (a) Notwithstanding any other provision of this code to the
6 contrary, the Economic Development Authority may issue, in
7 accordance with section sixteen-a, article fifteen of this chapter,
8 tourism lottery revenue bonds in the amount of \$52.5 million. Those
9 bonds shall be payable from the Education, Arts, Sciences and
10 Tourism Debt Service Fund, established in section eleven-a, article
11 six, chapter five of this code and such other sources as may be
12 legally pledged for such purposes.

13 (b) The proceeds of the bonds shall be used solely to pay
14 costs of issuance, fund a debt service reserve account, capitalize
15 interest, pay for security instruments necessary to market the
16 bonds and to make grants for capital improvements to the Cacapon
17 State Park and Beech Fork State Park.

NOTE: The purpose of this bill is to authorize the issuance of \$52.5 million in bonds for capital improvements for Cacapon State Park and Beech Fork State Park. The bill provides that the bonds are payable from the Education, Arts, Sciences and Tourism Debt Service Fund.

§29-22-18e and §31-15-16b are new; therefore, strike-throughs and underscoring have been omitted.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would

be added.