

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

House Bill 4268

(BY MR. SPEAKER (MR. ARMSTEAD)

AND DELEGATE MILEY)

[BY REQUEST OF THE EXECUTIVE]

[Introduced January 26, 2016;

referred to the Committee on Finance.]

1 A BILL to amend and reenact §31-15A-16 of the Code of West Virginia, 1931, as amended,
2 relating to dedication of severance tax proceeds to the West Virginia Infrastructure
3 General Obligation Debt Service Fund; specifying reduction of the amount of severance
4 tax proceeds dedicated to the West Virginia Infrastructure General Obligation Debt
5 Service Fund.

Be it enacted by the Legislature of West Virginia:

1 That §31-15A-16 of the Code of West Virginia, 1931, as amended, be amended and
2 reenacted to read as follows:

**ARTICLE 15A. WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT
COUNCIL.**

§31-15A-16. Dedication of severance tax proceeds.

1 (a) There shall be dedicated an annual amount from the collections of the tax collected
2 pursuant to article thirteen-a, chapter eleven of this code for the construction, extension,
3 expansion, rehabilitation, repair and improvement of water supply and sewage treatment systems
4 and for the acquisition, preparation, construction and improvement of sites for economic
5 development in this state as provided in this article.

6 (b) Notwithstanding any other provision of this code to the contrary, beginning on July 1,
7 1995, the first \$16 million of the tax collected pursuant to article thirteen-a, chapter eleven of this
8 code shall be deposited to the credit of the West Virginia Infrastructure General Obligation Debt
9 Service Fund created pursuant to section three, article fifteen-b of this chapter: *Provided*, That
10 beginning on July 1, 1998, the first \$24 million of the tax annually collected pursuant to article
11 thirteen-a of this code shall be deposited to the credit of the West Virginia Infrastructure General
12 Obligation Debt Service Fund created pursuant to section three, article fifteen-b of this chapter:
13 *Provided, however*, That subject to the conditions, limitations, exclusions and constraints
14 prescribed by subsection (c) of this section, beginning on July 1, 2013, the amount deposited

15 under this subsection to the credit of the West Virginia Infrastructure General Obligation Debt
16 Service Fund created pursuant to section three, article fifteen-b of this chapter shall be the first
17 \$23 million of the tax annually collected pursuant to article thirteen-a, chapter eleven of this code:
18 *Provided further*, That subject to the conditions, limitations, exclusions and constraints prescribed
19 by subsection (c) of this section, beginning on July 1, 2015, the amount deposited under this
20 subsection to the credit of the West Virginia Infrastructure General Obligation Debt Service Fund
21 created pursuant to section three, article fifteen-b of this chapter shall be the first \$22.5 million of
22 the tax annually collected pursuant to article thirteen-a, chapter eleven of this code: *And provided*
23 *further*, That subject to the conditions, limitations, exclusions and constraints prescribed by
24 subsection (c) of this section, beginning on July 1, 2016, the amount deposited under this
25 subsection to the credit of the West Virginia Infrastructure General Obligation Debt Service Fund
26 created pursuant to section three, article fifteen-b of this chapter shall be an amount of the tax
27 first collected in the fiscal year pursuant to article thirteen-a, chapter eleven of this code, equal to
28 the annual debt service necessary to pay principle, and interest and to ultimately retire bonds over
29 their scheduled amortization life, in accordance with the provisions of article fifteen-b of this
30 chapter. Such annual debt service amount shall be determined in accordance with a debt
31 amortization table to be published by the Treasurer, not later than April 1, 2016, and subject to
32 amendment from time to time as the Treasurer considers necessary. In no case may the amount
33 so deposited in any fiscal year exceed \$22.25 million of the tax annually collected pursuant to
34 article thirteen-a, chapter eleven of this code.

35 (c) Notwithstanding any provision of subsection (b) of this section to the contrary: (1) None
36 of the collections from the tax imposed pursuant to section six, article thirteen-a, chapter eleven
37 of this code shall be so dedicated or deposited; and (2) the portion of the tax imposed by article
38 thirteen-a, chapter eleven and dedicated for purposes of Medicaid and the Division of Forestry
39 pursuant to section twenty-a of said article thirteen-a shall remain dedicated for the purposes set
40 forth in that section twenty-a.

41 (d) On or before May 1 of each year, commencing May 1, 1995, the council, by resolution,
42 shall certify to the Treasurer and the Water Development Authority the principal and interest
43 coverage ratio and amount for the following fiscal year on any infrastructure general obligation
44 bonds issued pursuant to the provisions of article fifteen-b of this chapter.

NOTE: The purpose of this bill is to specify reduction of the amount of severance tax proceeds dedicated to the West Virginia Infrastructure General Obligation Debt Service Fund.

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