

# **WEST VIRGINIA LEGISLATURE**

**2018 REGULAR SESSION**

**Committee Substitute**

**for**

**Senate Bill 438**

BY SENATORS MAYNARD, PREZIOSO, BEACH, PLYMALE,

AND JEFFRIES

[Originating in the Committee on Finance; Reported

on February 27, 2018]



1 A BILL to amend and reenact §29-22-18e of the Code of West Virginia, 1931, as amended; and  
2 to amend said code by adding thereto a new section, designated §31-15-16d, all relating  
3 to debt service on bonds secured by the State Excess Lottery Revenue Fund; and  
4 clarifying the timing of debt service payments to the State Parks Lottery Revenue Debt  
5 Service Fund.

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

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

### **ARTICLE 22. STATE LOTTERY ACT.**

#### **§29-22-18e. Increase in allocation to State Park Improvement Fund from State Excess Lottery Revenue Fund to permit the issuance of bonds for improvements to Cacapon Resort State Park and Beech Fork State Park.**

1 Notwithstanding any provision of §29-22-18a(d) of this code to the contrary, the deposit of  
2 \$5 million into the State Park Improvement Fund ~~set forth in section eighteen-a of this article~~ is  
3 for the fiscal year beginning July 1, 2012, only. For the fiscal year beginning July 1, 2013, and  
4 each fiscal year thereafter through the fiscal year ending June 30, 2018, in lieu of the deposits  
5 required under §29-22-18a(d)(7) of this code, the commission shall first deposit an amount equal  
6 to the certified debt service requirement, not to exceed \$3 million in any one fiscal year, into the  
7 Cacapon and Beech Fork State Park Lottery Revenue Debt Service Fund created in §31-15-16b  
8 of this code, to be used in accordance with the provisions of §31-15-16b of this code, and second,  
9 deposit \$5 million into the State Park Improvement Fund, established in §29-22-18a(d) of this  
10 code, to be used in accordance with the provisions of §29-22-18a(d) of this code. For the fiscal  
11 year beginning July 1, 2018, and each fiscal year thereafter, in lieu of the deposits required under  
12 §29-22-18a(d)(7) of this code, the commission shall first: (1) Deposit an amount equal to the  
13 certified debt service requirement, not to exceed \$2.1 million in any one fiscal year, into the  
14 Cacapon and Beech Fork State Park Lottery Revenue Debt Service Fund created in §31-15-16b  
15 of this code, to be used in accordance with the provisions of §31-15-16b of this code; and (2)

16 deposit an amount equal to the certified debt service requirement, not to exceed \$5.9 million in  
17 any one fiscal year, into the State Parks Lottery Revenue Debt Service Fund created in §31-15-  
18 16d of this code and second, if the amount deposited into the State Parks Lottery Revenue Debt  
19 Service Fund is less than \$5.9 million, deposit an amount equal to the difference between such  
20 amount deposited in the State Parks Lottery Revenue Debt Service Fund and \$5.9 million into  
21 the State Park Improvement Fund, established in §29-22-18a(d) of this code, to be used in  
22 accordance with the provisions of §29-22-18a(d) of this code: *Provided*, That the amounts  
23 deposited into the State Park Improvement Fund shall not exceed \$5 million in aggregate in any  
24 one fiscal year.

## CHAPTER 31. CORPORATIONS.

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

#### **§31-15-16d. Lottery revenue bonds for state park projects.**

1 (a)(1) The Economic Development Authority shall, in accordance with the provisions of  
2 this article, issue revenue bonds, in one or more series, from time to time, to pay for all or a portion  
3 of the cost of constructing, equipping, improving, or maintaining capital improvement projects  
4 under this section or to refund the bonds issued for such purposes, at the discretion of the  
5 authority. The principal amount of the bonds issued under this section shall not exceed, in the  
6 aggregate principal amount, \$80 million. Any revenue bonds issued on or after the effective date  
7 of this section which are secured by lottery proceeds shall mature at a time or times not exceeding  
8 30 years from their issuance dates. The principal of, and the interest and redemption premium if  
9 any on, the bonds shall be payable solely from the State Parks Lottery Revenue Debt Service  
10 Fund established in this section.

11 (2) There is hereby created in the State Treasury a special revenue fund named the State  
12 Parks Lottery Revenue Debt Service Fund into which shall be deposited those amounts specified  
13 in §29-22-18e of this code. All amounts deposited in the fund shall be pledged to the repayment  
14 of the principal, interest, and redemption premium, if any, on any revenue bonds or refunding

15 revenue bonds authorized by this section. The authority may further provide in the trust agreement  
16 for priorities on the revenues paid into the State Parks Lottery Revenue Debt Service Fund as  
17 may be necessary for the protection of the prior rights of the holders of bonds issued at different  
18 times under the provisions of this section. The State Parks Lottery Revenue Debt Service Fund  
19 shall be pledged solely for the repayment of bonds issued pursuant to this section. On or prior to  
20 May 1 of each year, commencing upon issuance of the bonds, the authority shall certify to the  
21 State Lottery director the principal and interest and coverage ratio requirements for the following  
22 fiscal year on any revenue bonds or refunding revenue bonds issued pursuant to this section, and  
23 for which moneys deposited in the State Parks Lottery Revenue Debt Service Fund have been  
24 pledged, or will be pledged, for repayment pursuant to this section.

25 (3) After the authority has issued bonds authorized by this section, and after the  
26 requirements of all funds have been satisfied, including coverage and reserve funds established  
27 in connection with the bonds issued pursuant to this section, any balance remaining in the State  
28 Parks Lottery Revenue Debt Service Fund may be used for the redemption of any of the  
29 outstanding bonds issued under this section which, by their terms, are then redeemable or for the  
30 purchase of the outstanding bonds at the market price, but not to exceed the price, if any, at which  
31 redeemable, and all bonds redeemed or purchased shall be immediately canceled and shall not  
32 again be issued.

33 (b) The authority shall expend the bond proceeds, net of issuance costs, reserve funds,  
34 and refunding costs, for certified capital improvement projects at any state park. The Division of  
35 Natural Resources shall submit a proposed list of capital improvement projects to the Governor.  
36 Thereafter, the Governor shall certify to the authority at any time prior to the issuance of bonds  
37 under this section, a list of those capital improvement projects at state parks that will receive funds  
38 from the proceeds of bonds issued pursuant to this section. At any time prior to the issuance of  
39 bonds under this section, the Governor may certify to the authority a revised list of capital  
40 improvement projects at state parks that will receive funds from the proceeds of bonds issued

41 pursuant to this section. The Governor shall consult with the Division of Natural Resources prior  
42 to certifying a revised list of capital improvement projects to the authority.

43 (c) Except as may otherwise be expressly provided by the authority, every issue of its  
44 notes or bonds shall be special obligations of the authority, payable solely from the property,  
45 revenues, or other sources of, or available to, the authority pledged therefor.

46 (d) The bonds and the notes shall be authorized by the authority pursuant to this section,  
47 and shall be secured, be in such denominations, may bear interest at such rate or rates, taxable  
48 or tax-exempt, be in such form, either coupon or registered, carry such registration privileges, be  
49 payable in such medium of payment and at such place or places and such time or times, and be  
50 subject to such terms of redemption as the authority may authorize. The bonds and notes of the  
51 authority may be sold by the authority, at public or private sale, at or not less than the price the  
52 authority determines. The bonds and notes shall be executed by manual or facsimile signature  
53 by the chairman of the board, and the official seal of the authority or a facsimile thereof shall be  
54 affixed to or printed on each bond and note and attested, manually or by facsimile signature, by  
55 the secretary of the board. In case any officer whose signature, or a facsimile of whose signature,  
56 appears on any bonds, notes, or coupons ceases to be such officer before delivery of such bonds  
57 or notes, such signature or facsimile is nevertheless sufficient for all purposes the same as if he  
58 or she had remained in office until such delivery; and, in case the seal of the authority has been  
59 changed after a facsimile has been imprinted on such bonds or notes, such facsimile seal will  
60 continue to be sufficient for all purposes.

NOTE: The purpose of this bill is to authorize the issuance of bonds to fund improvements at state parks.

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