

WEST VIRGINIA LEGISLATURE

2019 REGULAR SESSION

Introduced

Senate Bill 490

FISCAL
NOTE

BY SENATORS BALDWIN, IHLENFELD, LINDSAY,
HARDESTY, STOLLINGS, ROMANO, JEFFRIES, WOELFEL,
BEACH, PREZIOSO, PALUMBO, PLYMALE, AND UNGER

[Introduced January 31, 2019; Referred
to the Committee on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article,
 2 designated §5-30-1, §5-30-2, §5-30-3, §5-30-4, §5-30-5, §5-30-6, §5-30-7, §5-30-8, and
 3 §5-30-9, all relating to authorizing the State Treasurer to buy and sell certain loan
 4 obligations.

Be it enacted by the Legislature of West Virginia:

ARTICLE 30. IMMEDIATE FINANCIAL RELIEF FOR FEDERAL EMPLOYEES ACT.

§5-30-1. Short Title.

1 This article may be cited as the “Immediate Financial Relief for Federal Employees Act”

§5-30-2. Findings and purpose.

1 (a) Findings. The Legislature finds that the partial federal government shutdown,
 2 beginning December 23, 2018, disproportionately affects West Virginia federal employees. West
 3 Virginia is the seventh most affected state, in terms of number of federal jobs, amount of federal
 4 contract dollars, percent of families receiving Supplemental Nutrition Assistance Program
 5 (SNAP), and access to national parks. West Virginias are employed by Department of the Interior,
 6 National Aeronautical and Space Administration (NASA), the United States Coast Guard, the
 7 Federal Bureau of Prisons, and the Federal Bureau of Investigations (FBI) Criminal Justice
 8 Information Services Division. Not only is the West Virginia economy beginning to suffer because
 9 of the inability to spend of furloughed federal employees, consumer confidence, and therefore
 10 spending, across the state and nation is now stagnant. The economic numbers are born out
 11 nationally. The White House now estimates for every week the shutdown continues and workers
 12 are furloughed, economic growth is reduced 0.13 percent—double what the administration
 13 originally thought.

14 (b) Purpose. The purpose of this article is to facilitate the ability of private lending
 15 institutions to provide loans to employees of the federal government affected by the federal
 16 government shutdown.

§5-30-3. Definitions.

1 As used in this article, the following words and terms shall have the following meanings,
2 unless the context shall indicate another or different meaning or intent:

3 “Act” or “undertaking” means the official act of the Treasurer, in connection with the
4 acquisition or disposition of all or any part of obligations or interest therein which the Treasurer is
5 authorized to buy or sell hereunder.

6 “Employee affected by a federal government shutdown” or “employee” means any
7 employee of a federal agency with respect to which appropriations have lapsed for a period equal
8 to or longer than 15 consecutive days beginning on or after December 22, 2018.

9 “Employer” means the federal agency that employs the individual on the date the individual
10 was affected by the federal government shutdown.

11 “Obligations” mean those evidences of debt with a rate of interest that is less than or equal
12 to three percent per annum, which the Treasurer may buy, sell, endorse, or guarantee under the
13 provisions of this article

14 “Treasurer” means the State Treasurer.

§5-30-4. Authority to buy and sell certain loan obligations; undertakings not to constitute state debt; undertakings limited to available funds.

1 In order to assist employees affected by the federal government shutdown who are
2 residents in this state, the Treasurer is hereby authorized and empowered to buy and sell
3 obligations of employees affected by a federal government shutdown who are residents of West
4 Virginia, have been residents of this state for at least one year, and which obligations represent
5 loans made to such employees suffering from financial hardship pay their outstanding bills and
6 other financial obligations incurred due to the government shutdown.

7 No act or undertaking of the Treasurer may be deemed to constitute a debt of the state or
8 of any political subdivision thereof or a pledge of the faith and credit of the state or of any such
9 political subdivision, and shall be payable solely from the funds appropriated to the Treasurer
10 specifically for the purpose of assisting employees suffering from financial hardship pay their

11 outstanding bills and other financial obligations incurred due to the government shutdown. All
12 such acts and undertakings shall contain on the face thereof a statement to the effect that neither
13 the state nor the Treasurer shall be obligated to pay the same or the interest thereon except from
14 revenues of the Treasurer and that neither the faith and credit nor the taxing power of the state
15 or of any political subdivision thereof is pledged to the payment of the principal of or the interest
16 on such acts and undertakings.

17 All expenses incurred in carrying out the provisions of this article shall be payable solely
18 from funds provided for the purpose and no liability or obligation shall be incurred by the Treasurer
19 hereunder beyond the extent to which money shall have been provided under the applicable
20 provisions of this article for the guaranteed loan program.

§5-30-5. Powers and duties of the Treasurer regarding loan program.

1 The Treasurer is hereby authorized and empowered:
2 (1) To fix and revise from time to time and charge and collect fees for its acts and
3 undertakings;
4 (2) To establish rules concerning the acts and undertakings;
5 (3) To acquire, hold and dispose of personal property in the exercise of its powers and the
6 performance of its duties;
7 (4) To make and enter into all contracts and agreements necessary or incidental to the
8 performance of its duties and the execution of its powers under this article;
9 (5) To employ in its discretion such employees as it may deem necessary to carry out its
10 powers and duties as enumerated in this article;
11 (6) To receive and accept from any federal or private agency, corporation, association or
12 person, grants to be expended in accomplishing the objectives of this article and to receive and
13 accept from the state, from any municipality, county or other political subdivision thereof and from
14 any other source, aid or contributions of either money, property, or other things of value to be
15 held, used and applied only for the purposes for which such grants and contributions may be

16 made;

17 (7) To sue and be sued as provided by law;

18 (8) To do all other acts and things necessary or convenient to carry out the powers
19 expressly granted by the provisions of this article which relate to the guaranteed loan program for
20 employees affected by a federal government shutdown.

§5-30-6. Acquisition of contingent interests in obligations from lending institutions;
collection of delinquent obligations.

1 With funds available to the Treasurer as appropriated pursuant to this article the Treasurer
2 may acquire from any bank or other lending institution of this state a contingent interest in
3 employee obligations. The total contingent interest of the Treasurer on all such obligations may
4 not exceed at any one time a sum of 12 and one-half times the total funds which the Treasurer
5 can employ to acquire the contingent interests. When the Treasurer acquires any such contingent
6 interest, it may require the payment to it of a portion of the interest payable upon any such
7 obligation. In each such acquisition, the Treasurer shall provide that at such time as the obligation
8 becomes delinquent, the bank or other lending institution shall notify the Treasurer forthwith and
9 shall transfer forthwith to the Treasurer, by assignment or otherwise, an interest in the obligation
10 equal to the contingent interest of the Treasurer therein. The bank or other lending institution and
11 the Treasurer shall forthwith take such steps as may be necessary to recover the balance due
12 upon any such obligation, and the recovery shall be apportioned between the governing board
13 and the bank or other lending institution as their respective interests may appear.

§5-30-7. Terms of acquisitions.

1 The Treasurer shall prescribe the terms, conditions and limitations upon which it will
2 acquire a contingent or direct interest in any obligation and such terms, conditions and limitations
3 shall include, but without limiting the generality thereof, the terms for payment of principal and
4 interest, applicable life or other insurance which may be required in connection with any such
5 obligation and who shall pay the premiums thereon, the safekeeping of assets pledged to secure

6 any such undertaking, and any and all matters in connection with the foregoing as will protect the
7 assets of the Treasurer and the state.

§5-30-8. Trust fund established; limitations on use of fund; duties of Treasurer in connection therewith; special account created.

1 (a) There is created in the office of the Treasurer a special revenue account fund to be
2 known as the "2019 Federal Employee Loans Trust Fund". The appropriation made to the
3 Treasurer under the provisions of this article which relate to the guaranteed loan program shall
4 be used exclusively for the purpose of acquiring contingent or vested rights in obligations which
5 it may acquire under this article, and such appropriation, payments, revenue and interest, as well
6 as other income received in connection with such obligations. Such fund shall be used for the
7 purposes of the Treasurer other than for maintenance and operation.

8 (b) Any balance in the fund at the end of a fiscal year may not revert to the General
9 Revenue Fund but shall remain in the special revenue account for uses consistent with the
10 provisions of this article.

11 (c) The maintenance and operating expenses of the Treasurer shall be paid from funds
12 specifically appropriated for such purposes. No part of the trust fund established under this section
13 shall be expended for such purposes.

14 (d) The Treasurer shall be the trustee of the trust fund hereby created, and all investments
15 to be made from the assets of such trust shall be made by the Treasurer in the manner provided
16 by law. For the purposes of this article, there is hereby created in the Treasury of this state a
17 special revolving account for deposits and withdrawals as herein provided.

§5-30-9. Construction of provisions of article relating to loan program.

1 The provisions of this article which relate to the guaranteed loan program shall be liberally
2 construed to the end that its beneficial purposes may be effectuated.

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NOTE: The purpose of this bill is to facilitate the ability of private lending institutions to provide loans to employees of the federal government affected by the federal government shutdown.

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