

Senate Bill No. 491

(By Senators Kessler (Acting President), Unger, Browning, McCabe,
Plymale, Klempa, Yost and Minard)

[Introduced February 11, 2011; referred to the Committee on
Finance.]

A BILL to amend the Code of West Virginia, 1931, as amended, by
adding thereto a new section, designated §5A-2-35, relating to
creation of the West Virginia Futures Fund; initial funding to
consist of twenty-five percent of increased proceeds from oil
and natural gas extraction; expressing legislative intent not
to encumber or otherwise use any principal or interest from
the fund for a term of twenty years; and providing for use of
the 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 §5A-2-35, to read as
follows:

ARTICLE 2. FINANCE DIVISION.

§5A-2-35. Creation of West Virginia Future Fund; legislative

1 **intent.**

2 (a) There is hereby created in the State Treasury a special
3 revenue account, designated the "West Virginia Future Fund," which
4 shall be an interest bearing account and may be invested in the
5 manner permitted by the provisions of article six, chapter twelve
6 of this code, with the interest income a proper credit to the fund.
7 Notwithstanding any provision of this code to the contrary, twenty-
8 five percent of the increased proceeds received on and after the
9 effective date of this section as state revenue pursuant to the
10 provisions of section three-a, article thirteen-a, chapter eleven
11 of this code as a result of Marcellus Shale production shall be
12 deposited in this fund. The Legislature may by general
13 appropriation or by designation of other funding sources to be
14 deposited in the fund provide further funding as it considers
15 appropriate.

16 (b) The Legislature hereby declares its intention to use the
17 fund as a means of conserving a portion of the state's revenue
18 derived from the increased revenue proceeds received by the state
19 as a result of any new oil production and Marcellus Shale and other
20 new gas formations as well as other funding sources as the
21 Legislature may designate in order to meet future needs. The
22 Legislature further declares its intention that the fund should
23 maintain safety of principal while maximizing total return and that
24 principal and interest not be used for any purpose other than to

1 meet future needs that may arise including diversification of the
2 state's economy, tax relief, enhancing education and workforce
3 development and for purposes which other funding sources are not
4 available. The principal and interest of the Future Fund may not
5 be used for a term of twenty years in order to allow the fund to
6 reach maximum accumulation except for the purposes enumerated in
7 this section.

NOTE: The purpose of this bill is to create the West Virginia Futures Fund. The bill provides that funding consist of twenty-five percent of the increased revenue received by the state from Marcellus Shale natural gas production and invites future legislative appropriations or designation of funding sources. Finally, the bill includes a statement of legislative intent not to encumber or otherwise use any principal or interest from the fund for a term of twenty years to the extent the Legislature cannot bind future Legislatures from actions that might otherwise use or encumber the funds. Use of the accumulated fund is left open to address future needs of the state.

This section is new; therefore, strike-throughs and underscoring have been omitted.