

1 COMMITTEE SUBSTITUTE

2 FOR

3 **Senate Bill No. 461**

4 (By Senators Kessler (Mr. President), Williams, Tucker, Plymale,
5 Stollings, Snyder, Cookman, Palumbo, Fitzsimmons, Beach, Yost,
6 Miller, D. Hall, Jenkins, McCabe, Wells, Edgell, Barnes, Blair,
7 Boley, Cann, Chafin, Kirkendoll, Laird, Nohe, Prezioso, Sypolt,
8 Unger, Walters, Green and M. Hall)

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10 [Originating in the Committee on Economic Development;
11 reported February 6, 2014.]

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14 A BILL to amend the Code of West Virginia, 1931, as amended, by
15 adding thereto a new section, designated §11-13A-5b, relating
16 to creation of a Future Fund for conserving a portion of
17 proceeds from oil and natural gas severance tax revenues for
18 future expenditures; creating an interest-bearing special
19 revenue account; authorizing the West Virginia Investment
20 Management Board to invest moneys of the fund; providing that
21 the principal of the fund be inviolate and that only the
22 investment income may be expended; providing for contributions
23 to the fund from a portion of revenues collected from oil and
24 natural gas severance taxes; prohibiting appropriation and
25 expenditure from the fund until fiscal year 2020; requiring
26 moneys to be expended solely for economic development

1 projects, infrastructure projects and educational enhancement;
2 and defining certain terms.

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

4 That the Code of West Virginia, 1931, as amended, be amended
5 by adding thereto a new section, designated §11-13A-5b, to read as
6 follows:

7 **ARTICLE 13A. SEVERANCE AND BUSINESS PRIVILEGE TAX ACT.**

8 **§11-13A-5b. Creation of West Virginia Future Fund; legislative**
9 **intent; calculation of deposits from excess**
10 **severance tax revenues; permissible uses of**
11 **investment income and limitations on**
12 **expenditures; definitions.**

13 (a) There is hereby created in the State Treasury a special
14 revenue account, designated the West Virginia Future Fund, which is
15 an interest-bearing account and may be invested by the West
16 Virginia Investment Management Board in the manner permitted by the
17 provisions of article six, chapter twelve of this code, with the
18 investment income to be credited to the fund and deposited in the
19 special revenue account.

20 (b) The Legislature declares its intention to use the fund as
21 a means of conserving a portion of the state's revenue derived from
22 the increased revenue proceeds received by the state as a result of
23 any oil and natural gas production as well as other funding sources
24 as the Legislature may designate in order to meet future needs.
25 The principal of the fund shall remain inviolate and no portion of

1 the principal may be appropriated, expended or encumbered by the
2 Legislature or any official of the state. Only the investment
3 income of this fund may be appropriated and expended and then only
4 for the purposes described in this section.

5 (c) Notwithstanding any provision of this code to the
6 contrary, commencing with the fiscal year beginning on July 1,
7 2014, twenty-five percent of the annual revenue in excess of \$175
8 million that is collected and received pursuant to the provisions
9 of section three-a, article thirteen-a, chapter eleven of this code
10 shall be deposited in this fund. The Legislature may, by general
11 appropriation or by designation of other funding sources, deposit
12 into the fund additional moneys as it considers appropriate.

13 (d) In order to maximize the value of the fund, no money from
14 the fund may be expended or appropriated until fiscal year 2020 and
15 thereafter the Legislature may appropriate moneys from the fund
16 solely for economic development projects, infrastructure projects
17 and education enhancement.

18 (e) For purposes of this section:

19 (1) "Economic development project" means a project in the
20 state which is likely to foster economic growth and development in
21 the area in which the project is developed for commercial,
22 industrial, community improvement or preservation or other proper
23 purposes.

24 (2) "Infrastructure project" means a project in the state
25 which is likely to foster infrastructure improvements including,
26 but not limited to, post-mining land use, water or wastewater

1 facilities or a part thereof, storm water systems, steam, gas,
2 telephone and telecommunications, broadband development, electric
3 lines and installations, roads, bridges, railroad spurs, drainage
4 and flood control facilities, industrial park development or
5 buildings that promote job creation and retention.