

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

House Bill 4642

BY DELEGATE MILEY

BY REQUEST OF THE EXECUTIVE

[Introduced February 22, 2016; Referred
to the Committee on Finance.]

1 A BILL to amend and reenact §21A-8-10 and §21A-8-16 of the Code of West Virginia, 1931, as
 2 amended, all relating to maintaining the solvency of the Unemployment Compensation
 3 Fund; providing a mechanism for the Governor to borrow funds from the Revenue Shortfall
 4 Reserve Fund for a limited period and deposit those funds into the Unemployment
 5 Compensation Fund if the balance of the Unemployment Compensation Fund drops below
 6 \$50 million; providing that borrowed funds may only be used to pay benefits; providing
 7 that no amount borrowed may exceed \$50 million; and providing for repayment of
 8 borrowed amounts.

Be it enacted by the Legislature of West Virginia:

1 That §21A-8-10 and §21A-8-16 of the Code of West Virginia, 1931, as amended, be
 2 amended and reenacted, all to read as follows:

ARTICLE 8. UNEMPLOYMENT COMPENSATION FUND.

§21A-8-10. Withdrawals.

1 Except as provided in section thirteen of this article, money shall be requisitioned from this
 2 state's account in the Unemployment Trust Fund solely for the payment of benefits and repayment
 3 of any loans outstanding from the Revenue ~~Center Construction Fund~~ Shortfall Reserve Fund
 4 created in section twenty, article two, chapter eleven-b of this code, as provided in section sixteen
 5 of this article. The commissioner may requisition from the Unemployment Trust Fund such
 6 amounts, not exceeding the amount of the account, as the commissioner determines to be
 7 necessary for the payment of benefits for a reasonable future period or to repay a loan outstanding
 8 from the Revenue ~~Center Construction~~ Shortfall Reserve Fund as provided in section sixteen of
 9 this article.

10 Upon receipt of the money the commissioner shall deposit it in the benefit account.

§21A-8-16. Loans to Unemployment Compensation Fund from Revenue ~~Center Construction~~ Shortfall Reserve Fund.

1 (a) Notwithstanding any provision of this code to the contrary and subject to the provisions

2 of this section, the Governor ~~is hereby authorized~~ may, by executive order, after first notifying the
3 presiding officers of both houses of the Legislature in writing, ~~to~~ borrow funds from the Revenue
4 ~~Center Construction~~ Shortfall Reserve Fund created ~~by chapter nineteen, acts of the Legislature,~~
5 ~~first extraordinary session, two thousand six,~~ in section twenty, article two, chapter eleven-b of
6 this code, for deposit into the Unemployment Compensation Fund, created in section one of this
7 article, to be expended in accordance with this code. The amount of funds borrowed and
8 outstanding under this section may not exceed ~~\$20~~ \$50 million at any one time, or the amount
9 the Governor determines is necessary to adequately sustain the balance in the Unemployment
10 Compensation Fund at a minimum of ~~\$20~~ \$50 million, whichever is less.

11 (b) Notwithstanding the provisions of subsection (a) of this section, the Governor may not
12 borrow funds from the Revenue ~~Center Construction~~ Shortfall Reserve Fund unless the Executive
13 Director of Workforce West Virginia has projected that the balance in the state's Unemployment
14 Compensation Fund will be less than ~~\$20~~ \$50 million at any time during the next thirty days.

15 (c) Any funds borrowed pursuant to this section shall be used to pay benefits only.

16 ~~(d)~~ (d) Any funds borrowed pursuant to this subsection shall be repaid from funds on
17 deposit in the Unemployment Trust Fund in excess of ~~\$20~~ \$50 million or from other funds legally
18 available for such purpose, without interest, and redeposited to the credit of the Revenue ~~Center~~
19 ~~Construction~~ Shortfall Reserve Fund within one-hundred-eighty days of their withdrawal.

20 ~~(d)~~ (e) No amounts may be borrowed pursuant to the provisions of this section after
21 September 1, ~~2014~~ 2017.

NOTE: The purpose of this bill is to authorize borrowing from the Revenue Shortfall Reserve Fund for the Unemployment Compensation Fund for up to 180 days in an amount not to exceed \$50 million when the balance of the Unemployment Compensation Fund is to be less than \$50 million at any time over a 30-day period.

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