

WEST VIRGINIA LEGISLATURE

2017 REGULAR SESSION

Introduced

House Bill 2764

BY DELEGATES ESPINOSA, STATLER, HARSHBARGER,
DEAN, BLAIR, HIGGINBOTHAM, WESTFALL, WILSON,
MOORE, COOPER AND UPSON

[Introduced March 1, 2017; Referred
to the Committee on Education then Finance.]

1 A BILL to amend and reenact §12-6-19 of the Code of West Virginia, 1931, as amended, relating
 2 to allowing the State Building Commission or the Higher Education Policy Commission to
 3 request and receive money from the Investment Management Board for projects
 4 authorized by this code and approved by the Joint Committee on Government and Finance
 5 and the Governor.

Be it enacted by the Legislature of West Virginia:

1 That §12-6-19 of the Code of West Virginia, 1931, as amended, be amended and
 2 reenacted to read as follows:

ARTICLE 6. WEST VIRGINIA INVESTMENT MANAGEMENT BOARD.

§12-6-19. Authorization for loans by the board.

1 (a) The board, upon request of the State Building Commission, shall transfer moneys as
 2 a loan to the State Building Commission in an amount not to exceed in the aggregate \$21 million
 3 for the purposes of financing or refinancing the projects specified in subsections (b) and (d),
 4 section eight, article six, chapter five of this code. The money borrowed shall bear interest during
 5 the term of the loan at a fixed rate not to exceed the interest rate on treasury notes, bills or bonds
 6 of the same term as the term of the loan the week of closing on the loan as reported by the
 7 Treasury of the United States. Loans made under this subsection shall be repaid in regular
 8 monthly or semiannual payments, or as funds are made available by the Budget Office of
 9 Department of ~~administration~~ Revenue and shall be paid in full not later than twenty-five years
 10 from the date the loans are made with terms and conditions mutually agreed upon by the State
 11 Building Commission and the Investment Management Board.

12 (b) The State Investment Management Board shall upon request of the State Building
 13 Commission transfer moneys as a loan to the State Building Commission in an amount not to
 14 exceed in the aggregate \$137 million for the purposes of financing construction of regional jails,
 15 correctional facilities or building extensions or improvements to regional jails and correctional
 16 facilities. Prior to the expenditure of any loan proceeds, the Regional Jail and Correctional Facility

17 Authority shall certify a list of projects to the State Building Commission and the Joint Committee
18 on Government and Finance that shall be funded from loan proceeds. This certified list cannot
19 thereafter be altered or amended other than by legislative enactment. The State Building
20 Commission shall borrow money as needed by the Regional Jail and Correctional Facility
21 Authority. The Investment Management Board shall transfer loan proceeds to the authority for
22 expenditure. The money borrowed shall bear interest during the term of the loan at a fixed rate
23 not to exceed the interest rate on treasury notes, bills or bonds of the same term as the term of
24 the loan the week of closing on the loan as reported by the Treasury of the United States.

25 (c) The Regional Jail and Correctional Facility Authority shall expend the loan proceeds
26 received under the provisions of subsection (b) of this section to proceed with the projects
27 included in the letter submitted to The Joint Committee on Government and Finance dated
28 January 15, 1997: *Provided*, That the letter shall not be construed to prioritize any project or
29 projects which are included in the letter: *Provided, however*, That the authority may also expend
30 loan proceeds for any expansion to any existing regional jail or any expansion to a regional jail
31 under construction upon the effective date of this section.

32 (d) Loans made under this section for the projects specified in subsection (b) of this section
33 and in subsection (d), section eight, article six, chapter five of this code, shall be repaid in annual
34 payments of not less than \$12 million per year by appropriation of the Legislature to the board.
35 The amount transferred for loans under subsection (a) or (b) of this section shall not exceed that
36 amount which the board determines is reasonable given the cash flow needs of the Consolidated
37 Fund. The board shall make transfers for loans first for the project specified in subsection (d),
38 section eight, article six, chapter five of this code, second for the projects specified in subsection
39 (b) of this section and third for projects specified in subsection (b), section eight, article six, chapter
40 five of this code, which are in imminent danger of default in payment. The board shall take the
41 steps necessary to increase the liquidity of the consolidated fund over a period of the next five
42 years to allow for the loans provided in this section without increasing the risk of loss in the

43 consolidated fund.

44 (e) (1) The board, upon request of the State Building Commission or the Higher Education
45 Policy Commission established in section one, article one-b, chapter eighteen-b of this code, shall
46 transfer moneys as a loan to the State Building Commission or Higher Education Policy
47 Commission in an amount not to exceed in the aggregate \$25 million for the purposes of financing
48 or refinancing the projects specified in this subsection. The money borrowed shall bear interest
49 during the term of the loan at a fixed rate not to exceed the interest rate on treasury notes, bills
50 or bonds of the same term as the term of the loan the week of closing on the loan as reported by
51 the Treasury of the United States. Loans made under this subsection shall be repaid in regular
52 monthly or semiannual payments by the agency or institution, or as funds are made available by
53 the Budget Office of the Department of Revenue, and shall be paid in full not later than twenty-
54 five years from the date the loans are made with terms and conditions mutually agreed upon by
55 the State Building Commission or Higher Education Policy Commission and the Investment
56 Management Board.

57 (2) The projects authorized by this subsection shall include facilities presently or
58 anticipated to be occupied or operated by state agencies or state institutions of higher education,
59 including the Higher Education Policy Commission or Council for Community Technical College
60 Education. The board and the Joint Committee on Government and Finance shall receive a list of
61 recommended projects certified by the Governor for financing through loans authorized by this
62 subsection. The board may not finance any of the recommended projects unless approved by the
63 Joint Committee on Government and Finance and the Governor. The list of projects shall be
64 prioritized with priority given to projects that can repay the loans through an identified revenue
65 stream such as tuition and fees, rentals, or other charges for use or operation of the facility. In
66 addition, priority shall be given to projects addressing deferred maintenance, Americans with
67 Disabilities Act compliance, and safety issues. Additional priority shall be given to projects which
68 can be financed by a contribution from the agency or institution that equally matches the loan

69 amount authorized.

NOTE: The purpose of this bill is to allow the State Building Commission or the Higher Education Policy Commission to request and receive money from the Investment Management Board for projects authorized by this code and approved by the Joint Committee on Government and Finance and the Governor.

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