WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

ENGROSSED

House Bill 5685

By Anderson, Riley, Horst, Statler, Mazzocchi,

Dittman, Rohrbach, Fehrenbacher, Howell, Zatezalo,

and Toney

[Originating in the Committee on Finance; reported on

February 26, 2026]

A BILL to amend and reenact §29-22-18f of the Code of West Virginia, 1931, as amended; to amend said code by adding thereto a new section, designated §29-22-18h; and to amend said code by adding thereto a new section, designated §31-15-16e, all relating to authorizing bonds for improvements to the West Virginia Science and Culture Center and any other facilities acquired to preserve any history of the State of West Virginia; clarifying priority of payment of bond debt service; authorizing certain allocations from State Excess Lottery Revenue Fund; requiring the Economic Development Authority to issue certain bonds; creating a fund; requiring the Secretary of Tourism to provide a list of capital improvements; and requiring the Governor to certify capital improvements to the Authority within a certain period of time.

Be it enacted by the Legislature of West Virginia:

CHAPTER 29. MISCELLANEOUS BOARDS AND OFFICERS.

ARTICLE 22. STATE LOTTERY ACT.

§29-22-18f. Backup pledge of bonds supported by the State Lottery Fund and the State Excess Lottery Revenue Fund; payment of bond debt service.

(a) Any and all remaining funds in the State Excess Lottery Revenue Fund after payment of debt service pursuant to sections eighteen-a, eighteen-d, ~~and~~ eighteen-e <u>and eighteen-h</u> of this article shall be made available to pay debt service in connection with any revenue bonds issued pursuant to section eighteen of this article, if and to the extent needed for such purpose from time to time.

(b) Notwithstanding any other provision of this code to the contrary, after first satisfying the requirements for funds dedicated to pay debt service in accordance with bonds payable from the State Lottery Fund pursuant to section eighteen of this article, any and all remaining funds in the State Lottery Fund shall be made available to pay debt service in connection with revenue bonds issued pursuant to sections eighteen-a, eighteen-d, ~~and~~ eighteen-e, and eighteen-h of this article, if and to the extent needed for such purpose from time to time.

(c) Notwithstanding the provisions of subsection (h), section eighteen-a of this article, when bonds are issued for projects under subsection (d) or (e) of section eighteen-a of this article, or for the School Building Authority, infrastructure pursuant to section eighteen-d of this article, higher education, ~~or~~ state park improvements pursuant to section eighteen-e of this article, or improvements to the West Virginia Science and Cultural Center and any other site acquired necessary to preserve any history of the State of West Virginia pursuant to section eighteen-h of this article that are secured by profits from lotteries deposited in the State Excess Lottery Revenue Fund, the Lottery Director shall allocate first ~~to the Economic Development Project Fund an amount equal to one tenth of the projected annual principal, interest and coverage requirements on any and all revenue bonds issued, or to be issued as certified to the Lottery Director; and second,~~ to the fund or funds from which debt service is paid on bonds issued under section eighteen-a of this article for the School Building Authority, infrastructure pursuant to section eighteen-d of this article, higher education, ~~and~~ state park improvements pursuant to section eighteen-e of this article, and improvements to the West Virginia Science and Cultural Center and any other site acquired necessary to preserve any history of the State of West Virginia pursuant to section eighteen-h of this article an amount equal to one tenth of the projected annual principal, interest and coverage requirements on any and all revenue bonds issued, or to be issued as certified to the Lottery Director. In the event there are insufficient funds available in any month to transfer the amounts required pursuant to this subsection, the deficiency shall be added to the amount transferred in the next succeeding month in which revenues are available to transfer the deficiency.

§29-22-18h. Allocation to Cultural Center Improvements Revenue Debt Service Fund from State Excess Lottery Revenue Fund to permit the issuance of bonds for improvements to West Virginia Science and Cultural Center.

Notwithstanding any provision of §29-22-18a(d) of this code to the contrary, the deposit of $19 million into the Economic Development Project Fund is for the fiscal year beginning July 1, 2025, only. For the fiscal year beginning July 1, 2026, and each fiscal year thereafter through the fiscal year ending June 30, 2047, in lieu of the deposit required under §29-22-18a(d)(3)of this code, the commission shall first deposit an amount equal to the certified debt service requirement, not to exceed $12 million in any one fiscal year, into the Cultural Center Improvements Revenue Debt Service Fund created in §31-15-16e of this code, to be used in accordance with the provisions of §31-15-16e of this code.

CHAPTER 31. CORPORATIONS.

ARTICLE 15. WEST VIRGINIA ECONOMIC DEVELOPMENT AUTHORITY.

§31-15-16e. Lottery revenue bonds for the West Virginia Science and Cultural Center.

(a)(1) The Economic Development Authority shall, in accordance with the provisions of this article, issue revenue bonds, in one or more series, from time to time, to pay for all or a portion of the cost of acquiring, repairing, reconstructing, equipping, improving, or maintaining capital improvement projects under this section or to refund the bonds issued for such purposes, at the discretion of the authority. The principal amount of the bonds issued under this section shall not exceed, in the aggregate principal amount, $150 million. Any revenue bonds issued on or after the effective date of this section which are secured by lottery proceeds shall mature at a time or times not exceeding 20 years from their issuance dates. The principal of, and the interest and redemption premium if any on, the bonds shall be payable solely from the Cultural Center Revenue Debt Service Fund established in this section.

(2) There is hereby created in the State Treasury a special revenue fund named the Cultural Center Improvements Revenue Debt Service Fund into which shall be deposited those amounts specified in §29-22-18h of this code. All amounts deposited in the fund shall be pledged to the repayment of the principal, interest, and redemption premium, if any, on any revenue bonds

or refunding revenue bonds authorized by this section. The authority may further provide in the trust agreement for priorities on the revenues paid into the Cultural Center Improvements Revenue Debt Service Fund as may be necessary for the protection of the prior rights of the holders of bonds issued at different times under the provisions of this section. The Cultural Center Improvements Revenue Debt Service Fund shall be pledged solely for the repayment of bonds issued pursuant to this section. On or prior to May 1 of each year, commencing upon issuance of the bonds, the authority shall certify to the State Lottery director the principal and interest and coverage ratio requirements for the following fiscal year on any revenue bonds or refunding revenue bonds issued pursuant to this section, and for which moneys deposited in the Cultural Center Improvements Revenue Debt Service Fund have been pledged, or will be pledged, for repayment pursuant to this section: *Provided*, That for purposes of debt service to be payable during the fiscal year beginning July 1, 2026, such certification shall be provided by the authority to the State Lottery director on the date of issuance of the bonds.

(3) After the authority has issued bonds authorized by this section, and after the requirements of all funds have been satisfied, including coverage and reserve funds established in connection with the bonds issued pursuant to this section, any balance remaining in the Cultural Center Improvements Revenue Debt Service Fund may be used for the redemption of any of the outstanding bonds issued under this section which, by their terms, are then redeemable or for the purchase of the outstanding bonds at the market price, but not to exceed the price, if any, at which redeemable, and all bonds redeemed or purchased shall be immediately canceled and shall not again be issued.

(b) The authority shall expend the bond proceeds, net of issuance costs, reserve funds, and refunding costs, for certified capital improvements at the building presently known as the West Virginia Science and Cultural Center and any other site acquired necessary to preserve any history of the State of West Virginia. On or before September 1, 2026, the Secretary of Tourism shall submit a proposed list of capital improvements to the Governor. On or before September 30, 2026, the Governor shall certify to the authority at any time prior to the issuance of bonds under this section, a list of those capital improvements at the building presently known as the West Virginia Science and Cultural Center and any other site acquired necessary to preserve any history of the State of West Virginia that will receive funds from the proceeds of bonds issued pursuant to this section. At any time prior to the issuance of bonds under this section, the Governor may certify to the authority a revised list of capital improvements at the building presently known as the West Virginia Science and Cultural Center and any other site acquired necessary to preserve any history of the State of West Virginia that will receive funds from the proceeds of bonds issued pursuant to this section. The Governor shall consult with the Secretary of Tourism prior to certifying a revised list of capital improvements to the authority.

(c) Except as may otherwise be expressly provided by the authority, every issue of its notes or bonds shall be special obligations of the authority, payable solely from the property, revenues, or other sources of, or available to, the authority pledged therefor.

(d) The bonds and the notes shall be authorized by the authority pursuant to this section, and shall be secured, be in such denominations, may bear interest at such rate or rates, taxable or tax-exempt, be in such form, either coupon or registered, carry such registration privileges, be payable in such medium of payment and at such place or places and such time or times, and be subject to such terms of redemption as the authority may authorize. The bonds and notes of the authority may be sold by the authority, at public or private sale, at or not less than the price the authority determines. The bonds and notes shall be executed by manual or facsimile signature by the chairman of the board, and the official seal of the authority or a facsimile thereof shall be affixed to or printed on each bond and note and attested, manually or by facsimile signature, by the secretary of the board. In case any officer whose signature, or a facsimile of whose signature, appears on any bonds, notes, or coupons ceases to be such officer before delivery of such bonds or notes, such signature or facsimile is nevertheless sufficient for all purposes the same as if he or she had remained in office until such delivery; and, in case the seal of the authority has been

<u>changed after a facsimile has been imprinted on such bonds or notes, such facsimile seal will continue to be sufficient for all purposes.</u>