

# **WEST VIRGINIA LEGISLATURE**

## **2026 REGULAR SESSION**

**Introduced**

### **Senate Bill 1002**

By Senator Weld

[Introduced February 19, 2026; referred  
to the Committee on Energy, Industry, and Mining;  
and then to the Committee on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding two new articles,  
2 designated §7-12B-1, §7-12B-2, §7-12B-3, §7-12B-4, §7-12B-5, §7-12B-6, §7-12B-7, §7-  
3 12B-8, §7-12B-9, §7-12B-10, §7-12B-11, §7-12B-12, §7-12B-13, §7-12B-14, §7-12B-15,  
4 §7-12B-16, §7-12B-17, §8-13D-1, §8-13D-2, §8-13D-3, §8-13D-4, §8-13D-5, §8-13D-6,  
5 §8-13D-7, §8-13D-8, §8-13D-9, §8-13D-10, §8-13D-11, §8-13D-12, §8-13D-13, §8-13D-  
6 14, §8-13D-15, §8-13D-16, and §8-13D-17, relating to authorizing the creation of special  
7 assessment districts; providing legislative findings and purposes; authorizing county  
8 commissions and municipalities to create special assessment districts for certain public  
9 improvements and providing procedures therefor; providing for the notice and hearing  
10 requirements and process; limiting the use of certain fees; establishing of certain district  
11 boards and their respective duties; authorizing the levy of certain service fees; creating  
12 certain special funds account and providing for funding sources; providing for the process  
13 to include additional property in an existing special assessment district; establishing the  
14 procedure to abolish and dissolve a special assessment district; and authorizing issuance  
15 of bonds or notes to finance certain public improvements.

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

**CHAPTER 7. COUNTY COMMISSIONS AND OFFICERS.**

**ARTICLE 12B. COUNTY SPECIAL ASSESSMENT DISTRICTS.**

**§7-12B-1. Legislative Findings and Purposes.**

1 (a) The Legislature hereby finds and declares available housing is critical in economic  
2 development in communities throughout the State of West Virginia and that in many of those  
3 communities there exists a lack of sufficient utility infrastructure to service new housing projects.

4 (b) The Legislature hereby finds and declares further that the cost to expand utility  
5 infrastructure under current law can be inequitably allocated among taxpayers and ratepayers in a  
6 geographic area that is wider than that which is directly benefited by the expansion of utility

7 infrastructure to service new construction.

8 (c) The Legislature hereby finds and declares further that it is in the public interest to  
9 provide counties with the authority to create "Special Assessment Districts" to target the cost of the  
10 expansion of utility infrastructure to service new construction to those that own real property within  
11 a proximate geographic location of such an expansion and who, consequently, derive the greatest  
12 benefit from such projects.

**§7-12B-2. Authorization.**

1 The county commission may, in accordance with the procedures and subject to the  
2 limitations set forth in this article, establish one or more special assessment districts within the  
3 county. The county commission may provide for the purpose of developing, financing, and  
4 implementing plans for public improvements and public services that benefit the district.

**§7-12B-3. Improvements.**

1 Any county which has established a special assessment district under this article may  
2 provide or cause to be provided such services as will restore or promote the general welfare of the  
3 county, including, but not limited to, the improvement and expansion of utility infrastructure to  
4 encourage the development of new housing projects.

**§7-12B-4. Notice; hearing.**

1 Prior to the creation of special assessment district pursuant to this article of the code, the  
2 county commission shall set a time and place for a public hearing regarding the creation of any  
3 special assessment district. The notice of the public hearing shall be published as a Class I-0 legal  
4 advertisement in compliance with §59-3-1 et seq. of this code at least 20 days prior to the  
5 scheduled hearing. Such notice must also state:

- 6 (a) The purpose of the hearing;
- 7 (b) The name of the proposed district;
- 8 (c) The boundaries of the proposed district;
- 9 (d) The purpose of the proposed district; and

10 (e) The proposed method of financing any costs involved, including the maximum rate of  
11 annual fees that may be imposed upon any residents situated within the proposed district.

12 At the time and place set forth in the notice, the governing body shall afford the opportunity  
13 to be heard to any residents of the county.

**§7-12B-5. Creation of district; statement of prohibition on use of fees.**

1 (a) If the county commission, following the public hearing, determines it advisable and in  
2 the public interest to establish a special assessment district, it shall create the district by order. In  
3 addition to all other requirements, the order shall contain the following:

- 4 (1) The name of the district and a description of its boundaries;
- 5 (2) A summary of any proposed improvements to be made within the district and a  
6 reasonable estimate of any attendant cost;
- 7 (3) The maximum rate of any annual fees that may be imposed upon the affected residents  
8 and the manner in which the rate will be imposed; and
- 9 (4) The district board members' terms, their method of appointment and a full description of  
10 their powers and duties.

11 (b) The order shall also state the general intention of the county commission to cause the  
12 improvements within the special assessment district and that no fees collected under the authority  
13 of the order may be used to reduce, replace or supplant existing funds or services.

**§7-12B-6. District board; duties.**

1 (a) The county commission that intends to establish a special assessment district, in  
2 accordance with this article, shall provide by order for the appointment of a district board to  
3 oversee the operations of the special assessment district. The board shall be made up of at least  
4 seven members.

5 (b) The district board, in addition to the duties prescribed by the order creating the special  
6 assessment district, shall submit an annual report to the governing body containing:

- 7 (1) An itemized statement of its receipts and disbursements for the preceding fiscal year;

8 (2) A description of its activities for the preceding fiscal year;

9 (3) A recommended program of improvements to be performed or provided within the  
10 district for the coming fiscal year; and

11 (4) A proposed budget to accomplish its objectives.

12 (c) Nothing in this article prohibits any member of the district board from also serving on the  
13 board of directors of a nonprofit corporation with which the county may contract to provide  
14 specified services within the district.

15 (d) No member of the district board may receive, either directly or indirectly, compensation  
16 for service on the board.

**§7-12B-7. Levy of service fees; classification of properties; factors to consider.**

1 (a) Upon receipt of a recommended program of improvements and a proposed budget  
2 from the district board, the county commission may annually, by order, levy special assessment  
3 service fees which may only be applicable to properties located within the special assessment  
4 district and only to the extent necessary to fund the budget proposed by the district board. All  
5 revenue from the fees shall be collected by the sheriff of the county in which the special  
6 assessment district is located and shall be placed in a special assessment district fund and may  
7 only be used to fund the improvements provided under this article.

8 (b) The order creating a special assessment district may provide for the division of property  
9 within the district into two or more zones or uses in the event significant differences exist relative to  
10 the real property and the existing improvements. The order may establish different rates of  
11 assessment for each zone or use, or may provide that the rate be a certain percentage of the  
12 assessment levied in the zone or on the use, subject to the highest rate of assessment.

13 (c) The amount of the special assessment service fee shall be in addition to any county-  
14 wide license fees or any other tax, fee or charge levied for the general benefit and use of the  
15 county.

16 (d) Each assessment shall be a lien on the real property that is assessed, second only to

17 any state, federal or county taxes levied on that property.

**§7-12B-8. Special assessment district fund.**

1 Any county that has established a special assessment district shall establish a special  
2 assessment district fund for each district created within such county. Revenue derived from any  
3 special assessment fees, gifts, grants, appropriations from the county or other sources shall be  
4 paid into the fund. Moneys in another county fund or funds may be advanced to the special fund  
5 only if reimbursement is made to such other fund or funds prior to the end of the fiscal year.

**§7-12B-9. Modification of included area; notice; hearing.**

1 (a) The order creating a special assessment district may be amended to include additional  
2 property if a recommendation is filed by the affected district board with the county commission  
3 requesting such inclusion.

4 (b) Upon a recommendation by a majority of the members of a district board that the order  
5 establishing a special assessment areas should be amended to include additional property, the  
6 county commission shall designate a time and place for a public hearing upon the  
7 recommendation to include additional property. The notice shall meet the requirements set forth in  
8 §7-12B-3 of this code.

9 (c) At the time and place set forth in the notice, the county commission shall afford the  
10 opportunity to be heard to any owners of real property either currently included in or proposed to  
11 be added to the existing special assessment district and to any other residents of the county. The  
12 hearing shall be held within 60 days after the county commission's receipt of the district board's  
13 recommendation.

14 (d) All additional property included in a district shall be subject to all fees whether currently  
15 existing or thereafter levied.

**§7-12B-10. Abolishment and dissolution of district; notice; hearing.**

1 (a) A district may be abolished by an affirmative vote of the majority of the members of the  
2 county commission following a public hearing upon the proposed abolishment. Notice of such

3 hearing must be provided by first class mail to all property owners within the district and shall be  
4 published as a Class I-0 legal advertisement in compliance with §59-3-1, et seq. of this code at  
5 least 20 days prior to the public hearing. Upon the abolishment of any special assessment district,  
6 any funds or other assets, contractual rights or obligations, claims against holders of indebtedness  
7 or other financial benefits, liabilities or obligations existing after full payment has been made on all  
8 existing contracts, bonds, notes or other obligations of the district, shall be transferred to the  
9 county. Any funds or other assets so transferred shall be used for the benefit of the area included  
10 in the special assessment district being abolished.

11 (b) Notwithstanding any other provision of this article, no special assessment district may  
12 exist for a period exceeding 20 years unless reinstated pursuant to the provisions of this article.  
13 Reinstatement requires compliance with all requirements and procedures set forth herein for the  
14 initial development and establishment of a district. Upon the dissolution of any special assessment  
15 district, any funds or other assets, contractual rights or obligations, claims against holders of  
16 indebtedness, or other financial benefits, liabilities or obligations existing after full payment has  
17 been made on all contracts, bonds, notes or other obligations of the district, shall be transferred to  
18 the county. Any funds or other assets so transferred shall be used for the benefit of the area  
19 included in the improvement district being dissolved.

**§7-12B-11. Bonds issued to finance special assessment district improvements.**

1 (a) General. -- The county commission that established the special assessment district  
2 may issue bonds or notes for the purpose of financing special assessment district improvements,  
3 as described in section three of this article, with respect to one or more special assessment district  
4 improvements within the special assessment district.

5 (b) Limited obligations. -- All bonds and notes issued by a county commission under the  
6 authority of this article are limited obligations of the county.

7 (c) Term of obligations. -- No county commission may issue notes, bonds or other  
8 instruments for the purpose of funding special assessment district improvements that exceed a

9 repayment schedule of 20 years.

10 (d) Debt service. -- The principal and interest on the bonds shall be payable out of the  
11 funds on deposit in the special assessment district fund for the special assessment district  
12 pursuant to section eight of this article, including, without limitation, any funds derived from the  
13 special assessment fees imposed by section seven of this article or other revenues derived from  
14 the special assessment district to the extent pledged for the purpose set forth by the county  
15 commission in the resolution authorizing the bonds.

16 (e) Debt not general obligation of county. -- Neither the notes or bonds and any interest  
17 coupons issued under the authority of this article shall ever constitute an indebtedness of the  
18 county commission issuing the notes or bonds within the meaning of any constitutional provision  
19 or statutory limitation and shall never constitute or give rise to a pecuniary liability of the county  
20 commission issuing the notes or bonds.

21 (f) Debt not a charge general credit or taxing powers of county. -- Neither the bonds or  
22 notes, nor interest thereon, shall ever constitute a charge against the general credit or taxing  
23 powers of the county commission and that fact shall be plainly stated on the face of each bond or  
24 note.

25 (g) Issuance of bonds or notes. --

26 (1) Bonds or notes allowed under this section may be executed, issued and delivered at  
27 any time and from time to time, may be in a form and denomination, may be of a tenor, must be  
28 negotiable but may be registered as to the principal thereof or as to the principal and interest  
29 thereof, may be payable in any amounts and at any time or times, may be payable at any place or  
30 places, may bear interest at any rate or rates payable at any place or places and evidenced in any  
31 manner and may contain any provisions therein not inconsistent herewith, all as provided in the  
32 order or orders of the county commission whereunder the bonds or notes are authorized to be  
33 issued.

34 (2) The bonds may be sold by the county commission at public or private sale at, above or

35 below par as the county commission authorizes.

36 (3) Bonds and notes issued pursuant to this article shall be signed by the president of the  
37 county commission, or other chief officer thereof, and attested by the county clerk and be under  
38 the seal of the county.

39 (4) Any coupons attached to the bonds shall bear the facsimile signature of the president of  
40 the commission or other chief officer thereof. In case any of the officials whose signatures appear  
41 on the bonds, notes or coupons cease to be officers before the delivery of the bonds or notes, their  
42 signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they  
43 had remained in office until the delivery.

44 (i) *Additional bonds or notes.* -- If the proceeds of the bonds or notes, by error of calculation  
45 or otherwise, are less than the cost of the special assessment district improvement project, or if  
46 additional real or personal property is to be added to the special assessment district improvement  
47 project or if it is determined that financing is needed for additional development or redevelopment  
48 expenditures, additional bonds or notes may, in like manner, be issued to provide the amount of  
49 the deficiency or to defray the cost of acquiring or financing any additional real or personal  
50 property or development or redevelopment expenditures and, unless otherwise provided for in the  
51 trust agreement are considered to be of the same issue and shall be entitled to payment from the  
52 same fund, without preference or priority, and shall be of equal priority as to any security.

**§7-12B-12. Security for bonds.**

1 (a) *General.* -- Unless the county commission otherwise determines in the order  
2 authorizing the issuance of the bonds or notes under the authority of this article, there is hereby  
3 created a statutory lien upon the special assessment district fund for the special assessment  
4 district pursuant to section eight of this article and all special assessment district revenues  
5 collected for the benefit of the special assessment district pursuant to section seven of this article  
6 for the purpose of securing the principal of the bonds or notes and the interest thereon.

7 (b) *Security for debt service.* -- The principal of and interest on any bonds or notes issued

8 under the authority of this article shall be secured by a pledge of the special assessment district  
9 revenues derived from the special assessment district improvement by the county commission  
10 issuing the bonds or notes to the extent provided in the order adopted by the county commission  
11 authorizing the issuance of the bonds or notes.

12 (c) Trust indenture. --

13 (1) In the discretion and at the option of the county commission, the bonds and notes may  
14 also be secured by a trust indenture by and between the county commission and a corporate  
15 trustee, which may be a trust company or bank having trust powers, within or without the State of  
16 West Virginia.

17 (2) The resolution order authorizing and detailing the bonds or notes may provide that the  
18 trust indenture may contain the following:

19 (A) Provisions providing for protection and enforcing the rights and remedies of the  
20 bondholders as are reasonable and proper, not in violation of law;

21 (B) Covenants setting forth (i) the duties of the county commission in relation to the  
22 construction, acquisition or financing of an special assessment district improvement, or part  
23 thereof or an addition thereto, (ii) the improvement, repair, maintenance and insurance thereof and  
24 for the custody, safeguarding and application of all moneys, and (iii) that the special assessment  
25 district improvement shall be constructed and paid for under the supervision and approval of the  
26 consulting engineers or architects employed and designated by the county commission or by the  
27 district board, and satisfactory to the purchasers of the bonds or notes, their successors, assigns  
28 or nominees.

29 (3) The indenture may set forth the rights and remedies of the bondholders, the county  
30 commission or trustee and the indenture may provide for accelerating the maturity of the revenue  
31 bonds, at the option of the bondholders or the county commission issuing the bonds, upon default  
32 in the payment of the amounts due under the bonds.

33 (4) The county commission may also provide by resolution and in the trust indenture for the

34 payment of the proceeds of the sale of the bonds or notes and the revenues from the special  
 35 assessment district to any depository it determines, for the custody and investment thereof and for  
 36 the method of distribution thereof, with safeguards and restrictions it determines to be necessary  
 37 or advisable for the protection thereof and upon the filing of a certified copy of the resolution or of  
 38 the indenture for record in the office of the clerk of the county commission of the county in which  
 39 the special assessment district is located, the resolution has the same effect, as to notice, as the  
 40 recordation of a deed of trust or other recordable instrument.

41 (5) In the event that more than one certified resolution or indenture is recorded, the security  
 42 interest granted by the first recorded resolution or indenture has priority in the same manner as an  
 43 earlier filed deed of trust except to the extent the earlier recorded resolution or indenture provides  
 44 otherwise.

45 (d) Enforcement of obligations. The proceedings authorizing any bonds and any indenture  
 46 may provide that, in the event of default in payment of the principal of or the interest on the bonds,  
 47 or notes, or in the performance of any agreement contained in the proceedings, indenture,  
 48 payment and performance may be enforced by the appointment of a receiver in equity with power  
 49 to charge and collect rents or other amounts and to apply the revenues from the special  
 50 assessment district in accordance with the proceedings or the provisions of the agreement or  
 51 indenture.

52 (f) No pecuniary liability. -- No breach of any agreement or indenture may impose any  
 53 pecuniary liability upon a county or any charge upon its general credit or against its taxing powers.

**§7-12B-13. Redemption of bonds.**

1 The revenue bonds issued pursuant to this article may contain a provision therein to the  
 2 effect that they, or any of them, may be called for redemption at any time prior to maturity by the  
 3 county commission and at the redemption prices or premiums, which terms shall be stated in the  
 4 bond.

**§7-12B-14. Refunding bonds.**

1 (a) Any bonds issued under this article and at any time outstanding may at any time, and  
2 from time to time, be refunded by a county commission by the issuance of its refunding bonds in  
3 amount as the county commission considers necessary to refund the principal of the bonds to be  
4 refunded, together with any unpaid interest thereon; to make any improvements or alterations in  
5 the special assessment district project; and any premiums and commissions necessary to be paid  
6 in connection therewith.

7 (b) Any refunding may be effected whether the bonds to be refunded shall have then  
8 matured or shall thereafter mature, either by sale of the refunding bonds and the application of the  
9 proceeds thereof for the redemption of the bonds to be refunded thereby, or by exchange of the  
10 refunding bonds for the bonds to be refunded thereby: *Provided*, That the holders of any bonds to  
11 be refunded shall not be compelled without their consent to surrender their bonds for payment or  
12 exchange prior to the date on which they are payable or, if they are called for redemption, prior to  
13 the date on which they are by their terms subject to redemption.

14 (c) Any refunding bonds issued under the authority of this article is subject to the provisions  
15 contained in section eleven of this article and shall be secured in accordance with the provisions of  
16 section twelve of this article.

**§7-12B-15. Use of proceeds from sale of bonds.**

1 (a) *General*. -- The proceeds from the sale of any bonds issued under authority of this  
2 article shall be applied only for the purpose for which the bonds were issued: *Provided*, That any  
3 accrued interest received in any sale shall be applied to the payment of the interest on the bonds  
4 sold: *Provided, however*, That if for any reason any portion of the proceeds may not be needed for  
5 the purpose for which the bonds were issued, then the unneeded portion of the proceeds may be  
6 applied to the purchase of bonds for cancellation or payment of the principal of or the interest on  
7 the bonds, or held in reserve for the payment thereof.

8 (b) *Payment of costs*. -- The costs that may be paid with the proceeds of the bonds include  
9 all improvement expenditures described in section three of this article and may also include, but

10 not be limited to, the following:

11 (1) All expenses incurred in connection with the authorization, sale and issuance of the  
12 bonds to finance the improvement and the interest on the bonds for a reasonable time prior to  
13 construction during construction and for not exceeding 12 months after completion of construction  
14 of the improvements; and

15 (2) Any other costs and expenses reasonably necessary in the establishment of special  
16 assessment district improvement and the financing thereof.

**§7-12B-16. Bonds made legal investments.**

1 Bonds issued under the provisions of this article are legal investments for banks, building  
2 and loan associations and insurance companies organized under the laws of this state and for a  
3 business development corporation organized pursuant to chapter thirty-one, article fourteen of this  
4 code.

**§7-12B-17. Exemption from taxation.**

1 The revenue bonds and notes issued pursuant to this article and the income therefrom are  
2 exempt from taxation except inheritance, estate and transfer taxes; and the real and personal  
3 property which a county commission or district board acquires pursuant to the provisions of this  
4 article are exempt from taxation by the state, or any county, municipality, or other levying body, as  
5 public property so long as the property is owned by the county commission or district board.

**CHAPTER 8. MUNICIPAL CORPORATIONS.**

**ARTICLE 13D. MUNICIPAL SPECIAL ASSESSMENT DISTRICTS.**

**§8-13D-1. Legislative Findings and Purposes.**

1 (a) The Legislature hereby finds and declares available housing is critical in economic  
2 development in communities throughout the State of West Virginia and that in many of those  
3 communities there exists a lack of sufficient utility infrastructure to service new housing projects.

4 (b) The Legislature hereby finds and declares further that the cost to expand utility

5 infrastructure under current law can be inequitably allocated among taxpayers and ratepayers in a  
 6 geographic area that is wider than that which is directly benefited by the expansion of utility  
 7 infrastructure to service new construction.

8 (c) The Legislature hereby finds and declares further that it is in the public interest to  
 9 provide municipalities with the authority to create "Special Assessment Districts" to target the cost  
 10 of the expansion of utility infrastructure to service new construction to those that own real property  
 11 within a proximate geographic location of such an expansion and who, consequently, derive the  
 12 greatest benefit from such projects.

**§8-13D-2. Authorization.**

1 The governing body of any municipality may, in accordance with the procedures and  
 2 subject to the limitations set forth in this article, establish one or more special assessment districts  
 3 within the municipality. The municipality may provide for the purpose of developing, financing, and  
 4 implementing plans for public improvements and public services that benefit the district.

**§8-13D-3. Improvements.**

1 Any municipality which has established a special assessment district under this article may  
 2 provide or cause to be provided such services as will restore or promote the general welfare of the  
 3 municipality, including, but not limited to, the improvement and expansion of utility infrastructure to  
 4 encourage the development of new housing projects.

**§8-13D-4. Notice; hearing.**

1 (a) Prior to the creation of special assessment district pursuant to this article of the code,  
 2 the governing body of the municipality shall set a time and place for a public hearing regarding the  
 3 creation of any special assessment district. The notice of the public hearing shall be published as a  
 4 Class I-0 legal advertisement in compliance with §59-3-1 et seq. of this code at least 20 days prior  
 5 to the scheduled hearing. Such notice must also state:

- 6 (1) The purpose of the hearing;
- 7 (2) The name of the proposed district;



5           (b) The district board, in addition to the duties prescribed by the ordinance creating the  
6 special assessment district, shall submit an annual report to the governing body containing:

7           (1) An itemized statement of its receipts and disbursements for the preceding fiscal year;

8           (2) A description of its activities for the preceding fiscal year;

9           (3) A recommended program of improvements to be performed or provided within the  
10 district for the coming fiscal year; and

11           (4) A proposed budget to accomplish its objectives.

12           (c) Nothing in this article prohibits any member of the district board from also serving on the  
13 board of directors of a nonprofit corporation with which the municipality may contract to provide  
14 specified services within the district.

15           (d) No member of the district board may receive, either directly or indirectly, compensation  
16 for                           service                           on                           the                           board.

**§8-13D-7. Levy of service fees; classification of properties; factors to consider.**

1           (a) Upon receipt of a recommended program of improvements and a proposed budget  
2 from the district board, the governing body of the municipality may annually, by ordinance, levy  
3 special assessment service fees which may only be applicable to properties located within the  
4 special assessment district and only to the extent necessary to fund the budget proposed by the  
5 district board. All revenue from the fees shall be collected by the sheriff of the county in which the  
6 special assessment district is located and placed in a special assessment district fund and may  
7 only be used to fund the improvements provided under this article.

8           (b) The ordinance creating a special assessment district may provide for the division of  
9 property within the district into two or more zones or uses in the event significant differences exist  
10 relative to the property and the existing improvements. The ordinance may establish different rates  
11 of assessment for each zone or use, or may provide that the rate be a certain percentage of the  
12 assessment levied in the zone or on the use, subject to the highest rate of assessment.

13           The ordinance creating a special assessment district may provide for the division of

14 property within the district into two or more zones or uses in the event significant differences exist  
 15 relative to the real property and the existing improvements. The ordinance may establish different  
 16 rates of assessment for each zone or use, or may provide that the rate be a certain percentage of  
 17 the assessment levied in the zone or on the use, subject to the highest rate of assessment.

18 (c) The amount of the special assessment service fee shall be in addition to any  
 19 municipality-wide license fees or any other tax, fee or charge levied for the general benefit and use  
 20 of the municipality.

21 (d) Each assessment shall be a lien on the real property that is assessed, second only to  
 22 any state, federal or county taxes levied on that property.

**§8-13D-8. Special assessment district fund.**

1 Any municipality that has established a special assessment district shall establish a  
 2 special assessment district fund for each district created within such municipality. Revenue  
 3 derived from any special assessment fees, gifts, grants, appropriations from the municipality or  
 4 other sources shall be paid into the fund. Moneys in another municipal fund or funds may be  
 5 advanced to the special fund only if reimbursement is made to such other fund or funds prior to the  
 6 end of the fiscal year.

**§8-13D-9. Modification of included area; notice; hearing.**

1 (a) The ordinance creating a special assessment district may be amended to include  
 2 additional property if a recommendation is filed by the affected district board with the governing  
 3 body of the municipality requesting such inclusion.

4 (b) Upon a recommendation by a majority of the members of a district board that the  
 5 ordinance establishing a special assessment areas should be amended to include additional  
 6 property, the governing body of the municipality shall designate a time and place for a public  
 7 hearing upon the recommendation to include additional property. The notice shall meet the  
 8 requirements set forth in §8-13D-3 of this code.

9 (c) At the time and place set forth in the notice, the governing body of the municipality shall

10 afford the opportunity to be heard to any owners of real property either currently included in or  
 11 proposed to be added to the existing special assessment district and to any other residents of the  
 12 municipality. The hearing shall be held within 60 days after the governing body of the municipality's  
 13 receipt of the district board's recommendation.

14 (d) All additional property included in a district shall be subject to all fees whether currently  
 15 existing \_\_\_\_\_ or \_\_\_\_\_ thereafter \_\_\_\_\_ levied.

**§8-13D-10. Abolishment and dissolution of district; notice; hearing.**

1 (a) A district may be abolished an affirmative vote of the majority of the members of the by  
 2 the governing body of the municipality following a public hearing upon the proposed abolishment.  
 3 Notice of such hearing must be provided by first class mail to all property owners within the district  
 4 and shall be published as a Class I-0 legal advertisement in compliance with §59-3-1 et seq. of this  
 5 code at least 20 days prior to the public hearing. Upon the abolishment of any special assessment  
 6 district, any funds or other assets, contractual rights or obligations, claims against holders of  
 7 indebtedness or other financial benefits, liabilities or obligations existing after full payment has  
 8 been made on all existing contracts, bonds, notes or other obligations of the district, shall be  
 9 transferred to the municipality. Any funds or other assets so transferred shall be used for the  
 10 benefit of the area included in the special assessment district being abolished.

11 (b) Notwithstanding any other provision of this article, no special assessment district may  
 12 exist for a period exceeding 20 years unless reinstated pursuant to the provisions of this article.  
 13 Reinstatement requires compliance with all requirements and procedures set forth herein for the  
 14 initial development and establishment of a district. Upon the dissolution of any special assessment  
 15 district, any funds or other assets, contractual rights or obligations, claims against holders of  
 16 indebtedness, or other financial benefits, liabilities or obligations existing after full payment has  
 17 been made on all contracts, bonds, notes or other obligations of the district, shall be transferred to  
 18 the municipality. Any funds or other assets so transferred shall be used for the benefit of the area  
 19 included \_\_\_\_\_ in \_\_\_\_\_ the \_\_\_\_\_ improvement \_\_\_\_\_ district \_\_\_\_\_ being \_\_\_\_\_ dissolved.

**§8-13D-11. Bonds issued to finance special assessment district improvements.**

1           (a) General. -- The municipality that established the special assessment district may issue  
2 bonds or notes for the purpose of financing special assessment district improvements, as  
3 described in section three of this article, with respect to one or more special assessment district  
4 improvements within the special assessment district.

5           (b) Limited obligations. -- All bonds and notes issued by a municipality under the authority  
6 of this article are limited obligations of the municipality.

7           (c) Term of obligations. -- No municipality may issue notes, bonds or other instruments for  
8 the purpose of funding special assessment district improvements that exceed a repayment  
9 schedule of 20 years.

10           (d) Debt service. -- The principal and interest on the bonds shall be payable out of the  
11 funds on deposit in the special assessment district fund for the special assessment district  
12 pursuant to section eight of this article, including, without limitation, any funds derived from the  
13 special assessment fees imposed by section seven of this article or other revenues derived from  
14 the special assessment district to the extent pledged for the purpose set forth by the municipality in  
15 the ordinance authorizing the bonds.

16           (e) Debt not general obligation of municipality. -- Neither the notes or bonds and any  
17 interest coupons issued under the authority of this article shall ever constitute an indebtedness of  
18 the municipality issuing the notes or bonds within the meaning of any constitutional provision or  
19 statutory limitation and shall never constitute or give rise to a pecuniary liability of the municipality  
20 issuing the notes or bonds.

21           (f) Debt not a charge general credit or taxing powers of municipality. -- Neither the bonds or  
22 notes, nor interest thereon, is a charge against the general credit or taxing powers of the  
23 municipality and that fact shall be plainly stated on the face of each bond or note.

24           (h) Issuance of bonds or notes. --

25           (1) Bonds or notes allowed under this section may be executed, issued and delivered at

26 any time and from time to time, may be in a form and denomination, may be of a tenor, must be  
27 negotiable but may be registered as to the principal thereof or as to the principal and interest  
28 thereof, may be payable in any amounts and at any time or times, may be payable at any place or  
29 places, may bear interest at any rate or rates payable at any place or places and evidenced in any  
30 manner and may contain any provisions therein not inconsistent herewith, all as provided in the  
31 ordinance of the municipality whereunder the bonds or notes are authorized to be issued.

32 (2) The bonds may be sold by the municipality at public or private sale at, above or below  
33 par as the municipality authorizes.

34 (3) Bonds and notes issued pursuant to this article shall be signed by the authorized  
35 representative of the municipality and attested by the municipal clerk or recorder and be under the  
36 seal of the municipality.

37 (4) Any coupons attached to the bonds shall bear the facsimile signature of the authorized  
38 representative of the municipality. If any of the officials whose signatures appear on the bonds,  
39 notes or coupons cease to be officers before the delivery of the bonds or notes, their signatures  
40 are valid and sufficient for all purposes to the same extent as if they had remained in office until the  
41 delivery.

42 (i) *Additional bonds or notes.* -- If the proceeds of the bonds or notes, by error of calculation  
43 or otherwise, are less than the cost of the special assessment district improvement project, or if  
44 additional real or personal property is to be added to the special assessment district improvement  
45 project or if it is determined that financing is needed for additional development or redevelopment  
46 expenditures, additional bonds or notes may, in like manner, be issued to provide the amount of  
47 the deficiency or to defray the cost of acquiring or financing any additional real or personal  
48 property or development or redevelopment expenditures and, unless otherwise provided for in the  
49 trust agreement are considered to be of the same issue and shall be entitled to payment from the  
50 same fund, without preference or priority, and shall be of equal priority as to any security.

**§8-13D-12. Security for bonds.**

1           (a) General. -- Unless the municipality otherwise determines in the ordinance authorizing  
2 the issuance of the bonds or notes under the authority of this article, there is hereby created a  
3 statutory lien upon the special assessment district fund for the special assessment district  
4 pursuant to section eight of this article and all special assessment district revenues collected for  
5 the benefit of the special assessment district pursuant to section seven of this article for the  
6 purpose of securing the principal of the bonds or notes and the interest thereon.

7           (b) Security for debt service. -- The principal of and interest on any bonds or notes issued  
8 under the authority of this article shall be secured by a pledge of the special assessment district  
9 revenues derived from the special assessment district improvement by the municipality issuing the  
10 bonds or notes to the extent provided in the ordinance adopted by the municipality authorizing the  
11 issuance of the bonds or notes.

12           (c) Trust indenture. --

13           (1) In the discretion and at the option of the municipality, the bonds and notes may also be  
14 secured by a trust indenture by and between the municipality and a corporate trustee, which may  
15 be a trust company or bank having trust powers, within or without the State of West Virginia.

16           (2) The resolution ordinance authorizing and detailing the bonds or notes may provide that  
17 the trust indenture may contain the following:

18           (A) Provisions providing for protection and enforcing the rights and remedies of the  
19 bondholders as are reasonable and proper, not in violation of law;

20           (B) Covenants setting forth (i) the duties of the governing body of the municipality in  
21 relation to the construction, acquisition or financing of an special assessment district  
22 improvement, or part thereof or an addition thereto, (ii) the improvement, repair, maintenance and  
23 insurance thereof and for the custody, safeguarding and application of all moneys, and (iii) that the  
24 special assessment district improvement shall be constructed and paid for under the supervision  
25 and approval of the consulting engineers or architects employed and designated by the governing  
26 body of the municipality or by the district board, and satisfactory to the purchasers of the bonds or

27 notes, their successors, assigns or nominees; and

28 (C) Other provisions as determined by the governing body of the municipality.

29 (3) The indenture may set forth the rights and remedies of the bondholders, the  
30 municipality or trustee and the indenture may provide for accelerating the maturity of the revenue  
31 bonds, at the option of the bondholders or the municipality issuing the bonds, upon default in the  
32 payment of the amounts due under the bonds.

33 (4) The municipality may also provide by resolution and in the trust indenture for the  
34 payment of the proceeds of the sale of the bonds or notes and the revenues from the special  
35 assessment district to any depository it determines, for the custody and investment thereof and for  
36 the method of distribution thereof, with safeguards and restrictions it determines to be necessary  
37 or advisable for the protection thereof and upon the filing of a certified copy of the resolution or of  
38 the indenture for record with the clerk or recorder of the municipality in which the special  
39 assessment district is located, the resolution has the same effect, as to notice, as the recordation  
40 of a deed of trust or other recordable instrument.

41 (5) In the event that more than one certified resolution or indenture is recorded, the security  
42 interest granted by the first recorded resolution or indenture has priority in the same manner as an  
43 earlier filed deed of trust except to the extent the earlier recorded resolution or indenture provides  
44 otherwise.

45 (d) *Enforcement of obligations.* The proceedings authorizing any bonds and any indenture  
46 may provide that, in the event of default in payment of the principal of or the interest on the bonds,  
47 or notes, or in the performance of any agreement contained in the proceedings, indenture,  
48 payment and performance may be enforced by the appointment of a receiver in equity with power  
49 to charge and collect rents or other amounts and to apply the revenues from the special  
50 assessment district in accordance with the proceedings or the provisions of the agreement or  
51 indenture.

52 (f) *No pecuniary liability.* -- No breach of any agreement or indenture may impose any

53 pecuniary liability upon a municipality or any charge upon its general credit or against its taxing  
54 powers.

**§8-13D-13. Redemption of bonds.**

1 The revenue bonds issued pursuant to this article may contain a provision therein to the  
2 effect that they, or any of them, may be called for redemption at any time prior to maturity by the  
3 municipality and at the redemption prices or premiums, which terms shall be stated in the bond.

**§8-13D-14. Refunding bonds.**

1 (a) Any bonds issued under this article and at any time outstanding may at any time, and  
2 from time to time, be refunded by a municipality by the issuance of its refunding bonds in amount  
3 as the municipality considers necessary to refund the principal of the bonds to be refunded,  
4 together with any unpaid interest thereon; to make any improvements or alterations in the special  
5 assessment district project; and any premiums and commissions necessary to be paid in  
6 connection therewith.

7 (b) Any refunding may be effected whether the bonds to be refunded shall have then  
8 matured or shall thereafter mature, either by sale of the refunding bonds and the application of the  
9 proceeds thereof for the redemption of the bonds to be refunded thereby, or by exchange of the  
10 refunding bonds for the bonds to be refunded thereby: *Provided*, That the holders of any bonds to  
11 be refunded shall not be compelled without their consent to surrender their bonds for payment or  
12 exchange prior to the date on which they are payable or, if they are called for redemption, prior to  
13 the date on which they are by their terms subject to redemption.

14 (c) Any refunding bonds issued under the authority of this article is subject to the provisions  
15 contained in section eleven of this article and shall be secured in accordance with the provisions of  
16 section twelve of this article.

**§8-13D-15. Use of proceeds from sale of bonds.**

1 (a) *General.* -- The proceeds from the sale of any bonds issued under authority of this  
2 article shall be applied only for the purpose for which the bonds were issued: *Provided*, That any

3 accrued interest received in any sale shall be applied to the payment of the interest on the bonds  
 4 sold: *Provided, however,* That if for any reason any portion of the proceeds may not be needed for  
 5 the purpose for which the bonds were issued, then the unneeded portion of the proceeds may be  
 6 applied to the purchase of bonds for cancellation or payment of the principal of or the interest on  
 7 the bonds, or held in reserve for the payment thereof.

8 (b) *Payment of costs.* -- The costs that may be paid with the proceeds of the bonds include  
 9 all improvement expenditures described in section three of this article and may also include, but  
 10 not be limited to, the following:

11 (1) All expenses incurred in connection with the authorization, sale and issuance of the  
 12 bonds to finance the improvement and the interest on the bonds for a reasonable time prior to  
 13 construction during construction and for not exceeding 12 months after completion of construction  
 14 of the improvements; and

15 (2) Any other costs and expenses reasonably necessary in the establishment of special  
 16 assessment district improvement and the financing thereof.

**§8-13D-16. Bonds made legal investments.**

1 Bonds issued under the provisions of this article are legal investments for banks, building  
 2 and loan associations and insurance companies organized under the laws of this state and for a  
 3 business development corporation organized pursuant to chapter thirty-one, article fourteen of this  
 4 code.

**§8-13D-17. Exemption from taxation.**

1 The revenue bonds and notes issued pursuant to this article and the income therefrom are  
 2 exempt from taxation except inheritance, estate and transfer taxes; and the real and personal  
 3 property which a municipality or district board acquires pursuant to the provisions of this article are  
 4 exempt from taxation by the state, or any county, municipality, or other levying body, as public  
 5 property so long as the property is owned by the municipality or district board.

NOTE: The purpose of this bill is to allow counties and municipalities to create special assessment districts.

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