

Senate Bill No. 167

(By Senators Kessler (Mr. President), Unger, Snyder, Stollings,
Fitzsimmons, Miller, Laird, McCabe, Wells and D. Hall)

[Introduced February 15, 2013; referred to the Committee on
Economic Development; and then to the Committee on Finance.]

**FISCAL
NOTE**

A BILL to amend the Code of West Virginia, 1931, as amended, by
adding thereto a new section, designated §5A-2-35, relating to
creation of the West Virginia Future Fund; initial funding to
consist of twenty-five percent of increased proceeds from oil
and natural gas severance taxes; expressing legislative intent
not to encumber or otherwise use any principal or interest
from the fund for a term of twenty years; and addressing use
of the fund.

Be it enacted by the Legislature of West Virginia:

That the Code of West Virginia, 1931, as amended, be amended
by adding thereto a new section, designated §5A-2-35, to read as
follows:

ARTICLE 2. FINANCE DIVISION.

1 **§5A-2-35. Creation of West Virginia Future Fund; legislative**
2 **intent.**

3 (a) There is created in the State Treasury a special revenue
4 account, designated the "West Virginia Future Fund," which is an
5 interest-bearing account and may be invested in the manner
6 permitted by the provisions of article six, chapter twelve of this
7 code, with the interest income a proper credit to the fund.
8 Notwithstanding any provision of this code to the contrary, twenty-
9 five percent of the increased proceeds received on and after the
10 effective date of this section as state revenue pursuant to the
11 provisions of section three-a, article thirteen-a, chapter eleven
12 of this code as a result of Marcellus Shale production shall be
13 deposited in this fund. The Legislature may by general
14 appropriation or by designation of other funding sources to be
15 deposited in the fund provide further funding as it considers
16 appropriate.

17 (b) The Legislature declares its intention to use the fund as
18 a means of conserving a portion of the state's revenue derived from
19 the increased revenue proceeds received by the state as a result of
20 any new oil production and Marcellus Shale and other new gas
21 formations as well as other funding sources as the Legislature may
22 designate in order to meet future needs. The Legislature further
23 declares its intention that the fund should maintain safety of

1 principal while maximizing total return and that principal and
2 interest not be used for any purpose other than to meet future
3 needs that may arise including diversification of the state's
4 economy, tax relief, enhancing education and workforce development
5 and for purposes which other funding sources are not available.
6 The principal and interest of the Future Fund may not be used for
7 a term of twenty years in order to allow the fund to reach maximum
8 accumulation except for the purposes enumerated in this section.

NOTE: The purpose of this bill is to create the West Virginia Futures Fund. The bill provides that funding consist of twenty-five percent of the increased revenue received by the state from Marcellus Shale natural gas severance taxes and invites future legislative appropriations or designation of funding sources. Finally, the bill includes a statement of legislative intent not to encumber or otherwise use any principal or interest from the fund for a term of twenty years to the extent the Legislature cannot bind future Legislatures from actions that might otherwise use or encumber the funds. Use of the accumulated fund is left open to address future needs of the state.

This section is new; therefore, strike-throughs and underscoring have been omitted.