

COMMITTEE SUBSTITUTE

FOR

Senate Bill No. 191

(By Senators Kessler (Mr. President) and M. Hall,
By Request of the Executive)

[Originating in the Committee on Finance;
reported March 27, 2013.]

A BILL to amend and reenact §11B-2-20 of the Code of West Virginia, 1931, as amended; to amend said code by adding thereto a new section, designated §11B-2-20a; to amend and reenact §17-3-1 of said code; and to amend and reenact §31-15A-9 of said code, all relating to the Revenue Shortfall Reserve Fund, the Revenue Shortfall Reserve Fund - Part B and the creation of a West Virginia Infrastructure Modernization and Development Special Revenue Fund; specifying maximum aggregate funding amount for the Revenue Shortfall Reserve Fund; providing that interest and other earnings on Revenue

Shortfall Reserve Fund - Part B be dedicated to and expended for and in support of the federal-state Medicaid program authorized by the Legislature or mandated by the federal government; providing that no interest or other return may be distributed from the Revenue Shortfall Reserve Fund – Part B if such distribution would cause the net asset value of the Revenue Shortfall Reserve Fund – Part B to fall below its value as of July 1, 2013, and providing process for restoration of value; providing that, in commencing and executing the provisions of this subdivision, the West Virginia Investment Management Board is not and shall not be obligated to sell any investments at a loss or otherwise take any action not in furtherance of its fiduciary duties and obligations in respect of funds and investments under its management and supervision; creating the West Virginia Infrastructure Modernization and Development Special Revenue Fund in the State Treasury; specifying the funding source for the West Virginia Infrastructure Modernization and Development Special Revenue Fund; specifying use of funds in the West Virginia

Infrastructure Modernization and Development Special Revenue Fund; providing limitation on use of funds transferred from the West Virginia Infrastructure Modernization and Development Special Revenue Fund into the State Road Fund; providing ability of State Road Fund to accept and expend funds transferred from the West Virginia Infrastructure Modernization and Development Special Revenue Fund; and providing ability of West Virginia Infrastructure Fund to accept and expend funds transferred from the West Virginia Infrastructure Modernization and Development Special Revenue Fund.

Be it enacted by the Legislature of West Virginia:

That §11B-2-20 of the Code of West Virginia, 1931, as amended, be amended and reenacted; that said code be amended by adding thereto a new section, designated §11B-2-20a; that §17-3-1 of said code be amended and reenacted; and that §31-15A-9 of said code be amended and reenacted, all to read as follows:

CHAPTER 11B. DEPARTMENT OF REVENUE.

ARTICLE 2. STATE BUDGET OFFICE.

**§11B-2-20. Reduction of appropriations; powers of Governor;
Revenue Shortfall Reserve Fund and permissible
expenditures therefrom.**

1 (a) Notwithstanding any provision of this section, the
2 Governor may reduce appropriations according to any of the
3 methods set forth in sections twenty-one and twenty-two of
4 this article. The Governor may, in lieu of imposing a
5 reduction in appropriations, request an appropriation by the
6 Legislature from the Revenue Shortfall Reserve Fund
7 established in this section.

8 (b) A Revenue Shortfall Reserve Fund is hereby
9 continued within the State Treasury. The Revenue Shortfall
10 Reserve Fund shall be funded continuously and on a
11 revolving basis in accordance with this subsection up to an
12 aggregate amount not to exceed ~~thirteen~~ fifteen percent of the
13 total appropriations from the State Fund, General Revenue,
14 for the fiscal year just ended. The Revenue Shortfall Reserve
15 Fund shall be funded as set forth in this subsection from
16 surplus revenues, if any, in the State Fund, General Revenue,

17 as the surplus revenues may accrue from time to time.
18 Within sixty days of the end of each fiscal year, the secretary
19 shall cause to be deposited into the Revenue Shortfall
20 Reserve Fund such amount of the first fifty percent of all
21 surplus revenues, if any, determined to have accrued during
22 the fiscal year just ended, as may be necessary to bring the
23 balance of the Revenue Shortfall Reserve Fund to ~~thirteen~~
24 fifteen percent of the total appropriations from the State
25 Fund, General Revenue, for the fiscal year just ended. If at
26 the end of any fiscal year the Revenue Shortfall Reserve
27 Fund is funded at an amount equal to or exceeding ~~thirteen~~
28 fifteen percent of the state's General Revenue Fund budget
29 for the fiscal year just ended, then there shall be no further
30 deposit by the secretary under the provisions of this section
31 of any surplus revenues as set forth in this subsection until
32 that time the Revenue Shortfall Reserve Fund balance is less
33 than ~~thirteen~~ fifteen percent of the total appropriations from
34 the State Fund, General Revenue.

35 (c) Not earlier than November 1 of each calendar year, if
36 the state's fiscal circumstances are such as to otherwise
37 trigger the authority of the Governor to reduce appropriations
38 under this section or section twenty-one or twenty-two of this
39 article, then in that event the Governor may notify the
40 presiding officers of both houses of the Legislature in writing
41 of his or her intention to convene the Legislature pursuant to
42 section nineteen, article VI of the Constitution of West
43 Virginia for the purpose of requesting the introduction of a
44 supplementary appropriation bill or to request a
45 supplementary appropriation bill at the next preceding
46 regular session of the Legislature to draw money from the
47 surplus Revenue Shortfall Reserve Fund to meet any
48 anticipated revenue shortfall. If the Legislature fails to enact
49 a supplementary appropriation from the Revenue Shortfall
50 Reserve Fund during any special legislative session called for
51 the purposes set forth in this section or during the next
52 preceding regular session of the Legislature, then the
53 Governor may proceed with a reduction of appropriations

54 pursuant to sections twenty-one and twenty-two of this
55 article. Should any amount drawn from the Revenue
56 Shortfall Reserve Fund pursuant to an appropriation made by
57 the Legislature prove insufficient to address any anticipated
58 shortfall, then the Governor may also proceed with a
59 reduction of appropriations pursuant to sections twenty-one
60 and twenty-two of this article.

61 (d) Upon the creation of the fund, the Legislature is
62 authorized and may make an appropriation from the Revenue
63 Shortfall Reserve Fund for revenue shortfalls, for emergency
64 revenue needs caused by acts of God or natural disasters or
65 for other fiscal needs as determined solely by the Legislature.

66 (e) Prior to October 31, in any fiscal year in which
67 revenues are inadequate to make timely payments of the
68 state's obligations, the Governor may by executive order,
69 after first notifying the presiding officers of both houses of
70 the Legislature in writing, borrow funds from the Revenue
71 Shortfall Reserve Fund. The amount of funds borrowed
72 under this subsection ~~shall~~ may not exceed one and one-half

73 percent of the general revenue estimate for the fiscal year in
74 which the funds are to be borrowed, or the amount the
75 Governor determines is necessary to make timely payment of
76 the state's obligations, whichever is less. Any funds
77 borrowed pursuant to this subsection shall be repaid, without
78 interest, and redeposited to the credit of the Revenue
79 Shortfall Reserve Fund within ninety days of their
80 withdrawal.

81 (f) There is ~~hereby created~~ continued in the State
82 Treasury the Revenue Shortfall Reserve Fund – Part B. The
83 Revenue Shortfall Reserve Fund – Part B ~~shall consist~~
84 consists of moneys transferred from the West Virginia
85 Tobacco Settlement Medical Trust Fund pursuant to the
86 provisions of section two, article eleven-a, chapter four of
87 this code, repayments made of the loan from the West
88 Virginia Tobacco Settlement Medical Trust Fund to the
89 Physician's Mutual Insurance Company pursuant to the
90 provisions of article twenty-f, chapter thirty-three of this
91 code, and all interest and other return earned on the moneys

92 in the Revenue Shortfall Reserve Fund – Part B. Moneys in
93 the Revenue Shortfall Reserve Fund – Part B may be
94 expended solely for the purposes set forth in subsection (d)
95 of this section, subject to the following conditions:

96 (1) From July 1, 2013, until June 30, 2025, any and all
97 interest and other return that may accrue on the moneys in the
98 Revenue Shortfall Reserve Fund - Part B shall be dedicated
99 to and expended for and in support of the federal-state
100 Medicaid program authorized by the Legislature or mandated
101 by the federal government: *Provided*, that in no event shall
102 interest or other return be distributed from the Revenue
103 Shortfall Reserve Fund – Part B if or when the effect of such
104 distribution would be to cause the net asset value of Revenue
105 Shortfall Reserve Fund – Part B to fall below the net asset
106 value of Revenue Shortfall Reserve Fund – Part B as of July
107 1, 2013: *Provided, however*, That if and in the event the net
108 asset value of Revenue Shortfall Reserve Fund – Part B
109 should fall below the net asset value of Revenue Shortfall
110 Reserve Fund – Part B as of July 1, 2013, whether from

111 losses, depreciation of assets or for any other reason, any and
112 all interest or other return that may accrue on the assets in the
113 Revenue Shortfall Reserve Fund – Part B shall be used first
114 to restore the net asset value of Revenue Shortfall Reserve
115 Fund – Part B to the net asset value of the Revenue Shortfall
116 Reserve Fund – Part B as of July 1, 2013, before such interest
117 or other return may be used for the purposes set forth in this
118 subsection. In commencing and executing the provisions of
119 this subdivision, the West Virginia Investment Management
120 Board (a) shall be vested with full and complete authority
121 and discretion regarding the process, procedures and policies
122 whereby such interest and other return that may accrue on the
123 assets in the Revenue Shortfall Reserve Fund – Part B are
124 calculated, aggregates and transferred in support of the
125 federal-state Medicaid program, and (b) is not and shall not
126 be obligated to sell any investments at a loss or otherwise
127 take any action not in furtherance of its fiduciary duties and
128 obligations in respect of funds and investments under its
129 management and supervision;

130 ~~(1)~~ (2) No moneys in the Revenue Shortfall Reserve Fund
131 – Part B nor any interest or other return earned thereon may
132 be expended for any purpose unless all moneys in the
133 Revenue Shortfall Reserve Fund described in subsection (b)
134 of this section have first been expended, except that the
135 interest or other return earned on moneys in the Revenue
136 Shortfall Reserve Fund – Part B may be expended as
137 provided in subdivisions ~~(2)~~ (1) and (3) of this subsection;
138 and

139 ~~(2)~~ (3) Notwithstanding any other provision of this section
140 to the contrary, the Legislature may appropriate any interest
141 and other return earned thereon that may accrue on the moneys
142 in the Revenue Shortfall Reserve Fund – Part B after June 30,
143 2025, for expenditure for the purposes set forth in section
144 three, article eleven-a, chapter four of this code; and

145 ~~(3)~~ (4) Any appropriation made from Revenue Shortfall
146 Reserve Fund – Part B shall be made only in instances of
147 revenue shortfalls or fiscal emergencies of an extraordinary
148 nature.

149 (g) Subject to the conditions upon expenditures from the
150 Revenue Shortfall Reserve Fund – Part B prescribed in
151 subsection (f) of this section, in appropriating moneys
152 pursuant to the provisions of this section, the Legislature may
153 in any fiscal year appropriate from the Revenue Shortfall
154 Reserve Fund and the Revenue Shortfall Reserve Fund – Part
155 B a total amount up to, but not exceeding, ten percent of the
156 total appropriations from the State Fund, General Revenue,
157 for the fiscal year just ended.

158 (h)(1) Of the moneys in the Revenue Shortfall Reserve
159 Fund, \$100 million, or such greater amount as may be certified
160 as necessary by the director of the budget for the purposes of
161 subsection (e) of this section, shall be made available to the
162 West Virginia Board of Treasury Investments for management
163 and investment of the moneys in accordance with the
164 provisions of article six-c, chapter twelve of this code. All
165 other moneys in the Revenue Shortfall Reserve Fund shall be
166 made available to the West Virginia Investment Management
167 Board for management and investment of the moneys in

168 accordance with the provisions of article six, chapter twelve of
169 this code. Any balance of the Revenue Shortfall Reserve Fund
170 including accrued interest and other return earned thereon at
171 the end of any fiscal year ~~shall~~ do not revert to the general fund
172 but shall remain in the Revenue Shortfall Reserve Fund for the
173 purposes set forth in this section.

174 (2) All of the moneys in the Revenue Shortfall Reserve
175 Fund – Part B shall be made available to the West Virginia
176 Investment Management Board for management and
177 investment of the moneys in accordance with the provisions
178 of article six, chapter twelve of this code. Any balance of the
179 Revenue Shortfall Reserve Fund – Part B, including accrued
180 interest and other return earned thereon at the end of any
181 fiscal year, ~~shall~~ do not revert to the general fund but shall
182 remain in the Revenue Shortfall Reserve Fund – Part B for
183 the purposes set forth in this section.

**§11B-2-20a. West Virginia Infrastructure Modernization and
Development Special Revenue Fund
and permissible expenditures
therefrom.**

1 (a) There is created in the State Treasury the West
2 Virginia Infrastructure Modernization and Development
3 Special Revenue Fund. The West Virginia Infrastructure
4 Modernization and Development Special Revenue Fund shall
5 be funded on a revolving basis in accordance with this
6 subsection from surplus revenues, if any, in the State Fund,
7 General Revenue, as the surplus revenues may accrue from
8 time to time, subject to the requirements of section twenty of
9 this article. If at the end of any fiscal year there exists
10 surplus revenues in the State Fund, General Revenue, that
11 accrued during the fiscal year just ended, then the secretary
12 shall first cause funds to be deposited into the Revenue
13 Shortfall Reserve Fund pursuant to section twenty of this
14 article. If at the end of any fiscal year the Revenue Shortfall
15 Reserve Fund is funded at an amount equal to or exceeding
16 fifteen percent of the state's General Revenue Fund budget
17 for the fiscal year just ended, then the secretary shall, within
18 sixty days of the end of such fiscal year, cause to be
19 deposited into the West Virginia Infrastructure

20 Modernization and Development Special Revenue Fund the
21 first fifty percent of all surplus revenues, if any, in the State
22 Fund, General Revenue, determined to have accrued during
23 the fiscal year just ended.

24 (b) On October 1 in the fiscal year beginning July 1,
25 2013, and on October 1 in each subsequent fiscal year
26 thereafter, the secretary shall transfer: (1) Fifty percent of the
27 balance, if any, of the West Virginia Infrastructure
28 Modernization and Development Special Revenue Fund into
29 the West Virginia Infrastructure Fund created in section nine,
30 article fifteen-a, chapter thirty-one of this code to be
31 expended in accordance with the provisions of said article;
32 and (2) fifty percent of the balance, if any, of the West
33 Virginia Infrastructure Modernization and Development
34 Special Revenue Fund into the State Road Fund created in
35 section one, article three, chapter seventeen of this code to be
36 expended in accordance with the provisions of that chapter:
37 *Provided*, That no moneys transferred from the West Virginia
38 Infrastructure Modernization and Development Special

39 Revenue Fund into the State Road Fund pursuant to this
40 section may be expended to pay the costs of services of
41 consultants or preparing studies.

_____ **CHAPTER 17. ROADS AND HIGHWAYS.**

ARTICLE 3. STATE ROAD FUND.

**§17-3-1. What constitutes fund; payments into fund; use of money
in fund.**

1 There shall be a State Road Fund, which shall consist of
2 the proceeds of all state license taxes imposed upon
3 automobiles or other motor or steam driven vehicles; the
4 registration fees imposed upon all owners, chauffeurs,
5 operators and dealers in automobiles or other motor driven
6 vehicles; all sums of money which may be donated to such
7 fund; all proceeds derived from the sale of state bonds issued
8 pursuant to any resolution or act of the Legislature carrying
9 into effect the Better Roads Amendment to the Constitution
10 of this state, adopted in the month of November, 1964, except
11 that the proceeds from the sale of these bonds shall be kept in
12 a separate and distinct account in the State Road Fund; all

13 proceeds from the sale of state bonds issued pursuant to any
14 resolution or act of the Legislature carrying into effect the
15 Safe Roads Amendment of 1996 to the Constitution of this
16 state, adopted in the month of November, 1996, except that
17 the proceeds from the sale of these bonds shall be kept in a
18 separate and distinct account in the State Road Fund; all
19 moneys and funds appropriated to it by the Legislature; and
20 all moneys allotted or appropriated by the federal
21 government to this state for road construction and
22 maintenance pursuant to any act of the Congress of the
23 United States; the proceeds of all taxes imposed upon and
24 collected from any person, firm or corporation and of all
25 taxes or charges imposed upon and collected from any
26 county, district or municipality for the benefit of the fund; the
27 proceeds of all judgments, decrees or awards recovered and
28 collected from any person, firm or corporation for damages
29 done to, or sustained by, any of the state roads or parts
30 thereof; all moneys recovered or received by reason of the
31 violation of any contract respecting the building, construction

32 or maintenance of any state road; all penalties and forfeitures
33 imposed, recovered or received by reason thereof; all funds
34 transferred in accordance with section twenty-a, article two,
35 chapter eleven-b of this code; and any and all other moneys
36 and funds appropriated to, imposed and collected for the
37 benefit of such fund, or collected by virtue of any statute and
38 payable to such fund: *Provided*, That notwithstanding any
39 provisions of this code to the contrary, fifty cents of every
40 license fee paid pursuant to the provisions of subdivision (2),
41 subsection (a), section eight, article two, chapter seventeen-b
42 of this code shall be paid to the special fund established
43 pursuant to the provisions of subsection (a), section twelve,
44 article two, chapter three of this code.

45 When any money is collected from any of the sources
46 aforesaid, it shall be paid into the State Treasury by the
47 officer whose duty it is to collect and account for the same,
48 and credited to the State Road Fund, and ~~shall~~ may be used
49 only for the purposes named in this chapter, which are: (a) To
50 pay the principal and interest due on all state bonds issued for

51 the benefit of said fund, and set aside and appropriated for
52 that purpose; (b) to pay the expenses of the administration of
53 the road department; and (c) to pay the cost of maintenance,
54 construction, reconstruction and improvement of all state
55 roads.

CHAPTER 31. CORPORATIONS.

ARTICLE 15A. WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL.

**§31-15A-9. Infrastructure fund; deposits in fund; disbursements to
provide loans, loan guarantees, grants and other
assistance; loans, loan guarantees, grants and other
assistance shall be subject to assistance agreements;
West Virginia Infrastructure Lottery Revenue Debt
Service Fund; use of funds for projects.**

1 (a) The Water Development Authority shall create and
2 establish a special revolving fund of moneys made available
3 by appropriation, grant, contribution or loan to be known as
4 the West Virginia Infrastructure Fund. This fund shall be
5 governed, administered and accounted for by the directors,

6 officers and managerial staff of the Water Development
7 Authority as a special purpose account separate and distinct
8 from any other moneys, funds or funds owned and managed
9 by the Water Development Authority. The Infrastructure
10 Fund shall consist of subaccounts, as deemed necessary by
11 the council or the Water Development Authority, for the
12 deposit of: (1) Infrastructure revenues; (2) any
13 appropriations, grants, gifts, contributions, loan proceeds or
14 other revenues received by the Infrastructure Fund from any
15 source, public or private; (3) amounts received as payments
16 on any loans made by the Water Development Authority to
17 pay for the cost of a project or infrastructure project; (4)
18 insurance proceeds payable to the Water Development
19 Authority or the Infrastructure Fund in connection with any
20 infrastructure project or project; (5) all income earned on
21 moneys held in the Infrastructure Fund; (6) all funds
22 deposited in accordance with section four of article fifteen-b;
23 ~~and~~ (7) all proceeds derived from the sale of bonds issued
24 pursuant to article fifteen-b of this chapter; and (8) all funds

25 transferred in accordance with section twenty-a, article two,
26 chapter eleven-b of this code.

27 Any money collected pursuant to this section shall be
28 paid into the West Virginia Infrastructure Fund by the state
29 agent or entity charged with the collection of the same,
30 credited to the Infrastructure Fund, and used only for
31 purposes set forth in this article or article fifteen-b.

32 Amounts in the Infrastructure Fund shall be segregated
33 and administered by the Water Development Authority
34 separate and apart from its other assets and programs.
35 Amounts in the Infrastructure Fund may not be transferred to
36 any other fund or account or used, other than indirectly, for
37 the purposes of any other program of the Water Development
38 Authority, except that the Water Development Authority may
39 use funds in the Infrastructure Fund to reimburse itself for
40 any administrative costs incurred by it and approved by the
41 council in connection with any loan, loan guarantee, grant or
42 other funding assistance made by the Water Development
43 Authority pursuant to this article.

44 (b) Notwithstanding any provision of this code to the
45 contrary, amounts in the Infrastructure Fund shall be
46 deposited by the Water Development Authority in one or
47 more banking institutions: *Provided*, That any moneys so
48 deposited shall be deposited in a banking institution located
49 in this state. The banking institution shall be selected by the
50 Water Development Authority by competitive bid. Pending
51 the disbursement of any money from the Infrastructure Fund
52 as authorized under this section, the Water Development
53 Authority shall invest and reinvest the moneys subject to the
54 limitations set forth in article eighteen, chapter thirty-one of
55 this code.

56 (c) To further accomplish the purposes and intent of this
57 article and article fifteen-b of this chapter, the Water
58 Development Authority may pledge infrastructure revenues
59 and from time to time establish one or more restricted
60 accounts within the Infrastructure Fund for the purpose of
61 providing funds to guarantee loans for infrastructure projects
62 or projects: *Provided*, That for any fiscal year the Water

63 Development Authority may not deposit into the restricted
64 accounts more than twenty percent of the aggregate amount
65 of infrastructure revenues deposited into the Infrastructure
66 Fund during the fiscal year. No loan guarantee ~~shall~~ may be
67 made pursuant to this article unless recourse under the loan
68 guarantee is limited solely to amounts in the restricted
69 account or accounts. No person shall have any recourse to
70 any restricted accounts established pursuant to this subsection
71 other than those persons to whom the loan guarantee or
72 guarantees have been made.

73 (d) Each loan, loan guarantee, grant or other assistance
74 made or provided by the Water Development Authority shall
75 be evidenced by a loan, loan guarantee, grant or assistance
76 agreement between the Water Development Authority and
77 the project sponsor to which the loan, loan guarantee, grant
78 or assistance shall be made or provided, which agreement
79 shall include, without limitation and to the extent applicable,
80 the following provisions:

81 (1) The estimated cost of the infrastructure project or
82 project, the amount of the loan, loan guarantee or grant or the
83 nature of the assistance and in the case of a loan or loan
84 guarantee, the terms of repayment and the security therefor,
85 if any;

86 (2) The specific purposes for which the loan or grant
87 proceed shall be expended or the benefits to accrue from the
88 loan guarantee or other assistance, and the conditions and
89 procedure for disbursing loan or grant proceeds;

90 (3) The duties and obligations imposed regarding the
91 acquisition, construction, improvement or operation of the
92 project or infrastructure project; and

93 (4) The agreement of the governmental agency to comply
94 with all applicable federal and state laws, and all rules and
95 regulations issued or imposed by the Water Development
96 Authority or other state, federal or local bodies regarding the
97 acquisition, construction, improvement or operation of the
98 infrastructure project or project and granting the Water
99 Development Authority the right to appoint a receiver for the

100 project or infrastructure if the project sponsor should default
101 on any terms of the agreement.

102 (e) Any resolution of the Water Development Authority
103 approving loan, loan guarantee, grant or other assistance shall
104 include a finding and determination that the requirements of
105 this section have been met.

106 (f) The interest rate on any loan to governmental, quasi-
107 governmental or not-for-profit project sponsors for projects
108 made pursuant to this article ~~shall~~ may not exceed three
109 percent per annum. Due to the limited availability of funds
110 available for loans for projects, it is the public policy of this
111 state to prioritize funding needs to first meet the needs of
112 governmental, quasi-governmental and not-for-profit project
113 sponsors and to require that loans made to for-profit entities
114 shall bear interest at the current market rates. Therefore, no
115 loan may be made by the council to a for-profit entity at an
116 interest rate which is less than the current market rate at the
117 time of the loan agreement.

118 (g) The Water Development Authority shall cause an
119 annual audit to be made by an independent certified public
120 accountant of its books, accounts and records, with respect to
121 the receipts, disbursements, contracts, leases, assignments,
122 loans, grants and all other matters relating to the financial
123 operation of the Infrastructure Fund, including the operating
124 of any subaccount within the Infrastructure Fund. The person
125 performing such audit shall furnish copies of the audit report
126 to the commissioner of finance and administration, where
127 they shall be placed on file and made available for inspection
128 by the general public. The person performing ~~such~~ the audit
129 shall also furnish copies of the audit report to the
130 Legislature's Joint Committee on Government and Finance.

131 (h) There is ~~hereby created~~ continued in the Water
132 Development Authority a separate, special account which
133 shall be designated and known as the West Virginia
134 Infrastructure Lottery Revenue Debt Service Fund, into
135 which shall be deposited annually for the fiscal year

136 beginning July 1, 2011, and each fiscal year thereafter, the
137 first \$6 million transferred pursuant to section eighteen-d,
138 article twenty-two, chapter twenty-nine of this code and any
139 other funds provided therefor: *Provided*, That ~~such~~ the
140 deposits and transfers are not subject to the reservations of
141 funds or requirements for distributions of funds established
142 by sections ten and eleven of this article. Moneys in the West
143 Virginia Infrastructure Lottery Revenue Debt Service Fund
144 shall be used to pay debt service on bonds or notes issued by
145 the Water Development Authority for watershed compliance
146 projects as provided in section seventeen-b of this article, and
147 to the extent not needed to pay debt service, for the design or
148 construction of improvements for watershed compliance
149 projects. Moneys in the West Virginia Infrastructure Lottery
150 Revenue Debt Service Fund not expended at the close of the
151 fiscal year do not lapse or revert to the general fund but are
152 carried forward to the next fiscal year.

(NOTE: The purpose of this bill is to increase the maximum aggregate funding amount from thirteen percent to fifteen percent for the Revenue Shortfall Reserve Fund; dedicate all interest and other earnings on moneys in Revenue Shortfall Reserve Fund - Part B to the state's Medicaid program; create the West Virginia Infrastructure Modernization and Development Special Revenue Fund in the State Treasury; specify the funding source for the West Virginia Infrastructure Modernization and Development Special Revenue Fund; specify the use of funds in the West Virginia Infrastructure Modernization and Development Special Revenue Fund; provide ability of State Road Fund to accept and expend funds transferred from the West Virginia Infrastructure Modernization and Development Special Revenue Fund; and provide ability of West Virginia Infrastructure Fund to accept and expend funds transferred from the West Virginia Modernization and Development Special Revenue Fund.

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

§11B-2-20a is new; therefore, strike-throughs and underscoring have been omitted.)