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**Senate Bill No. 264**

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

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[Introduced January 20, 2015; referred to the Committee on Finance.]

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**FISCAL  
NOTE**

A BILL to amend and reenact §31-15A-16 of the Code of West Virginia, 1931, as amended, relating to dedication of severance tax proceeds to the West Virginia Infrastructure General Obligation Debt Service Fund; and specifying reduction of the amount of severance tax proceeds dedicated to the West Virginia Infrastructure General Obligation Debt Service Fund.

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

That §31-15A-16 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

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

**§31-15A-16. Dedication of severance tax proceeds.**

(a) There shall be dedicated an annual amount from the collections of the tax collected pursuant to article thirteen-a, chapter eleven of this code for the construction, extension, expansion,

1 rehabilitation, repair and improvement of water supply and sewage treatment systems and for the  
2 acquisition, preparation, construction and improvement of sites for economic development in this  
3 state as provided in this article.

4 (b) Notwithstanding any other provision of this code to the contrary, beginning on July 1,  
5 1995, the first \$16 million of the tax collected pursuant to article thirteen-a, chapter eleven of this  
6 code shall be deposited to the credit of the West Virginia Infrastructure General Obligation Debt  
7 Service Fund created pursuant to section three, article fifteen-b of this chapter: *Provided*, That  
8 beginning on July 1, 1998, the first \$24 million of the tax annually collected pursuant to article  
9 thirteen-a of this code shall be deposited to the credit of the West Virginia Infrastructure General  
10 Obligation Debt Service Fund created pursuant to section three, article fifteen-b of this chapter:  
11 *Provided, however*, That subject to the conditions, limitations, exclusions and constraints prescribed  
12 by subsection (c) of this section, beginning on July 1, 2013, the amount deposited under this  
13 subsection to the credit of the West Virginia Infrastructure General Obligation Debt Service Fund  
14 created pursuant to section three, article fifteen-b of this chapter shall be the first \$23 million of the  
15 tax annually collected pursuant to article thirteen-a, chapter eleven of this code: *Provided further*,  
16 That subject to the conditions, limitations, exclusions and constraints prescribed by subsection (c)  
17 of this section, beginning on July 1, 2015, the amount deposited under this subsection to the credit  
18 of the West Virginia Infrastructure General Obligation Debt Service Fund created pursuant to section  
19 three, article fifteen-b of this chapter shall be the first \$22.5 million of the tax annually collected  
20 pursuant to article thirteen-a, chapter eleven of this code.

21 (c) Notwithstanding any provision of subsection (b) of this section to the contrary: (1) None

1 of the collections from the tax imposed pursuant to section six, article thirteen-a, chapter eleven of  
2 this code shall be so dedicated or deposited; and (2) the portion of the tax imposed by article  
3 thirteen-a, chapter eleven and dedicated for purposes of Medicaid and the Division of Forestry  
4 pursuant to section twenty-a of said article thirteen-a shall remain dedicated for the purposes set forth  
5 in that section twenty-a.

6 (d) On or before May 1 of each year, commencing May 1, 1995, the council, by resolution,  
7 shall certify to the Treasurer and the Water Development Authority the principal and interest  
8 coverage ratio and amount for the following fiscal year on any infrastructure general obligation  
9 bonds issued pursuant to the provisions of article fifteen-b of this chapter.

NOTE: The purpose of this bill is to change the amount of severance tax revenue annually  
dedicated to the West Virginia Infrastructure General Obligation Debt Service Fund from \$23  
million to \$22.5 million.

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