

**Senate Bill No. 380**

(By Senators Kessler, Stollings, Unger, Miller and Yost)

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[Introduced January 30, 2015; referred to the Committee on Finance.]  
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9 A BILL to amend and reenact §11-13A-5b of the Code of West Virginia, 1931, as amended, relating  
10 to the West Virginia Future Fund; including the Revenue Shortfall Reserve Fund - Part B in  
11 the calculation of when deposits may be made into fund; and adding definition for "education  
12 and workforce development".

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

14 That §11-13A-5b of the Code of West Virginia, 1931, as amended, be amended and  
15 reenacted to read as follows:

16 **ARTICLE 13A. SEVERANCE AND BUSINESS PRIVILEGE TAX ACT.**

17 **§11-13A-5b. Creation of West Virginia Future Fund; legislative intent; calculation of deposits**  
18 **from excess severance tax revenues; permissible uses of investment income**  
19 **and limitations on expenditures; definitions.**

20 (a) There is hereby created in the State Treasury a special revenue account, designated the  
21 West Virginia Future Fund, which is an interest-bearing account and may be invested by the West  
22 Virginia Investment Management Board in the manner permitted by the provisions of article six,

1 chapter twelve of this code, with the investment income to be credited to the fund and deposited in  
2 the special revenue account.

3 (b) The Legislature declares its intention to use the fund as a means of conserving a portion  
4 of the state's revenue derived from the increased revenue proceeds received by the state as a result  
5 of any mineral production as well as other funding sources as the Legislature may designate in order  
6 to meet future needs. The principal of the fund shall remain inviolate and no portion of the principal  
7 may be appropriated, expended or encumbered by the Legislature or any official of the state. Only  
8 the investment income of this fund may be appropriated and expended: *Provided*, That no more than  
9 the average net investment return for the immediately preceding five fiscal years may be appropriated  
10 or expended in one fiscal year.

11 (c) Notwithstanding any provision of this code to the contrary, for the fiscal year beginning  
12 July 1, 2014, and each year thereafter, the secretary of revenue shall cause to be deposited in this  
13 fund three percent of the annual severance tax revenue which would otherwise be deposited into the  
14 General Revenue Fund which is attributable to the severance of coal, limestone, sandstone, natural  
15 gas and oil and collected and received pursuant to the provisions of sections three and three-a, article  
16 thirteen-a, chapter eleven of this code: *Provided*, That these deposits shall only be made during  
17 fiscal years within which the balance sum of the balances of the Revenue Shortfall Reserve Fund and  
18 the Revenue Shortfall Reserve Fund - Part B equals or exceeds thirteen percent of the state's General  
19 Revenue Fund budget for the fiscal year just ended as determined within sixty days of the end of that  
20 prior fiscal year as provided by subsection (b), section twenty, article two, chapter eleven-b of this  
21 code: *Provided, however*, That these deposits shall not be made in any fiscal year in which the  
22 Governor's General Revenue Fund estimate relies on transfers from the Revenue Shortfall Reserve

1 Fund: *Provided further*, That these deposits shall not be made in any fiscal year for which mid-year  
2 spending reductions, hiring freezes, mid-year decreases in appropriations or transfers from the  
3 Revenue Shortfall Reserve Fund are necessitated due to revenue shortfalls or would be necessitated  
4 if the deposits were to be made: *And provided further*, That amounts that may be deposited into the  
5 fund in error or found later to be subject to these limitations shall be redeposited into the General  
6 Revenue Fund. The Legislature may, by general appropriation or by designation of other funding  
7 sources, deposit into the fund additional moneys as it considers appropriate.

8 (d) In order to maximize the value of the fund, no money from the fund may be expended or  
9 appropriated until fiscal year 2020 and thereafter the Legislature may appropriate, subject to the  
10 limitations provided in this section, from the fund solely for enhancing education and workforce  
11 development; economic development and diversification; infrastructure improvements; and tax relief  
12 measures for the benefit of the citizens and businesses of the State of West Virginia.

13 (e) For purposes of this section:

14 (1) "Economic development and diversification" means fostering economic growth and  
15 development in the state, including commercial, industrial, community, cultural or historical  
16 improvements; or preservation or other proper purposes.

17 (2) "Infrastructure improvements" means fostering infrastructure improvements including,  
18 but not limited to, post-mining land use, water or wastewater facilities or a part thereof, storm water  
19 systems, steam, gas, telephone and telecommunications, broadband development, electric lines and  
20 installations, roads, bridges, railroad spurs, drainage and flood control facilities, industrial park  
21 development or buildings that promote job creation and retention.

22 (3) "Tax relief" means reducing the tax responsibility of citizens and businesses located in

1 the State of West Virginia, including, but not limited to, increasing the Homestead Exemption and  
2 reducing or eliminating the ad valorem property tax on inventory and equipment held for commercial  
3 or industrial use.

4 (4) "Education and workforce development" means fostering incentives that help individuals  
5 maximize their employment opportunities, including, but not limited to, programs that help workers  
6 develop and enhance their skills, especially in the areas of science, technology, engineering and  
7 math, and programs that help employers attract and retain skilled workers.

NOTE: The purpose of this bill is to include the Revenue Shortfall Reserve Fund - Part B in the calculation of when deposits may be made into the West Virginia Future Fund, and to add a definition for "education and workforce development."

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