

**Senate Bill No . 495**

(By Senators Leonhardt and Kessler)

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[Introduced February 16, 2015; referred to the Committee on Transportation and Infrastructure;

and then to the Committee on Finance.]

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**FISCAL  
NOTE**

A BILL to amend and reenact §7-20-1, §7-20-2, §7-20-3, §7-20-6, §7-20-7, §7-20-7a, §7-20-14, §7-20-15, §7-20-16, §7-20-23 and §7-20-24 of the Code of West Virginia, 1931, as amended; and to amend said code by adding thereto twenty-eight new sections, designated §7-20-25, §7-20-26, §7-20-27, §7-20-28, §7-20-29, §7-20-30, §7-20-31, §7-20-32, §7-20-33, §7-20-34, §7-20-35, §7-20-36, §7-20-37, §7-20-38, §7-20-39, §7-20-40, §7-20-41, §7-20-42, §7-20-43, §7-20-44, §7-20-45, §7-20-46, §7-20-47, §7-20-48, §7-20-49, §7-20-50, §7-20-51 and §7-20-52, all relating generally to County Local Powers Act fees; taxes and expenditures for county development; restating short title; amending its purpose and legislative findings; amending certain definitions and adding definitions; amending criteria and requirements to implement and collect certain fees; amending authorization for county commissions to impose impact fees, services fees and other taxes; providing that certain fees and taxes collected may be deposited in special fund and used to pay debt service on revenue bonds

1 issued to finance capital improvements or to finance them on a pay-as-you-go basis; making  
2 technical corrections; allowing county commissions and Commissioner of Highways to enter  
3 into intergovernmental agreements for construction and modernization of state roads, bridges  
4 and related infrastructure and financing in their respective counties; providing procedures for  
5 creation and finalization of project plans and amendments of plans; requiring notice to  
6 certain locally elected public officials and general public on proposed road, bridge and  
7 related infrastructure construction projects and project amendments with opportunity for  
8 public comment; providing means to finance cost of proposed road, bridge and related  
9 infrastructure construction projects and project amendments; allowing reallocation of ad  
10 valorem property taxes after ratification of constitutional amendment of certain property tax  
11 collections to finance, in whole or in part, capital improvements to infrastructure; providing  
12 for applications for a construction project and the contents of applications; creating special  
13 fund; requiring approval of boards of education for reallocation of regular property tax levies;  
14 providing for termination of reallocation of levies; authorizing Commissioner of Highways  
15 to issue revenue bonds and refunding bonds to finance road, bridge and related infrastructure  
16 projects financed, in whole or in part, by county commissions; providing that all bonds are  
17 exempt from tax, are negotiable and are lawful investments; providing procedures for  
18 issuance of bonds; allowing projects to also be constructed on pay-as-you-go basis; providing  
19 that these powers are supplemental powers of county commissions and Commissioner of  
20 Highways; requiring reports; exempting public officials from personal liability; providing  
21 a severability clause; and effective dates.

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

2       That §7-20-1, §7-20-2, §7-20-3, §7-20-6, §7-20-7, §7-20-7a, §7-20-14, §7-20-15, §7-20-16,  
3 §7-20-23 and §7-20-24 of the Code of West Virginia, 1931, as amended, be amended and reenacted;  
4 and that said code be amended by adding thereto twenty-eight new sections, designated §7-20-25,  
5 §7-20-26, §7-20-27, §7-20-28, §7-20-29, §7-20-30, §7-20-31, §7-20-32, §7-20-33, §7-20-34,  
6 §7-20-35, §7-20-36, §7-20-37, §7-20-38, §7-20-39, §7-20-40, §7-20-41, §7-20-42, §7-20-43,  
7 §7-20-44, §7-20-45, §7-20-46, §7-20-47, §7-20-48, §7-20-49, §7-20-50, §7-20-51 and §7-20-52, all  
8 to read as follows:

9 **ARTICLE 20. FEES AND EXPENDITURES FOR COUNTY DEVELOPMENT.**

10 **PART 1. IMPACT FEES AND SERVICE FEES.**

11 **§7-20-1. Short title.**

12       This article shall be known as the "County Local Powers Act".

13 **§7-20-2. Purpose and findings.**

14       (a) It is the purpose of this article to provide for the fair distribution of costs for county  
15 development by authorizing the assessment and collection of fees to offset the cost of commercial,  
16 industrial and residential development within affected counties.

17       (b) The Legislature hereby makes the following findings:

18       (1) The residents, taxpayers and users of county facilities and services, in affected counties,  
19 have contributed significant funds in the form of taxes and user charges toward the cost of existing  
20 county facilities and services, which represent a substantial and incalculable investment;

21       (2) Affected counties in West Virginia are experiencing an increased demand for

1 development which is causing strain on tax revenues and user charges at existing levels and  
2 impairing the ability of taxpayers, residents and users to bear the cost of increased demand for county  
3 facilities and services. In some instances, county borrowing has been required to meet the demand;

4 (3) Equitable considerations require that future residents and users of existing county  
5 facilities and services contribute toward the investment already made in those facilities and services;

6 (4) Sound fiscal policy in the efficient administration of county government requires that the  
7 imposition of taxes and user charges be commensurate to the actual yearly cost of county facilities  
8 and services;

9 (5) Accumulations of large financial reserves for future capital expenditures unjustly exact  
10 unneeded current funds from taxpayers and users; ~~and~~

11 (6) County borrowing unnecessarily increases the cost of government by the amount of debt  
12 service and should be avoided unless considered absolutely necessary to meet an existing public  
13 need; and

14 (7) County economic development is hampered by the lack of state dollars to fund new roads  
15 and bridges and related infrastructure and to fund improvements to existing state roads and bridges  
16 and related infrastructure.

17 **§7-20-3. Definitions.**

18 For purposes of this article:

19 "Broadband transmission lines" means equipment lines, regardless of the technology or  
20 medium, including, but not limited to, copper wire, fiber-optic cable or coaxial cable, capable of  
21 transmitting broadband service.

1           (a) "Capital improvements" means the following public facilities or assets that are owned,  
2 supported or established by ~~county government~~ or on behalf of a government entity:

3           (1) Water treatment and distribution facilities;

4           (2) Wastewater treatment and disposal facilities;

5           (3) Sanitary sewers;

6           (4) Storm water, drainage, and flood control facilities;

7           (5) Public primary and secondary school facilities;

8           (6) Public road systems and rights-of-way owned by the West Virginia Department of  
9 Transportation or other government entity;

10          (7) Parks and recreational facilities; ~~and~~

11          (8) Police, emergency medical, rescue, and fire protection facilities; and

12          (9) Broadband transmission lines.

13          "Capital improvements" as defined herein is limited to those improvements that are treated  
14 as capitalized expenses according to generally accepted governmental accounting principles, or  
15 generally accepted accounting principles in the case of certain county economic development  
16 entities, and that have an expected useful life of no less than three years. "Capital improvement" does  
17 not include costs associated with the operation, repair, maintenance, or full replacement of capital  
18 improvements. "Capital improvement" does include reasonable costs for planning, design,  
19 engineering, land acquisition, and other costs directly associated with the capital improvements  
20 described herein.

21          "County economic development entity" means a county economic development authority

1 established pursuant to article twelve of this chapter or if a county does not have a county economic  
2 development authority established pursuant to article twelve of this chapter, an entity designated by  
3 resolution of the county commission of the county as the lead entity for economic development  
4 activities for the purpose of encouraging economic development in the county which entity may be,  
5 but is not limited to being, redevelopment authorities created pursuant to article eighteen, chapter  
6 sixteen of this code; county economic development corporations; regional economic development  
7 councils, corporations or partnerships.

8       (b) "County services" means the following: (1) Services provided by administration and  
9 administrative personnel, law enforcement and its support personnel; (2) street light service; (3)  
10 firefighting service; (4) ambulance service; (5) fire hydrant service; (6) roadway maintenance and  
11 other services provided by roadway maintenance personnel; (7) public utility systems and services  
12 provided by public utility systems personnel, water; and (8) all other direct and indirect county  
13 services authorized by this code.

14       (c) "Direct county services" means those public services authorized and provided by various  
15 county agencies or departments including, but not limited to, county economic development entities.

16       "Economic development" means any activity by a government entity seeking to improve the  
17 economic well-being and quality of life for a community and its citizens by creating or retaining  
18 jobs, growing incomes and increasing the tax base.

19       (d) "Indirect county services" means those public services authorized and provided by  
20 commissioned agents, agencies or departments of the county.

21       "Governmental entity" means the state and any county, municipality, or other governmental

1 unit or political subdivision of the state, public corporation established by the state or a political  
2 subdivision thereof and county economic development entities.

3       (ⓔ) "Growth county" means any county within the state with an averaged population growth  
4 rate in excess of one percent per year as determined from the most recent decennial census counts  
5 and forecasted, within decennial census count years, by official records of government or generally  
6 approved standard statistical estimate procedures: *Provided*, That once "growth county" status is  
7 achieved it is permanent in nature and the powers derived hereby are continued. However, beginning  
8 July 1, 2015, the term "growth county" means and includes all of the fifty-five counties in this state  
9 regardless of their population.

10       (ⓕ) "User" means any member of the public who uses or may have occasion to use county  
11 facilities and services as defined herein.

12       (ⓖ) "Impact fees" means any charge, fee, or assessment levied as a condition of the following:  
13 (1) Issuance of a subdivision or site plan approval; (2) issuance of a building permit; and (3)  
14 approval of a certificate of occupancy, or other development or construction approval when any  
15 portion of the revenues collected is intended to fund any portion of the costs of capital improvements  
16 for any public facilities or county services not otherwise permitted by law. An impact fee does not  
17 include charges for remodeling, rehabilitation, or other improvements to an existing structure or  
18 rebuilding a damaged structure, provided there is no increase in gross floor area or in the number of  
19 dwelling units that result therefrom.

20       (ⓗ) "Proportionate share" means the cost of capital improvements that are reasonably  
21 attributed to new development less any credits or offsets for construction or dedication of land or

1 capital improvements, past or future payments made or reasonably anticipated to be made by new  
2 development in the form of user fees, debt service payments, taxes or other payments toward capital  
3 improvement costs.

4 (†) "Reasonable benefit" means a benefit received from the provision of a capital  
5 improvement greater than that received by the general public located within the county wherein an  
6 impact fee is being imposed.

7 (†)"Plan" means a county, comprehensive, general, master or other land use plan as described  
8 herein in part one of this article.

9 (†) "Program" means the capital improvements program described herein.

10 "Related infrastructure" means and includes water distribution facilities, sanitary sewers, and  
11 storm water, drainage, and flood control facilities;

12 "Road" means a public highway, road, bridge, tunnel, or overpass to be used for the  
13 transportation of persons or goods that is or will be upon completion part of the state road system  
14 as defined in article twelve-a of this chapter.

15 "Road project" means any project, including related infrastructure, to acquire, design,  
16 construct, expand, renovate, extend, enlarge, increase, equip, improve, maintain or operate a road  
17 in this state that is under the jurisdiction of the West Virginia Department of Transportation.

18 (†)"Unincorporated area" and "total unincorporated area" means all lands and resident estates  
19 of a county that are not included within the corporate, annexed areas or legal service areas of an  
20 incorporated or chartered municipality, city, town or village located in the State of West Virginia.

21 "West Virginia Commissioner of Highways" or "Commissioner of Highways" has the



1 meaning ascribed to the term in section two, article one, chapter seventeen of this code.

2 **§7-20-6. Criteria and requirements necessary to implement collection of fees.**

3 (a) As a prerequisite to authorizing counties to levy impact fees related to population growth  
4 ~~and~~ or public service needs as provided in section seven of this article, counties shall meet the  
5 following requirements:

6 (1) A demonstration that current infrastructure is hampering economic development in the  
7 county or that the county's population growth rate history as determined from the most recent base  
8 decennial census counts of a county, utilizing generally approved standard statistical estimate  
9 procedures, in excess of one percent annually averaged over a five-year period since the last  
10 decennial census count; or a demonstration that a total population growth rate projection of one  
11 percent per annum for an ensuing five-year period, based on standard statistical estimate procedures,  
12 from the current official population estimate of the county;

13 (2) ~~Adopting~~ Adopt a countywide comprehensive plan;

14 (3) ~~Reviewing~~ Periodic review and updating ~~any~~ of a comprehensive plan at no less than  
15 five-year intervals;

16 (4) ~~Drafting and adopting a comprehensive zoning ordinance;~~

17 (5) ~~Drafting and adopting a subdivision control ordinance;~~

18 (6) (4) ~~Keeping~~ Imposing and keeping in place a formal building permit and review system  
19 which provides a process to regulate the authorization of applications relating to construction or  
20 structural modification. The county shall adopt, pursuant to section three-n, article one of this  
21 chapter, the state building code into any such building permit and review system; and

1           ~~(7)~~ (5) Provide an improvement program which shall include:

2           (A) Developing and maintaining a list within the county of particular sites with development  
3 potential;

4           (B) Developing and maintaining standards of service for capital improvements which are  
5 fully or partially funded with revenues collected from impact fees, service fees, property tax  
6 collections reallocated as provides in section twenty-five of this article, taxes imposed pursuant to  
7 this article, or any combination of; and

8           (C) Lists of proposed capital improvements from all areas, containing descriptions of any  
9 such proposed capital improvements, cost estimates, projected time frames for constructing such  
10 improvements and proposed or anticipated funding sources.

11           (b) Capital improvement programs may include provisions to provide for the expenditure of  
12 impact fees for any legitimate county purpose. This may include the expenditure of fees for partial  
13 funding of any particular capital improvement where other funding exists from any source other than  
14 the county or exists in combination with other funds available to the county: *Provided*, That for such  
15 expenditures to be considered legitimate, no county or other local authority may deny or withhold  
16 any reasonable benefit that may be derived therefrom from any development project for which such  
17 impact fee or fees have been paid.

18           (c) Capital improvement programs for public elementary and secondary school facilities may  
19 include provisions to spend impact fees based on a computation related to the following: (1) The  
20 existing local tax base; and (2) the adjusted value of accumulated infrastructure investment, based  
21 on net depreciation, and any remaining debt owed thereon. Any such computation must establish

1 the value of any equity shares in the net worth of an impacted school system facility, regardless of  
2 the existence of any need to expand such facility. Impact fee revenues may only be used for capital  
3 replacement or expansion.

4 (d) Additional development areas may be added to any plan or capital improvements program  
5 provided for hereunder if a county government so desires. The standards governing the construction  
6 or structural modification for any such additional area shall not deviate from those adopted and  
7 maintained at the time such addition is made.

8 (e) The county may periodically modify ~~annually~~ any capital improvements plan in addition  
9 to any impact fee rates based thereon, pursuant to the following:

10 (1) The number and extent of development projects begun in the past year;

11 (2) The number and extent of public facilities existing or under construction;

12 (3) The changing needs of the general population;

13 (4) The availability of any other funding sources; and

14 (5) Any other relevant and significant factor applicable to a legitimate goal or goals of any  
15 such capital improvement plan.

16 **§7-20-7. Establishment of impact fees; levies may be used to fund existing capital**  
17 **improvements.**

18 (a) Impact fees assessed against a development project to fund capital improvements and  
19 public services may not exceed the actual proportionate share of any benefit realized by such project  
20 relative to the benefit to the resident taxpayers.

21 Notwithstanding any other provision of this code to the contrary, ~~those counties that meet the~~

1 requirements of section six of this article are hereby authorized to assess, levy, collect and administer  
2 any tax or fee as has been or may be specifically authorized by the Legislature by general law to the  
3 municipalities of this state: *Provided*, That any assessment, levy or collection shall be delayed sixty  
4 days from its regular effective date: *Provided, however*, That in the event fifteen percent of the  
5 qualified voters of the county by petition duly signed by them in their own handwriting and filed  
6 with the county commission within forty-five days after any impact fee or levy is imposed by the  
7 county commission, pursuant to this article, the fee or levy protested may not become effective until  
8 it is ratified by a majority of the legal votes cast thereon by the qualified voters of such county at any  
9 primary, general or special election as the county commission directs. Voting thereon may not take  
10 place until after notice of the ~~subcommission of referendum on~~ the fee a or levy ~~on~~ and the ballot ~~has~~  
11 have been given by publication of published as a class II legal advertisement and publication area  
12 ~~shall be in~~ the county where such fee or levy is imposed: *Provided further*, That counties may not  
13 "double tax" by applying a given tax within any corporate boundary in which that municipality has  
14 implemented such tax. Any such taxes or fees collected under this law may be used to fund a  
15 proportionate share of the cost of existing capital improvements and public services where it is  
16 shown that all or a portion of existing capital improvements and public services were provided in  
17 anticipation of the needs of new development.

18 (b) In determining a proportionate share of capital improvements and public services costs,  
19 the following factors shall be considered:

20 (1) The need for new capital improvements and public services to serve new development  
21 based on an existing capital improvements plan that shows (A) any current deficiencies in existing

1 capital improvements and services that serve existing development and the means by which any such  
2 deficiencies may be eliminated within a reasonable period of time by means other than impact fees  
3 or additional levies; and (B) any additional demands reasonably anticipated as the result of capital  
4 improvements and public services created by new development;

5 (2) The availability of other sources of revenue to fund capital improvements and public  
6 services, including user charges, existing taxes, intergovernmental transfers, in addition to any  
7 special tax or assessment alternatives that may exist;

8 (3) The cost of existing capital improvements and public services;

9 (4) The method by which the existing capital improvements and public services are financed;

10 (5) The extent to which any new development, required to pay impact fees, has contributed  
11 to the cost of existing capital improvements and public services in order to determine if any credit  
12 or offset may be due such development as a result thereof;

13 (6) The extent to which any new development, required to pay impact fees, is reasonably  
14 projected to contribute to the cost of the existing capital improvements and public services in the  
15 future through user fees, debt service payments, or other necessary payments related to funding the  
16 cost of existing capital improvements and public services;

17 (7) The extent to which any new development is required, as a condition of approval, to  
18 construct and dedicate capital improvements and public services which may give rise to the future  
19 accrual of any credit or offsetting contribution; and

20 (8) The time-price differentials inherent in reasonably determining amounts paid and benefits  
21 received at various times that may give rise to the accrual of credits or offsets due new development

1 as a result of past payments.

2 (c) Each county shall assess impact fees pursuant to a standard formula so as to ensure fair  
3 and similar treatment to all affected persons or projects. A county commission may provide partial  
4 or total funding from general or other nonimpact fee funding sources for capital improvements and  
5 public services directly related to new development, when such development benefits some public  
6 purpose, such as providing affordable housing and creating or retaining employment in the  
7 community.

8 **§7-20-7a. Impact fees for affordable housing.**

9 (a) The Legislature finds that:

10 (1) There is a lack of affordable housing in counties that impose impact fees because the cost  
11 of the fees along with the economic conditions in those counties has resulted in low and moderate  
12 income persons, persons on fixed incomes, the elderly and persons with special needs, not being able  
13 to obtain safe, decent and affordable housing;

14 (2) A lack of affordable housing affects the ability of a community to develop and maintain  
15 strong and stable economies, and impairs the health, stability and self-esteem of individuals and  
16 families; and

17 (3) Financing affordable housing particularly in high growth counties is becoming  
18 increasingly difficult.

19 For these reasons, it is in the public interest to encourage counties that have imposed impact  
20 fees and those considering the imposition of impact fees to fairly assess and discount impact fees so  
21 as not to limit safe, decent and affordable housing.

1           (b) ~~On or before July 1, 2012,~~ A county imposing impact fees shall enact an affordable  
2 housing component with a discount impact fees schedule, based upon the new homes value  
3 compared to the most recent annual single dwelling residential housing index created in section  
4 two-b, article one, chapter eleven of this code, to the county's impact fees ordinance. The impact  
5 fees schedule shall be updated annually to reflect the changes to the single dwelling residential  
6 housing index.

7           (c) The affordable housing component shall:

8           (1) Take into account all the different types of housing, including single family detached,  
9 single family attached, duplex, town house, apartment, condominium and manufactured home; and

10          (2) Include a discount for mobile homes, as defined in section one, article one, chapter  
11 seventeen-a of this code, based upon the value set out in the National Automobile Dealers  
12 Association book.

13          (d) The county commission shall annually review impact fees imposed pursuant to this article  
14 and may approve, by a majority vote, any increase or decrease in the impact fees schedule.

15 **§7-20-14. Use of proceeds from sale of bonds.**

16          (a) The proceeds from the sale of any bonds issued under authority of section thirteen of this  
17 article shall be applied only for the purpose for which the bonds were issued: *Provided*, That any  
18 accrued interest and premium received in any such sale shall be applied to the payment of the  
19 principal of or the interest on the bonds sold. If for any reason any portion of the proceeds shall not  
20 be needed for the purpose for which the bonds were issued, then the unneeded portion of the  
21 proceeds shall be applied to the purchase of bonds for cancellation or payment of the principal of or

1 the interest on the bonds, or held in reserve for the payment thereof.

2 (b) The costs of acquiring any special infrastructure project shall be deemed to include the  
3 following:

4 (1) Capital costs, including, but not limited to, the actual costs of the construction of public  
5 works or improvements, capital improvements and facilities, new buildings, structures and fixtures,  
6 the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures and  
7 fixtures, environmental remediation, the acquisition of equipment and site clearing, grading and  
8 preparation;

9 (2) Financing costs, including, but not limited to, an interest paid to holders of evidences of  
10 indebtedness issued to pay for project costs, all costs of issuance and any redemption premiums,  
11 credit enhancement or other related costs;

12 (3) Real property acquisition costs including, but not limited to, rights of ways;

13 (4) Professional service costs, including, but not limited to, those costs incurred for  
14 architectural planning, engineering and legal advice and services;

15 (5) Imputed administrative costs, including, but not limited to, reasonable charges for time  
16 spent by county employees in connection with the implementation of a project;

17 (6) Relocation costs, including, but not limited to, those relocation payments made following  
18 condemnation and job training and retraining;

19 (7) Organizational costs, including, but not limited to, the costs of conducting environmental  
20 impact and other studies, and the costs of informing the public with respect to the implementation  
21 of project plans;



1 (8) Payments made, in the discretion of the county commission, which are found to be  
 2 necessary or convenient to the implementation of project plans; and

3 (9) That portion of costs related to the construction of environmental protection devices,  
 4 storm or sanitary sewer lines, water lines, amenities or streets or the rebuilding or expansion of  
 5 streets, or the construction, alteration, rebuilding or expansion of which is necessitated by the project  
 6 plan, whether or not the construction, alteration, rebuilding or expansion is within the area or on land  
 7 contiguous thereto.

8 **§7-20-15. No contribution by county.**

9 (a) No county commission shall have the power to pay out of its general funds ~~or otherwise~~  
 10 ~~contribute~~, any of the costs of acquiring, constructing or financing a special infrastructure project to  
 11 be acquired, constructed or financed, in whole or in part, out of the proceeds from the sale of revenue  
 12 bonds issued under the authority of this article: *Provided*, That this provision shall not be construed  
 13 to prevent a county from accepting donations of property to be used as a part of an infrastructure  
 14 project or to be used for defraying any part of the cost of any infrastructure project or from imposing  
 15 a service fee as provided in section twelve of this article, which is dedicated, in whole or in part, to  
 16 the infrastructure project or to payment of debt service on revenue bonds issued pursuant to this  
 17 article.

18 (b) The bonds issued pursuant to section thirteen of this article shall be payable solely from:  
 19 (1) The revenue derived from the infrastructure project or the financing thereof; (2) the service fee  
 20 imposed pursuant to section twelve of this article; ~~or~~ (3) property tax collections as provided in  
 21 section twenty-five of this article; (4) any revenue collected pursuant to this article that is deposited

1 in a special revenue fund established by the county commission that is not part of the general revenue  
2 of the county; or (5) any combination of these sources.

3 (c) No county commission shall have the authority under this article to levy any taxes for the  
4 purpose of paying any part of the cost of acquiring, constructing or financing an infrastructure project  
5 except as provided in this article. However, all necessary preliminary expenses actually incurred by  
6 a county commission in the making of surveys, taking options, preliminary planning and all other  
7 expenses necessary to be paid prior to the issuance, sale and delivery of the revenue bonds, may be  
8 paid by the county commission out of any surplus contained in any item of budgetary appropriation  
9 or any revenues, including, but not limited to, service fees, collected in excess of anticipated  
10 revenues, which shall be reimbursed and repaid out of the proceeds of the sale of the revenue bonds.

11 **§7-20-16. Bonds made legal investments.**

12 Bonds issued under the provisions of section thirteen of this article shall be legal investments  
13 for banks, building and loan associations, and insurance companies organized under the laws of this  
14 state and for a business development corporation organized pursuant to chapter thirty-one, article  
15 fourteen of this code.

16 **§7-20-23. Excess funds; termination of service fee.**

17 (a) When revenue bonds have been issued as provided in section thirteen of this article and  
18 the amount of service fees imposed pursuant to section twelve of this article, if any, and collected  
19 by the sheriff, less costs of administration, collection and enforcement, exceeds the amount needed  
20 to pay project costs and annual debt service, including the finding of required debt service and  
21 maintenance reserves, the additional amount shall be set aside in a separate fund and used to retire

1 some or all of the outstanding revenue bonds before their maturity date.

2 (b) Once the revenue bonds issued as provided in section thirteen of this article are no longer  
3 outstanding or the county commission determines that sufficient reserves have been or will be  
4 accumulated as of a specified date to pay all future debt service on the outstanding bonds, the service  
5 ~~fee to payable services on a subsequent issue of revenue bonds~~ imposed pursuant to section twelve  
6 of this article may not be imposed or collected for subsequent weeks after that date. Termination  
7 of the service fee as provided in this section shall not bar or otherwise prevent the county  
8 commission from collecting service fees that accrued before the termination date.

9 **§7-20-24. Severability.**

10 If any section, clause, provision or portion of part one of this article shall be held to be invalid  
11 or unconstitutional by any court of competent jurisdiction, such holding shall not affect any other  
12 section, clause or provision of this article which is not in and of itself unconstitutional.

13 PART 2. COUNTY ROAD AND BRIDGE CONSTRUCTION OTHER INFRASTRUCTURE  
14 CAPITAL IMPROVEMENT PROJECTS.

15 Subpart A. General.

16 **§7-20-25. Ad valorem property taxes on capital additions.**

17 (a) Pursuant to section 1d, article X of the Constitution and notwithstanding any provision  
18 of this code to the contrary, when a new manufacturing facility or a capital addition to an existing  
19 manufacturing facility qualifies to treatment under article six-f, chapter eleven of this code, then for  
20 the first tax year that the facility of capital addition thereto does not qualify for tax treatment, in  
21 whole or in part, under that article, the sheriff shall deposit property taxes paid by the owner of a new

1 manufacturing facility or a capital addition to an existing manufacturing facility in the county's  
2 special fund established for county road and bridge construction and other infrastructure capital  
3 improvement projects. However, this reallocation does not apply to taxes attributable to excess  
4 levies or to levies for bonded indebtedness. Upon order of the county commission, the sheriff shall  
5 periodically transfer moneys in this special fund to pay: (1) For capital improvements that are not  
6 part of a road construction project on a pay-as-you-go basis; (2) debt service on revenue bonds issued  
7 pursuant to section thirteen of this article to pay for infrastructure capital improvements that are not  
8 part of a road construction project; and (3) pay for road construction projects as provided in section  
9 thirty-five of this article.

10 (b) Subsection (a) of this section takes effect upon ratification of section 1d, article X of the  
11 Constitution.

12 (c) Reallocation of certain property tax collections as provided in section 1d, article X of the  
13 constitution and subsection (a) of this section shall be for the property tax year (calendar year) that  
14 begins after the county commission enters an order authorizing the reallocation. However, the  
15 county commission may not adopt or enter this order until after receipt of a resolution adopted by  
16 the county board of education supporting the infrastructure capital improvement project and, if the  
17 project is a road or bridge construction project that will be owned by the West Virginia Department  
18 of Transportation, receipt by the county commission of a memorandum of understanding executed  
19 by the Commissioner of Highways and the president of the county commission.

20 (d) The reallocation of certain property tax collections pursuant to subsection (a) of this  
21 section shall end beginning with the property tax year (calendar year) that begins after the county

1 commission enters an order terminating the reallocation. However, a county's reallocation shall  
2 continue for not more than thirty property tax years, unless revenue bonds or refunding revenue  
3 bonds for the infrastructure capital improvement project remain outstanding, in which event the  
4 county commission shall enter an order terminating the reallocation for the property tax year that  
5 begins after the bond trustee certifies to the commission that the debt service has been paid or that  
6 sufficient funds exist to pay the remaining debt service as it becomes due.

7 **§7-20-26. Creation of county road construction project plan.**

8 County commissions, upon their own initiative or upon application of: (1) A highway  
9 authority; (2) a local, county or regional economic development authority; or (3) any resident of the  
10 county, may propose creation of a road construction project plan for the county, or propose an  
11 amendment to an existing road construction project plan of the county. This plan may include  
12 related infrastructure that is necessary or convenient to economic development adjacent to the  
13 proposed road. Road construction project plans are limited to those for the construction,  
14 reconstruction, improvement or modernization of state roads, as defined in section one, article  
15 twelve-a of this chapter, that are part of the state road system, as defined in that section, or that will  
16 become part of the state road system upon completion of the construction. All construction,  
17 reconstruction, improvement or modernization and maintenance of state roads shall be done by or  
18 under the supervision of the Commissioner of Highways.

19 **§7-20-27. Public hearing required.**

20 (a) *General.* – After the proposed road construction project plan, or proposed project plan  
21 amendment, is drafted, the county commission shall hold one or more public hearings at which

1 interested persons may express their views on the county's proposed road construction project plan,  
2 or the proposed amendment to an existing road construction project plan, including related  
3 infrastructure if any.

4 (b) *Notice of public hearing.* – Notice of the public hearing or hearings shall be published  
5 as a Class II legal advertisement in accordance with the requirements of article three, chapter  
6 fifty-nine of this code. The published notice shall include, at a minimum:

7 (1) The date, time, place and purpose of the public hearing or hearings;

8 (2) A description of each road construction project included in the proposed road construction  
9 project plan, or the proposed amendment to an existing project plan, including related infrastructure  
10 if any, in sufficient detail to give the public notice of the contents of the proposed project plan, or  
11 the proposed amendment to an existing project plan, including any related infrastructure, to cause  
12 residents of the county and other interested persons to examine the proposed road construction  
13 project plan, or the proposed amendment to an existing project plan, including related infrastructure,  
14 and attend the public hearing or submit written comments should they so choose;

15 (3) Identify the places in the county where the proposed road construction project plan, or  
16 the proposed amendment to an existing project plan may be viewed, one of which places shall be the  
17 county commission's webpage; and

18 (4) Explain whether one or more projects in the proposed road construction project plan, or  
19 in the proposed amendment to an existing project plan, including related infrastructure if any, will  
20 be financed, in whole or in part, by certain ad valorem property tax collections as provided in section  
21 twenty-five of this article.

1           (c) *Notice by mail.* – On or before the first day of publication of the public notice, a copy of  
2 the notice shall be sent by first-class mail to the Commissioner of Highways, the Director of the  
3 West Virginia Development Office, the county superintendent of schools (or president of the county  
4 board of education), and to the mayor of each municipality located within the county. Additionally,  
5 when the county commission reasonably anticipates that a proposed road construction project may  
6 affect a bordering county, a copy of the notice shall also be sent by first-class mail to the president  
7 of the county commission of the bordering county or counties.

8           (d) *Opportunity to be heard.* – All persons who appear at the public hearing shall be afforded  
9 a reasonable opportunity to express their views on all or any part of the proposed road construction  
10 project plan, or the proposed amendment to an existing project plan, including related infrastructure  
11 if any.

12           (e) *Written comments.* – Additionally, written comments may be submitted to the county  
13 commission before, during or within five business days after the public hearing. Timely mailing of  
14 the written comments to the county commission, at the mailing address of the courthouse, postage  
15 prepaid, shall be deemed timely submission of the written comments.

16           (f) *Recording of public hearing.* – Each public hearing shall be recorded by a court reporter,  
17 or be digitally recorded.

18 **§7-20-28. Finalization of project plan, or amendment.**

19           (a) *Resolution of county commission.* – After both the public hearing and the public comment  
20 period close, and after receipt of any required resolution of the governing body of a municipality as  
21 provided in subsection (b) of this section, the county commission may, by resolution, finalize its

1 roads construction project plan, or its proposed amendment to an existing road construction project  
2 plan, including related infrastructure if any, and, after prioritizing each project, adopt a resolution  
3 authorizing submission of an application for the road construction project plan, or for the amendment  
4 to an existing project plan, as finalized, to the Commissioner of Highways for his or her review and  
5 approval, as provided in section eleven of this article.

6 (b) *Consent of municipality in which project located.* – No county commission may adopt  
7 a resolution approving a road construction project plan, or an amendment to a previously approved  
8 project plan, any portion of which is located within the boundaries of a Class I, II, III or IV  
9 municipality, without the adoption of a resolution by the governing body of that municipality  
10 consenting to construction of the project within the municipality.

11 **§7-20-29. Order adopting road construction project plan or plan amendment.**

12 (a) A road construction project plan, or an amendment to an existing project plan, may not  
13 be adopted by order of the county commission until after the project plan, or the plan amendment,  
14 including related infrastructure if any, has been approved by the Commissioner of Highways.

15 (b) Upon approval of a road construction project plan, or a plan amendment, by the  
16 Commissioner of Highways, and receipt of a resolution adopted by the county board of education  
17 supporting the road construction project plan or plan amendment, the county commission may enter  
18 an order that:

19 (1) Describes each approved road construction project sufficiently to identify with ordinary  
20 and reasonable certainty the geographic location in the county of each road construction project  
21 included in the county's plan and any related infrastructure;



1           (2) Assigns a name to the road construction project for identification purposes, which name  
2 shall be the name given to the project by the Commissioner of Highways should the commissioner  
3 assign a name to the project;

4           (3) The name may include a geographic or other designation; and

5           (4) In addition to the project name, the project shall be assigned a project number that begins  
6 with the federal information processing code number (FIPS code number) for the county followed  
7 by a hyphen and a consecutive number beginning with the number "01". Each additional road  
8 construction project in the county approved by the Commissioner of Highways shall be assigned the  
9 next consecutive number.

10          (c) Implements section twenty-five of this article for the next property tax year (calendar  
11 year) that begins after the order is entered by the county commission.

12 **§7-20-30. Amendment of road construction project plan.**

13          (a) *In general.* – A road construction project plan adopted by order of the county commission,  
14 including related infrastructure if any, may be amended by the county commission at any time to add  
15 one or more projects, or delete one or more projects, or redesignate the order in which projects are  
16 to be completed as funds become available: *Provided,* That once a particular road construction  
17 project has been approved by the Commissioner of Highways and an intergovernmental agreement  
18 is executed as provided in this article for that project, the project may not be revised by the county  
19 commission without the express written approval of the Commissioner of Highways.

20          (b) *Procedure to amend project plan.* – The procedures in this article that apply to creation  
21 of a road construction project plan shall also apply to each proposed amendment to the adopted road

1 construction project plan including any related infrastructure.

2 **§7-20-31. Joint road construction projects.**

3 (a) The Legislature hereby finds and declares that the citizens of the state would benefit from  
4 coordinated road construction efforts by county commissions that enter an order reallocating certain  
5 property tax collections as provided in section twenty-five of this article.

6 (b) Notwithstanding any other section of this code to the contrary, any two or more county  
7 commissions may contract to share expenses for and to share property tax collections reallocated as  
8 provided in section twenty-five of this article, on a pro rata or other basis, to facilitate construction  
9 of road construction projects within their respective counties, including related infrastructure if any.

10 (c) When a road construction project begins in one county and ends in one or more other  
11 counties of this state, the county commission of each county may, by resolution, adopt a written  
12 intergovernmental agreement with each county and the Commissioner of Highways regarding the  
13 proposed multicounty road construction project, including related infrastructure if any.

14 (c) No county commission may withdraw from an intergovernmental agreement as long as  
15 revenue bonds remain outstanding the proceeds of which were used by the Commissioner of  
16 Highways to finance construction of the road.

17 (d) No withdrawing county commission shall be entitled to the return of any money or  
18 property advanced to the road construction project, including related infrastructure if any.

19 (e) Notwithstanding any provision of this code to the contrary, any county commission that  
20 reallocates certain property tax collections as provided in section twenty-five of this article may  
21 agree with one or more other counties that also reallocate certain property tax collections as provided

1 in section twenty-five of this article that have an interest in completion of a proposed road  
2 construction project, including related infrastructure if any, may enter into an intergovernmental  
3 agreement with respect to the pooling of certain property tax collections reallocated pursuant to  
4 section twenty-five of this article to finance construction of the road construction project, including  
5 related infrastructure if any, either on a cash basis or to pay debt service on revenue bonds issued by  
6 the Commissioner of Highways to fund the road construction project.

7 (f) The obligations of the parties under any intergovernmental agreement executed pursuant  
8 to this article shall not be debt within the meaning of section six or eight, article X of the  
9 Constitution.

10 (g) Any intergovernmental agreement shall be approved by resolution adopted by a majority  
11 vote of the county commission of each county participating in the agreement and by the  
12 Commissioner of Highways. After the resolution is adopted, the agreement shall be signed by at  
13 least one member of the county commission and by the Commissioner of Highways.

14 (h) The Commissioner of Highways is authorized to enter into intergovernmental agreements  
15 with county commissions or other political subdivisions of the state, or with the federal government  
16 or any agency thereof, respecting the financing, planning, and construction of roads and bridges,  
17 including related infrastructure if any, constructed pursuant to this part of this article.

18 **§7-20-32. Termination of road construction project plan.**

19 (a) *General.* – No road construction project plan may be in existence for a period longer than  
20 thirty years, except as otherwise provided in this section, and no revenue bonds secured by  
21 collections of property taxes reallocated pursuant to section twenty-five of this article may have a

1 final maturity date of more than thirty years after date of issuance of the revenue bonds.

2 (b) *Extension of plan.* – Each amendment of a county's roads construction project plan  
3 approved by the Commissioner of Highways that results in execution of an intergovernmental  
4 agreement by the county commission and the Commissioner of Highways shall extend the term of  
5 the project plan for another thirty years beginning with the day the last party to sign signs the  
6 intergovernmental agreement.

7 (c) *Prohibition on termination or rate reduction.* – The county commission may not repeal  
8 the order allocating property taxes paid on certain manufacturing facilities or capital additions thereto  
9 pursuant to section twenty-five of this article, or reduce the rates at which the taxes are imposed, so  
10 long as any revenue bonds secured by the taxes remain outstanding, unless payment of the bonds has  
11 been secured.

12 Subpart B. Commissioner of Highways.

13 **§7-20-33. Application to Commissioner of Highways for approval of road construction project**  
14 **plans.**

15 The Commissioner of Highways, within sixty days after receipt of the county commission's  
16 proposed road construction project plan, or an amendment to a previously approved project plan,  
17 including related infrastructure if any, shall: (1) Approve the plan as submitted, in whole or in part;  
18 (2) reject the plan as submitted, in whole or in part; or (3) return the plan to the county commission  
19 for further development or review in accordance with instructions of the Commissioner of Highways.  
20 The decision of the commissioner is final and is not subject to judicial review.

21 **§7-20-34. Contents of application.**

1 (a) Each application submitted under section thirty-three of this article shall include:

2 (1) A true copy of the county's proposed road construction project plan, or proposed  
3 amendment to a project plan previously approved by the Commissioner of Highways, including  
4 related infrastructure if any, that is adopted, after the public hearing, by resolution of the county  
5 commission.

6 (2) A true copy of the resolution adopted by the county commission approving submission  
7 of the adopted road construction project plan, or the proposed amendment to a project plan  
8 previously approved by the Commissioner of Highways, including related infrastructure if any, to  
9 the Commissioner of Highways for approval.

10 (3) A true copy of the notice of public hearing or hearings on the county's proposed road  
11 construction plan, or proposed amendment to a previously adopted project plan, including and a true  
12 copy of the proposed plan, or the proposed amendment to an existing project plan, including related  
13 infrastructure if any, that was the subject of the public hearing.

14 (4) An affidavit signed by the president of the county commission confirming publication of  
15 the notice of public hearing.

16 (5) A true copy of the transcript of the public hearing or hearings, or a true copy of the digital  
17 recording of the public hearing or hearings, including true copies of any written comments received  
18 by the commission on the proposed road construction project plan, or the proposed amendment to  
19 an existing project plan, including related infrastructure if any.

20 (6) A statement generally describing each project included in the county's road construction  
21 project plan, or the proposed amendment to an existing project plan, including related infrastructure

- 1 if any, and identifying:
- 2 (A) Type of project, as:
  - 3 (i) Road project,
  - 4 (ii) Bridge project, or
  - 5 (iii) Road and bridge project.
- 6 (B) Related infrastructure, if any.
- 7 (C) Location of the project.
- 8 (D) Length of the project (in miles or feet).
- 9 (E) Scope of the work.
- 10 (F) Classification of the project as:
  - 11 (i) Preservation project;
  - 12 (ii) Modernization project; or
  - 13 (iii) Expansion project.
- 14 (G) Estimated cost of the project.
- 15 (H) Method of financing the project.
- 16 (I) Time line for completion of the project.
- 17 (7) A map of the county showing the geographic location of each road construction project
- 18 included in the county's road construction project plan, including related infrastructure if any.
- 19 (8) When the road construction project is located, in whole or in part, within the corporate
- 20 limits of any municipality, a true copy of the resolution adopted by the governing body of the
- 21 municipality consenting to the road construction project.

1           (9) Identification of any businesses or residents that the county commission anticipates will  
2 be displaced or leave because of the road construction project, including related infrastructure, if any.

3           (10) A good faith estimate of the annual net property tax collections reallocated pursuant to  
4 section twenty-five of this article and other revenues, if any, to be deposited in the county's  
5 subaccount in County Road Improvement Account in the State Road Fund that will be available to  
6 finance the project, in whole or in part.

7           (11) Any additional information the Commissioner of Highways may reasonably require to  
8 analyze a proposed road construction project.

9           (b) *Review of applications.* -- The Commissioner of Highways shall review all proposed road  
10 construction project plans for conformance to statutory and regulatory requirements, the  
11 reasonableness of the project's budget and timetable for completion using the following criteria:

12           (1) The quality of the proposed road construction project and how it addresses transportation  
13 problems in the area in which the road construction project will be located;

14           (2) Whether there is credible evidence that unless certain property tax revenues are used to  
15 finance the road construction project, in whole or in part, the project would not otherwise be feasible  
16 in the time line proposed by the county commission;

17           (3) Whether the property tax revenues will leverage or be the catalyst for the effective use  
18 of state or federal funding that is available;

19           (4) Whether there is substantial and credible evidence that the proposed road construction  
20 project, including related infrastructure if any, is likely to be started and completed in a timely  
21 fashion;

1           (5) Whether the proposed project will, directly or indirectly, improve transportation in the  
2 area where the road construction project will occur benefitting county residents and facilitating  
3 commercial business development and expansion in the county;

4           (6) Whether the proposed road construction project, including related infrastructure if any,  
5 will directly or indirectly assist in the creation of additional long-term employment opportunities in  
6 the area and the quality of jobs created to include, but not be limited to, wages and benefits;

7           (7) Whether the proposed road construction project will fulfill a pressing transportation need  
8 for the county, or part of the county, in which the road construction project would be located;

9           (8) Whether the county commission has a strategy for road construction in the county and  
10 whether the proposed road construction project is consistent with that strategy;

11           (9) Whether the road construction project is consistent with the goals of this article; and

12           (10) Whether the road construction project, including related infrastructure if any, is  
13 economically and fiscally sound using recognized business standards of finance and accounting.

14           (c) *Additional criteria.* -- The Commissioner of Highways may establish by rule additional  
15 criteria for use when evaluating applications and approving or denying the application, in whole or  
16 in part.

17           (d) *Certification of road construction project.* – When the Commissioner of Highways  
18 approves a county's road construction project application, in whole or in part, as provided in section  
19 thirty-three of this article, the commissioner shall issue to the county commission a written certificate  
20 evidencing approval of each approved project, including related infrastructure if any.

21           (e) *Promulgation of rules.* – The Commissioner of Highways may promulgate rules to



1 implement the county road construction project application approval process and to further describe  
2 the criteria and procedures it has established in connection therewith. These rules shall be  
3 promulgated in conformity with the requirements of chapter twenty-nine-a of this code.

4 **§7-20-35. Creation of County Road Improvement Account in State Road Fund.**

5 (a) *Account created.* – There is created in the State Road Fund a special revenue revolving  
6 fund account known as the "County Road Improvement Account" which is an interest-bearing  
7 account that shall be invested in the manner described in section nine-c, article six, chapter twelve  
8 of this code, with the interest income a proper credit to the account.

9 (b) *County subaccount.* – A separate and segregated subaccount within the account shall be  
10 established for each county that allocates property tax collections as provided in section twenty-five  
11 of this article.

12 (c) *Additional funds.* – In addition to the county property taxes collected and allocated as  
13 provided in section twenty-five of this article, funds paid into the account for the credit of any  
14 subaccount may also be derived from the following sources:

15 (1) All interest or return on the investment accruing to the subaccount;

16 (2) Any gifts, grants, bequests, transfers, appropriations or donations which are received from  
17 any governmental entity or unit or any person, firm, foundation or corporation;

18 (3) Any other tax collections that may be deposited in the subaccount; and

19 (4) Any appropriations by the Legislature which are made for this purpose.

20 (d) *Expenditures from account.* – The Commissioner of Highways may withdraw funds from  
21 a county's subaccount only in accordance with one or more intergovernmental agreement or contracts

1 executed by the county commission of that county.

2 **§7-20-36. Cash basis projects; issuance of road construction special revenue bonds by**  
3 **Commissioner of Highways.**

4 (a) *Cash basis projects.* – Each county commission that has a subaccount in the County Road  
5 Improvement Account established pursuant to this article may, in its discretion and pursuant to an  
6 intergovernmental written agreement with the county commission, authorize the Commissioner of  
7 Highways to use the moneys in its subaccount to finance the costs of road construction projects,  
8 including related infrastructure if any, in the county on a cash basis.

9 (b) *Special revenue bonds.* – Additionally, the county commission may by intergovernmental  
10 written agreement authorize the Commissioner of Highways to issue, in the manner prescribed by  
11 this article, special revenue bonds secured by certain property tax collections reallocated pursuant  
12 to section twenty-five of this article to finance or refinance all or part of a road construction project  
13 in the county, including related infrastructure if any, and pledge all or any part of the property tax  
14 collections reallocated pursuant to section twenty-five of this article for the payment of the principal  
15 of and interest on such bonds and the reserves therefor.

16 **§7-20-37. Commissioner's authority over road construction projects accepted into the state**  
17 **road system; use of state road funds.**

18 (a) Notwithstanding anything in this article to the contrary, the Commissioner of Highways  
19 has final approval of any road construction project, including related infrastructure if any. However,  
20 no state road funds may be used, singly or together with funds from any other source, for any purpose  
21 or in any manner contrary to or prohibited by the constitution and laws of this state or the federal

1 government or where such use, in the sole discretion of the commissioner, would jeopardize receipt  
2 of federal funds.

3 (b) All road construction projects that are accepted as part of the state road system, and all  
4 real property interests and appurtenances, shall be under the exclusive jurisdiction and control of the  
5 Commissioner of Highways, who may exercise the same rights and authority as he or she has over  
6 other transportation facilities in the state road system.

7 (c) Except as provided in an intergovernmental agreement executed by one or more county  
8 commission and the Commissioner of Highways as provided in this article, a county commission  
9 shall not be required to pay for the cost of constructing, reconstructing, improving, maintaining a  
10 road that is part of the state road system as defined in article twelve-a of this chapter or to pay any  
11 other expense fairly related to that road.

12 **§7-20-38. Qualifying a transportation project as a public improvement.**

13 All road construction projects authorized under this article, including related infrastructure  
14 if any, are public improvements subject to articles one-c and five-a, chapter twenty-one of this code,  
15 and either article twenty-two, chapter five of this code or article two-d, chapter seventeen of this  
16 code.

17 **§7-20-39. Reports by Commissioner of Highways.**

18 Each year, the Commissioner of Highways shall prepare a report giving the status of each  
19 road construction project being constructed pursuant to this article and file it by October 1, each year  
20 with the Governor, the Joint Committee on Government and Finance of the Legislature and with  
21 each county commission with which the Commissioner of Highways has an intergovernmental

1 agreement executed pursuant to this article. The report shall include the following information:

2 (1) The identification, by county, of each road construction project for which an  
3 intergovernmental agreement has been executed pursuant to this article, and the status of the road  
4 construction project as of the June 30 preceding the due date of the report;

5 (2) The estimated cost of each road construction project included in the report;

6 (3) The source or sources of funding for each road construction project included in the report;

7 (4) If revenue bonds have been issued by the Commissioner of Highways, the amount of the  
8 bonds issued that are outstanding as of June 30 preceding the due date of the report for each project  
9 included in the report;

10 (5) The balance as of the June 30 preceding the due date of the report of each county's  
11 subaccount the County Improvement Account in the State Road Fund.

12 (6) The amount of property tax collections deposited into each county's subaccount in County  
13 Road Improvement Account in the State Road Fund during the fiscal year ending June 30 preceding  
14 the due date of the Commissioner's report.

15 (7) The amount the Commissioner of Highways withdrew from each county's subaccount in  
16 County Road Improvement Account in the State Road Fund during the fiscal year ending June 30  
17 preceding the due date of the report to pay debt service on revenue bonds issued pursuant to this  
18 article or to construct projects financed on a pay-as-you-go basis.

19 Subpart C. County Road Construction Special Revenue Bonds.

20 **§7-20-40. Issuance of county road construction special revenue bonds.**

21 (a) Special revenue bonds may be issued by the Division of Highways pursuant to an

1 intergovernmental written agreement with the county commission to finance or refinance, in whole  
2 or in part, road construction projects, including related infrastructure if any, in an aggregate principal  
3 amount not exceeding the amount which the county commission(s) and the Commissioner of  
4 Highways mutually agree can be paid as to both principal and interest and reasonable margins for  
5 a reserve, if any, therefor from county property tax collections reallocated as provided in section  
6 twenty-five of this article. In the discretion of the Commissioner of Highways, special revenue  
7 bonds issued pursuant to this article may be issued for road construction projects, including related  
8 infrastructure if any, in two or more counties.

9 (b) The Commissioner of Highways issuing road construction special revenue bonds pursuant  
10 to this article shall establish a fund to deposit certain property tax collections to pay debt service on  
11 the bonds.

12 (c) The Commissioner of Highways shall thereafter transfer from the county's subaccount all  
13 property tax collections pledged to the payment of principal and interest of the road construction  
14 special revenue bonds into the fund established under subdivision (1) of this subsection.

15 (d) The road construction special revenue bonds shall be authorized to be issued by the  
16 Commissioner of Highways pursuant to the provisions of this article, and shall be secured, shall bear  
17 such date and shall mature at such time, not exceeding thirty years from the date of issue, shall bear  
18 interest at such rate or rates, including variable rates, be in such denominations, be in such form,  
19 carry such registration privileges, be payable in such medium of payment and at such place or places  
20 and such time or times and be subject to such terms of redemption as the Commissioner of Highways  
21 may authorize. Road construction special revenue bonds may be sold by the Division of Highways,

1 at public or private sale, at or not less than the price the Commissioner of Highways determines. The  
2 road construction special revenue bonds shall be executed by manual or facsimile signature by the  
3 Commissioner of Highways. In case any Commissioner of Highways whose signature, or a facsimile  
4 of whose signature, appears on any bond ceases to be the Commission of Highways before delivery  
5 of the bonds, such signature or facsimile is nevertheless sufficient for all purposes the same as if he  
6 or she had remained in office until such delivery.

7 **§7-20-41. Trustee for bondholders; contents of trust agreement; pledge or assignment of**  
8 **revenues and funds.**

9 For bonds issued pursuant to section forty of this article, in the discretion of the  
10 Commissioner of Highways, any bonds, including refunding bonds issued by the commissioner, may  
11 be secured by a trust agreement between the commissioner and a corporate trustee, which trustee  
12 may be any bank or trust company within or without the state. Any such trust agreement may  
13 contain such binding covenants with the holders of such bonds as to any matter or provisions as are  
14 deemed necessary or advisable to the commissioner to enhance the marketability and security of such  
15 bonds and may also contain such other provisions with respect thereto as the commissioner may  
16 authorize and approve. Any trust agreement may contain a pledge or assignment of revenues to be  
17 received in connection with the financing.

18 **§7-20-42. Refunding bonds.**

19 Any bonds issued by the Division of Highways pursuant to section forty of this article or any  
20 other provision of this code and at any time outstanding may at any time and from time to time be  
21 refunded by the Division of Highways by the issuance of its refunding bonds in such amount as it

1 may deem necessary to refund the principal of the bonds so to be refunded, together with any unpaid  
2 interest thereon, to provide additional funds for approved project costs and to pay any premiums and  
3 commissions necessary to be paid in connection therewith. Any such refunding may be effected by  
4 whether the bonds to be refunded have then matured or thereafter mature, either by sale of the  
5 refunding bonds and the application of the proceeds thereof for the redemption of the bonds to be  
6 refunded thereby or by exchange of the refunding bonds for the bonds to be refunded thereby.  
7 Refunding bonds shall be issued in conformance with the provisions of this article related to issuance  
8 of bonds.

9 **§7-20-43. Obligations of Commissioner of Highways undertaken pursuant to this article not**  
10 **debt of state, county, municipality or any political subdivision.**

11 (a) Bonds, including refunding bonds, issued under the authority of section forty of this  
12 article and any other obligations undertaken by the Division of Highways pursuant to this article, do  
13 not constitute a debt or a pledge of the faith and credit or taxing power of this state or of any county,  
14 municipality or any other political subdivision of this state, and the holders and owners thereof have  
15 no right to have taxes levied by the Legislature or the taxing authority of any county, municipality  
16 or any other political subdivision of this state for the payment of the principal thereof or interest  
17 thereon, but such bonds and other obligations are payable solely from the revenues and funds  
18 pledged for their payment as authorized by this article unless the bonds are refunded by refunding  
19 bonds issued pursuant to section forty of this article, which bonds or refunding bonds shall be  
20 payable solely from revenues and funds pledged for their payment as authorized by this article.

21 (b) All such bonds, and all documents evidencing any other obligation, shall contain on the

1 face thereof a statement to the effect that the bonds or such other obligation as to both principal and  
2 interest are not debts of the state or any county, municipality or political subdivision thereof, but are  
3 payable solely from revenues and funds pledged for their payment as authorized by this article.

4 **§7-20-44. Negotiability of bonds issued pursuant to this article.**

5 Whether or not the bonds issued pursuant to section forty of this article are of such form or  
6 character as to be negotiable instruments under the Uniform Commercial Code, such bonds are  
7 negotiable instruments within the meaning of and for all the purposes of the Uniform Commercial  
8 Code, subject only to the provisions of the bonds for registration.

9 **§7-20-45. Exemption from taxation.**

10 All bonds issued by the Commissioner of Highways pursuant to section forty of this article,  
11 and all interest and income thereon, are exempt from all taxation by this state and any county,  
12 municipality, political subdivision or agency thereof, except inheritance taxes.

13 **§7-20-46. Personal liability; persons executing bonds issued pursuant to this article.**

14 Neither the Commissioner of Highways, nor any officer or employee of the Division of  
15 Highways or the Department of Transportation, or any person executing the bonds issued pursuant  
16 to section forty of this article, are liable personally on such bonds or subject to any personal liability  
17 or accountability by reason of the issuance thereof.

18 **§7-20-47. Cumulative authority as to powers conferred; applicability of other statutes and**  
19 **charters; bonds issued pursuant to this article.**

20 The provisions of part two of this article relating to the issuance of bonds shall be construed  
21 as granting cumulative authority for the exercise of the various powers herein conferred, and neither



1 the powers nor any bonds issued hereunder are affected or limited by any other statutory provision  
2 now or hereafter in force, other than as may be provided in this article, it being the purpose and  
3 intention of this article to create full, separate and complete additional powers. The various powers  
4 conferred herein may be exercised independently and notwithstanding that no bonds are issued  
5 hereunder.

6 **§7-20-48. Cash basis projects; termination of special allocation of property taxes; excess funds.**

7 (a) *Cash basis projects.* – When special revenue bonds have been issued as provided in  
8 section forty of this article and the amount of property tax collections allocated pursuant to section  
9 twenty-five of this article, less costs of administration, collection and enforcement, exceeds the  
10 amount needed to pay project costs and annual debt service, including the funding of required debt  
11 service and maintenance reserves, if any, the additional amount remaining in the county's subaccount  
12 in the County Road Improvement Account in the State Road Fund shall be used to retire outstanding  
13 revenue bonds before their maturity date in accordance with the terms of such bonds.

14 (b) *Termination of special allocation of property taxes.* – Once the special revenue bonds  
15 issued as provided in section forty of this article are no longer outstanding or have been defeased,  
16 and no additional road construction projects have been requested and approved by the Commissioner  
17 of Highways, the reallocation of certain property tax collections as provided in section twenty-five  
18 of this article shall end by order adopted by the county commission as provided in this article.

19 (c) *Excess funds.* – After all intergovernmental agreements with the Commissioner of  
20 Highways have ended and all debt service on special revenue bonds issued under section forty of this  
21 article to finance, in whole or in part, the road construction projects has been paid or provided for,

1 and reallocation of certain property tax collections as provided in section twenty-five of this article  
2 has ended, the Commissioner of Highways shall forward the unencumbered balance of moneys  
3 remaining in the county's subaccount in the County Road Improvement Account in the State Road  
4 Fund to the county commission of that county for deposit in the county's general fund.

5 **§7-20-49 Reserved.**

6 Subpart D. Miscellaneous.

7 **§7-20-50. Powers supplemental.**

8 (a) *County Commissions.* – The powers conferred by part two of this article are in addition  
9 and supplemental to the powers conferred upon county commissions by the Legislature elsewhere  
10 in this chapter of the code.

11 (b) *Commissioner of Highways.* – The powers conferred by part two of this article on the  
12 Commissioner of Highways or the Division of Highways are in addition and supplemental to the  
13 powers conferred upon the Commissioner of Highways, the Division of Highways, and the  
14 Department of Transportation by the Legislature elsewhere in this code.

15 **§7-20-51. Public officials exempt from personal liability.**

16 No member of a county commission or other county officer shall be personally liable on any  
17 contract or obligation executed pursuant to the authority contained in part II of this article. Nor shall  
18 such contracts or obligations or the issuance of revenue bonds by the Commissioner of Highways  
19 secured by property tax collections allocated as provided in section twenty-five of this article be  
20 considered as misfeasance in office.

21 **§7-20-52. Severability.**

1           If any section, subsection, subdivision, paragraph, sentence, clause or phrase in part II of this  
2 article is for any reason held to be invalid, unlawful or unconstitutional, that decision does not affect  
3 the validity of the remaining portions of this article or any part thereof.

NOTE: The purpose of this bill is to provide for the County Local Powers Act. The bill allows county commissions to pay for the cost of infrastructure capital improvements in their respective counties utilizing impact fees, service fees and certain property tax collections and other revenues. The bill provides for fees, taxes and expenditures for county development. The bill restates short title. The bill amends its purpose and legislative findings. The bill amends certain definitions and adds definitions. The bill amends criteria and requirements to implement and collect certain fees. The bill amends authorization for county commissions to impose impact fees, services fees and other taxes. The bill provides that certain fees and taxes collected may be deposited in special fund and used to pay debt service on revenue bonds issued to finance capital improvements or to finance them on a pay-as-you-go basis. The bill makes technical corrections. The bill allows county commissions and Commissioner of Highways to enter into intergovernmental agreements for construction and modernization of state roads, bridges and related infrastructure and financing in their respective counties. The bill provides procedures for creation and finalization of project plans and amendments of plans. The bill requires notice to certain locally elected public officials and general public on proposed road, bridge and related infrastructure construction projects and project amendments, with opportunity for public comment, provides means to finance cost of proposed road, bridge and related infrastructure construction projects and project amendments. The bill allows reallocation of ad valorem property taxes after ratification of constitutional amendment of certain property tax collections to finance, in whole or in part, capital improvements to infrastructure. The bill provides for applications for a construction project and the contents of applications. The bill creates a special fund. The bill requires approval of boards of education to reallocation of regular property tax levies. The bill provides for termination of reallocation of levies. The bill authorizes Commissioner of Highways to issue revenue bonds and refunding bonds to finance road, bridge and related infrastructure projects financed, in whole or in part, by county commissions. The bill provides that all bonds are exempt from tax, are negotiable and are lawful investments. The bill provides procedures for issuance of bonds. The bill allows projects to also be constructed on pay-as-you-go basis. The bill provides that these powers are supplemental powers of county commissions and Commissioner of Highways. The bill requires reports. The bill exempts public officials from personal liability. The bill provides a severability clause and effective dates.

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

§7-20-25 through §7-20-52 are new; therefore, strike-throughs and underscoring have been omitted.