

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

Senate Bill 246

**FISCAL
NOTE**

BY SENATORS ROMANO, SNYDER AND GAUNCH

[Introduced January 13, 2016;

Referred to the Committee on Government Organization;

and then to the Committee on Finance.]

1 A BILL to amend and reenact §7-11B-10 and §7-11B-22 of the Code of West Virginia, 1931, as
2 amended, all relating generally to tax increment financing districts; extending length of
3 certain districts; providing for the discharge of any tax increment financing obligations
4 outstanding on the termination date of a district and extending maturation of tax increment
5 financing obligations.

Be it enacted by the Legislature of West Virginia:

1 That §7-11B-10 and §7-11B-22 of the Code of West Virginia, 1931, as amended, be
2 amended and reenacted, all to read as follows:

ARTICLE 11B. WEST VIRGINIA TAX INCREMENT FINANCING ACT

§7-11B-10. Termination of development or redevelopment district.

1 (a) No development or redevelopment district may be in existence for a period longer than
2 thirty years and no tax increment financing obligations may have a final maturity date later than
3 the termination date of the area or district: Provided, That for any existing development or
4 redevelopment district for which tax increment financing obligations have been issued by a county
5 commission, or the governing body of a municipality, prior to December 31, 2008, that existing
6 development or redevelopment district may be in existence for a period of forty years.

7 (b) The county commission or governing body of the municipality creating the development
8 or redevelopment district may set a shorter period for the existence of the district. In this event,
9 no tax increment financing obligations may have a final maturity date later than the termination
10 date of the district.

11 (c) Upon termination of the district, no further ad valorem tax revenues shall be distributed
12 to the tax increment financing fund of the district and any tax increment financing obligations which
13 remain outstanding following the termination date of the district together with any interest,
14 premium or other charges associated therewith shall be deemed to be discharged and satisfied
15 and no longer due and payable.

16 (d) The county commission shall adopt, upon the expiration of the time periods set forth in

17 this section, an order terminating the development or redevelopment district created by the county
18 commission. : ~~Provided, That no district shall be terminated so long as bonds with respect to the~~
19 ~~district remain outstanding.~~

20 (e) The governing body of the county commission shall repeal, upon the expiration of the
21 time periods set forth in this section, the ordinance establishing the development or
22 redevelopment district. : ~~Provided, That no district shall be terminated so long as bonds with~~
23 ~~respect to the district remain outstanding.~~

§7-11B-22. Tax increment financing obligations -- terms, conditions.

1 (a) Tax increment financing obligations may not be issued in an amount exceeding the
2 estimated aggregate project costs, including all costs of issuance of the tax increment financing
3 obligations.

4 (b) Tax increment financing obligations shall not be included in the computation of the
5 Constitutional debt limitation of the county commission or municipality issuing the tax increment
6 financing obligations.

7 ~~(c) Tax increment financing obligations shall mature over a period not exceeding thirty~~
8 ~~years from the date of entry of the county commission's order, or the effective date of the~~
9 ~~municipal ordinance, creating the development or redevelopment district and approving the~~
10 ~~development or redevelopment plan, or a period terminating with the date of termination of the~~
11 ~~development or redevelopment district, whichever period terminates earlier. Tax increment~~
12 ~~financing obligations shall mature over a period not to exceed the date of termination of the~~
13 ~~development or redevelopment district, which provisions regarding the termination date of the~~
14 ~~district are set forth in section ten of this article.~~

15 (d) Tax increment financing obligations may contain a provision authorizing their
16 redemption, in whole or in part, at stipulated prices, at the option of the county commission or
17 municipality issuing the obligations, and, if so, the obligations shall provide the method of selecting
18 the tax increment financing obligations to be redeemed.

19 (e) The principal and interest on tax increment financing obligations may be payable at
20 any place set forth in the resolution, trust indenture or other document governing the obligations.

21 (f) Bonds or notes shall be issued in registered form.

22 (g) Bonds or notes may be issued in any denomination.

23 (h) Each tax increment financing obligation issued under this article is declared to be a
24 negotiable instrument.

25 (i) The tax increment financing obligations may be sold at public or private sale.

26 (j) Insofar as they are consistent with subsections (a), (b) and (c) of this section, the
27 procedures for issuance, form, contents, execution, negotiation and registration of county and
28 municipal industrial or commercial revenue bonds set forth in article two-c, chapter thirteen of this
29 code are incorporated by reference herein.

30 (k) The bonds may be refunded or refinanced and refunding bonds may be issued in any
31 principal amount. ~~: Provided, That the last maturity of the refunding bonds shall not be later than~~
32 ~~the last maturity of the bonds being refunded.~~

NOTE: The purpose of this bill is to provide an option for certain governmental entities to extend the term of a tax increment financing district from a maximum of 30 years to a maximum of 40 years if tax increment financing obligations were issued for that district in the years leading up to the most recent United States economic recession.

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