

WEST VIRGINIA LEGISLATURE

2021 REGULAR SESSION

Enrolled

Committee Substitute

for

Senate Bill 295

BY SENATORS BLAIR (MR. PRESIDENT) AND BALDWIN

(BY REQUEST OF THE EXECUTIVE)

[Passed March 15, 2021; in effect from passage]

1 AN ACT to amend and reenact §12-6C-11 of the Code of West Virginia, 1931, as amended; to
2 amend said code by adding thereto a new section, designated §12-6C-11a; to amend and
3 reenact §31-15-8 of said code; and to amend said code by adding thereto a new section,
4 designated §31-15-8a, all relating generally to economic development loans and loan
5 insurance issued by the state; clarifying provision stating that the Board of Treasury
6 Investments has no fiduciary duty with regard to economic development loans
7 administered by the Economic Development Authority; providing that the Board of
8 Treasury Investments may inspect and copy, upon written notice, all records related to
9 loans made available by the board to the Economic Development Authority and providing
10 that certain records so copied and inspected shall be exempt from disclosure pursuant to
11 the provisions of chapter 29B of the code and other law; defining terms; limiting the total
12 amount of loan moneys that the board shall make available to the authority for the
13 Broadband Loan Insurance Program to \$80 million; establishing requirements that must
14 be met before broadband loan insurance moneys will be made available to the authority;
15 limiting the amount of loan insurance that the authority may award in a single year to a
16 single broadband provider to \$20 million; providing that the authority shall maintain
17 broadband loan insurance loan moneys in a separate and segregated account; providing
18 that broadband loan insurance moneys may only be drawn upon in the event of a
19 broadband provider default on an insured debt or security instrument; clarifying that the
20 authority may not deduct administrative or operational costs from broadband loan
21 insurance loan moneys; setting forth requirements that must be met before the authority
22 may withdraw loan insurance moneys in the event of a broadband provider's default;
23 providing that the authority may only use loan insurance moneys to satisfy certain
24 obligations arising under a loan insurance agreement; requiring the authority to submit
25 quarterly reports to the Joint Committee on Government and Finance and to the Governor
26 containing certain information related to its loan insurance program; requiring the authority

27 to make application forms for broadband loan insurance publicly available on its website;
28 establishing the minimum information an applicant for broadband loan insurance shall be
29 required to submit to the authority; establishing minimum criteria that the authority must
30 consider in its broadband loan insurance application review process; establishing that the
31 authority may provide loan insurance for eligible broadband providers pursuant to awards
32 made by federally funded broadband expansion programs; providing that the authority
33 may not issue loan insurance to a broadband provider that has previously defaulted on
34 any debt or security instrument insured by the authority; requiring the authority to post
35 certain information regarding loan insurance agreements on its website; requiring the
36 authority to adhere to certain accounting and record-keeping practices; requiring the
37 authority to submit quarterly reports to the Board of Treasury Investments, the Joint
38 Committee on Government and Finance, and the Governor containing certain information
39 on insured loans and broadband projects financed by insured loans; requiring a biennial
40 legislative audit of the Broadband Loan Insurance Program; removing obsolete language;
41 and making technical corrections.

Be it enacted by the Legislature of West Virginia:

CHAPTER 12. PUBLIC MONEYS AND SECURITIES.

ARTICLE 6C. WEST VIRGINIA BOARD OF TREASURY INVESTMENTS.

§12-6C-11. Legislative findings; loans for industrial development; availability of funds and interest rates.

1 (a) The Legislature finds and declares that the citizens of the state benefit from the creation
2 of jobs and businesses within the state; that business and industrial development loan programs
3 provide for economic growth and stimulation within the state; that loans from pools established in
4 the Consolidated Fund will assist in providing the needed capital to assist business and industrial
5 development; and that time constraints relating to business and industrial development projects

6 prohibit duplicative review by both the board and West Virginia Economic Development Authority
7 Board.

8 (b) The West Virginia Board of Treasury Investments shall make available, subject to a
9 liquidity determination, in the form of a revolving loan, up to \$175 million from the Consolidated
10 Fund to loan the West Virginia Economic Development Authority for business or industrial
11 development projects authorized by §31-15-7 of this code and to consolidate existing loans
12 authorized to be made to the West Virginia Economic Development Authority pursuant to this
13 section and pursuant to §31-15-2 of this code which authorizes a \$175 million revolving loan and
14 §31-18B-1 *et seq.* of this code which authorizes a \$50 million investment pool: *Provided*, That the
15 West Virginia Economic Development Authority may not loan more than \$15 million for any one
16 business or industrial development project. The revolving loan authorized by this subsection shall
17 be secured by one note at a variable interest rate equal to the 12-month average of the board's
18 yield on its West Virginia Money Market pool. The rate shall be set on July 1 and adjusted annually
19 on the same date. The maximum annual adjustment may not exceed one percent. Monthly
20 payments made by the West Virginia Economic Development Authority to the board shall be
21 calculated on a 120-month amortization. The revolving loan is secured by a security interest that
22 pledges and assigns the cash proceeds of collateral from all loans under this revolving loan pool.
23 The West Virginia Economic Development Authority may also pledge as collateral certain revenue
24 streams from other revolving loan pools which source of funds does not originate from federal
25 sources or from the board.

26 (c) The outstanding principal balance of the revolving loan from the board to the West
27 Virginia Economic Development Authority may at no time exceed 103 percent of the aggregate
28 outstanding principal balance of the business and industrial loans from the West Virginia
29 Economic Development Authority to economic development projects funded from this revolving
30 loan pool. The independent audit of the West Virginia Economic Development Authority financial
31 records shall annually certify that 103 percent requirement.

32 (d) The interest rates and maturity dates on the loans made by the West Virginia Economic
33 Development Authority for business and industrial development projects authorized by §31-15-7
34 of this code shall be at competitive rates and maturities as determined by the West Virginia
35 Economic Development Authority Board.

36 (e) Any and all outstanding loans made by the West Virginia Board of Treasury
37 Investments, or any predecessor entity, to the West Virginia Economic Development Authority
38 are refundable by proceeds of the revolving loan contained in this section and the board shall
39 make no loans to the West Virginia Economic Development Authority pursuant to §31-15-20 of
40 this code or §31-18B-1 *et seq.* of this code.

41 (f) The directors of the West Virginia Board of Treasury Investments shall bear no fiduciary
42 responsibility with regard to any of the loans contemplated in this section.

43 (g) *Inspection of records.* — Within 30 days of receiving a written request from the board,
44 the authority shall provide the board with the opportunity to inspect and copy any records in the
45 custody of the authority related to any loan issued by the board to the authority or any loan from
46 the authority to a third party funded by a loan issued by the board. Records to be made available
47 pursuant to this subsection include, but are not limited to, accounting records, loan applications,
48 loan agreements, board minutes, audit reports, and transaction records. Records of the authority
49 held from time to time by the board pursuant to this subsection that are exempt from disclosure
50 pursuant to the provisions of §31-15-22 of this code or §29B-1-1 *et seq.* of this code shall remain
51 so while held by the board.

§12-6C-11a. Broadband Loan Insurance Program; requirements.

1 (a) *Definitions.* — For the purposes of this section, the following terms have the following
2 meanings:

3 (1) “Authority” refers to the West Virginia Economic Development Authority.

4 (2) “Board” refers to the West Virginia Board of Treasury Investments.

5 (3) "Broadband Loan Insurance Program" or the "program" refers to the program through
6 which the authority issues loan insurance, as authorized by §31-15-8a of this code.

7 (4) "Debt instrument" means any note, loan agreement, or any other form of indebtedness
8 whatsoever and shall expressly include a letter of credit or other agreement relating to a letter of
9 credit.

10 (5) "Eligible broadband provider" has the same meaning provided in §31-15-8a of this
11 code.

12 (6) "Financial institution" means the bank, insurance company, or other institution in the
13 business of lending money, that conditions issuance of a debt or security instrument on loan
14 insurance by the authority, as described in §31-15-8a(b)(2) of this code.

15 (b) *Loan for broadband deployment.* —

16 (1) The loan previously authorized by §12-6C-11(h) of this code is hereby continued,
17 subject to the requirements of this section.

18 (2) Subject to a liquidity determination and cash availability, the board shall provide a
19 nonrecourse revolving loan to the authority, from the Consolidated Fund, in an amount not to
20 exceed \$80 million, for the purpose of funding the Broadband Loan Insurance Program authorized
21 by §31-15-8a of this code.

22 (3) The board shall make the loan moneys available to the authority upon receipt of the
23 following:

24 (A) A written request by the authority that the board transfer a specific amount of loan
25 moneys to the authority; and

26 (B) A written statement by the authority certifying that the authority is in full compliance
27 with all applicable provisions of federal and state law, as well as any agreements entered into with
28 the board.

29 (4) The authority may not award an amount of the loan moneys exceeding \$20 million, in
30 any single calendar year, to insure the debt or security instruments, or costs related thereto, of
31 any one broadband provider.

32 (5) The authority shall maintain the loan moneys made available pursuant to this section
33 in an account that is separate and segregated from its other assets and programs. The loan
34 moneys may not be transferred to any other fund or account or used for any purpose other than
35 to insure debt and security instruments, as expressly authorized in §31-15-8a of this code. The
36 authority may withdraw the loan moneys from the account only as provided in subsection(d) of
37 this section.

38 (6) The authority may not deduct or use any amount of loan moneys transferred pursuant
39 to this subsection to pay for the authority's operating or administrative expenses.

40 (c) *Loan terms and requirements.* —

41 (1) The loan authorized by this section shall be classified by the board as a long-term fixed
42 income investment and shall bear interest on the outstanding principal balance of the loan at a
43 variable interest rate equal to the 12-month average of the board's yield on its West Virginia
44 Money Market pool. The rate shall be the rate set on July 1, 2017, under prior enactment of §12-
45 6C-11(h) of this code and adjusted quarterly during each year thereafter. The maximum annual
46 adjustment may not exceed one percent.

47 (2) The loan authorized by this section is nonrecourse. Upon payment in full of any said
48 insured debt instruments or release in full of any security instruments, the authority shall reduce
49 the outstanding balance of the loan by a like amount. Additionally, quarterly, the authority shall
50 determine the outstanding balance of all such insured debt and security instruments and shall
51 accordingly adjust the outstanding balance of the loan to equal the outstanding obligations of the
52 authority for all said insured debt and security instruments. The authority shall notify the board, in
53 writing, of any such adjustment.

54 (3) The loan is secured by a security interest that pledges and assigns the cash proceeds
55 of all collateral securing all insurance agreements entered into by the authority pursuant to §31-
56 15-8a of this code. In the event moneys received by the authority respecting any individual insured
57 debt or security instrument relating to providing broadband service under §31-15-8a of this code
58 is insufficient to pay when due the principal or interest installments, or both, with respect to the
59 loan authorized by this section by the board to the authority, the principal or interest, or both, as
60 the case may be, due on the loan made to the authority pursuant to this section shall be deferred
61 and any and all past-due principal and interest payments shall promptly be paid to the fullest
62 extent possible upon receipt by the authority of all moneys respecting said debt instruments.

63 (d) *Withdraw of moneys in event of default.* – The authority may withdraw loan moneys
64 from the separate and segregated account required by subdivision (5), subsection (b) of this
65 section, only in the event that a broadband provider has defaulted on a debt instrument or security
66 interest insured by the authority. The loan monies may not be used for any purpose other than to
67 pay amounts due to a financial institution resulting from the broadband provider’s default,
68 according to a loan insurance agreement entered into pursuant to §31-15-8a of this code. Prior
69 to withdrawing any amount of loan monies from the separate and segregated account, the
70 authority shall provide notice of the default to the board and certify to the board that:

71 (1) The broadband provider has defaulted on a debt instrument or security interest insured
72 by the authority and the broadband provider does not have the option to enter into a forbearance
73 agreement with the financial institution; and

74 (2) The authority has pursued or will pursue any reasonable remedies to recoup the costs
75 to the state resulting from the default, including, but not limited to, instituting a legal action to seize
76 the collateral described in subdivision (3), subsection (c) of this section.

77 (e) *Inspection of records.* – Within 30 days of receiving a written request from the board,
78 the authority shall provide the board with the opportunity to inspect and copy any records in the
79 custody of the authority related to the Broadband Loan Insurance Program. Records to be made

80 available pursuant to this subsection include, but are not limited to, accounting records, loan
81 insurance applications, loan insurance agreements, authority meeting minutes, audit reports, and
82 transaction records. Records of the authority that may be held from time to time by the board
83 pursuant to this subsection shall not be considered public records and shall be exempt from
84 disclosure pursuant to the provisions of §29B-1-1 *et seq.* of this code.

CHAPTER 31. CORPORATIONS.

ARTICLE 15. WEST VIRGINIA ECONOMIC DEVELOPMENT AUTHORITY.

§31-15-8. Insurance fund.

1 (a) There is hereby created an insurance fund which shall be a continuing, nonlapsing,
2 revolving fund that consists of:

3 (1) Moneys appropriated by the state to the insurance fund;

4 (2) Premiums, fees, and any other amounts received by the authority with respect to
5 financial assistance provided by the authority from the insurance fund;

6 (3) Upon the satisfaction of any indebtedness or other obligation owed on any property
7 held or acquired by the authority, such proceeds as designated by the authority from the sale,
8 lease, or other disposition of such property;

9 (4) Income from investments made from moneys in the insurance fund; and

10 (5) Any other moneys transferred to the insurance fund or made available to it for the
11 purposes described under this section, under this article, or pursuant to any other provisions of
12 this code.

13 Subject to the provisions of any outstanding insurance agreements entered into by the
14 authority under this section, the authority may enter into covenants or agreements with respect to
15 the insurance fund, and establish accounts within the insurance fund which may be used to
16 implement the purposes of this article. If the authority elects to establish separate accounts within

17 the insurance fund, the authority may allocate its revenues and receipts among the respective
18 accounts in any manner the authority considers appropriate.

19 If the authority at any time finds that more money is needed to keep the reserves of the
20 insurance fund at an adequate level, the authority, with the consent of the chair, shall send a
21 written request to the Legislature for additional funds.

22 (b) The insurance fund shall be used for the following purposes by the authority to
23 financially assist projects so long as such financial assistance will, as determined by the authority,
24 fulfill the public purposes of this article:

25 (1) To insure the payment or repayment of all or any part of the principal of, redemption
26 or prepayment premiums or penalties on, and interest on bonds or notes whether issued under
27 this article or under the Industrial Development and Commercial Development Bond Act, the West
28 Virginia Hospital Finance Authority Act or, with respect to health care facilities only, §8-33-1 *et*
29 *seq.* of this code;

30 (2) To insure the payment or repayment of all or any part of the principal of, redemption
31 or prepayment premiums or penalties on, and interest on any instrument executed, obtained, or
32 delivered in connection with the issuance and sale of bonds or notes whether under this article or
33 under the Industrial Development and Commercial Development Bond Act, the West Virginia
34 Hospital Finance Authority Act or, with respect to health care facilities only, §8-33-1 *et seq.* of this
35 code;

36 (3) To insure the payment or repayment of all or any part of the principal of, prepayment
37 premiums or penalties on, and interest on any form of debt instrument entered into by an
38 enterprise, public body or authority of the state with a financial institution, including, but not limited
39 to, banks, insurance companies and other institutions in the business of lending money, which
40 debt instruments shall include, but not be limited to, instruments relating to loans for working
41 capital and to the refinancing of existing debt: *Provided*, That nothing contained in this subsection
42 or any other provision of this article shall be construed as permitting the authority to insure the

43 refinancing of existing debt except when such insurance will result in the expansion of the
44 enterprise whose debt is to be refinanced or in the creation of new jobs;

45 (4) To pay or insure the payment of any fees or premiums necessary to obtain insurance,
46 guarantees, letters of credit, or other credit support from any person or financial institution in
47 connection with financial assistance provided by the authority under this section;

48 (5) To pay any and all expenses of the authority, including, but not limited to:

49 (A) Any and all expenses for administrative, legal, actuarial, and other services related to
50 the operation of the insurance fund; and

51 (B) All costs, charges, fees, and expenses of the authority related to the authorizing,
52 preparing, printing, selling, issuing, and insuring of bonds or notes (including, by way of example,
53 bonds or notes, the proceeds of which are used to refund outstanding bonds or notes) and the
54 funding of reserves; and

55 (6) To insure, for up to 20 years, the payment or repayment of all or any part of the principal
56 of and interest on any form of debt instrument entered into by an eligible broadband provider with
57 a financial institution, including, but not limited to, banks, insurance companies, and other
58 institutions in the business of lending money, which debt instruments are to be solely for capital
59 costs relating to the purposes authorized in §31-15-8a of this code: *Provided*, That beginning on
60 the effective date of the amendments made to this section during the regular session of the
61 Legislature, 2021, loan moneys shall not be transferred to the fund except as authorized by §12-
62 6C-11a of this code.

63 (c) Except as relating to insured portions of debt instruments under subdivision (6),
64 subsection (b) of this section, the total aggregate amount of insurance from the insurance fund
65 with respect to the insured portions of principal of bonds or notes or other instruments may not
66 exceed at any time an amount equal to five times the balance in the insurance fund.

67 (d) The authority may, in its sole and absolute discretion, set the premiums and fees to be
68 paid to it for providing financial assistance under this section. The premiums and fees set by the

69 authority shall be payable in the amounts, at the time, and in the manner that the authority, in its
70 sole and absolute discretion, requires. The premiums and fees need not be uniform among
71 transactions and may vary in amount: (1) Among transactions; and (2) at different stages during
72 the terms of transactions.

73 (e) The authority may, in its sole and absolute discretion, require the security it believes
74 sufficient in connection with its insuring of the payment or repayment of any bonds, notes, debt,
75 or other instruments described in subdivisions (1) through (4), subsection (b) of this section.

76 (f) The authority may itself approve the form of any insurance agreement entered into
77 under this section or may authorize the chair or his or her designee to approve the form of any
78 such agreement. Any payment by the authority under an agreement entered into by the authority
79 under this section shall be made at the time and in the manner that the authority, in its sole and
80 absolute discretion, determines.

81 (g) The obligations of the authority under any insurance agreement entered into pursuant
82 to this article shall not constitute a debt or a pledge of the faith and credit or taxing powers of this
83 state or of any county, municipality, or any political subdivision of this state for the payment of any
84 amount due thereunder or pursuant thereto, but the obligations evidenced by such insurance
85 agreement shall be payable solely from the funds pledged for their payment.

86 (h) By October 30, 2021, and on or before the 30th day of January, April, July, and October
87 of each year thereafter, the authority shall prepare and submit to the Joint Committee on
88 Government and Finance and the Governor a quarterly report which shall include, at a minimum:

89 (A) The aggregate outstanding amount of insurance issued from the insurance fund; and

90 (B) For each agreement to insure a debt or security instrument, the name of the parties to
91 the agreement; the lending financial institution to which any insured debt or security instrument is
92 owed; the total value of any insured debt or security interest; the maturity date of the insured debt
93 or security instrument; and the status of the insured debt or security instrument, including whether

94 the party to the insurance agreement is delinquent or in default on any insured debt or security
95 instrument.

§31-15-8a. Broadband Loan Insurance Program; requirements.

1 (a) *Definitions.* – For the purposes of this section:

2 (1) “Broadband Enhancement Council” or “council” refers to the governmental
3 instrumentality established by §31G-1-3 of this code.

4 (2) “Broadband Loan Insurance Program” or the “program” refers to the program through
5 which the authority issues loan insurance, as authorized by this section.

6 (3) “Broadband provider” or “provider” means a business or enterprise providing
7 broadband service, as defined in §31G-1-2 of this code.

8 (4) “Debt instrument” means any note, loan agreement, or any other form of indebtedness
9 whatsoever and shall expressly include a letter of credit or other agreement relating to a letter of
10 credit.

11 (5) “Eligible broadband provider” means a business or enterprise certified, in writing, by
12 the Broadband Enhancement Council to the authority to be a broadband provider, and that is not
13 disqualified from participating in the Broadband Loan Insurance Program according to subdivision
14 (4), subsection (c) of this section, as certified, in writing, by the authority.

15 (6) “Federally funded broadband expansion program” means the Rural Digital Opportunity
16 Fund of the Federal Communications Commission, the Broadband ReConnect Program of the
17 United States Department of Agriculture, or any other federally funded broadband expansion or
18 enhancement program that Congress may from time to time establish.

19 (7) “Financial institution” means the bank, insurance company, or other institution in the
20 business of lending money, that conditions issuance of a debt or security instrument on loan
21 insurance by the authority, as provided in subdivision (2), subsection (b) of this section.

22 (8) “Loan insurance” refers to an agreement to insure the payment or repayment of all or
23 any part of the principal of and interest on a debt or security instrument.

24 (b) *Insurance of certain debt or security instruments authorized.* –

25 (1) The authority is authorized to insure, for up to 20 years, the payment or repayment of
26 all or any part of the principal of and interest on any form of debt or security instrument entered
27 into by an eligible broadband provider with a financial institution, which debt or security
28 instruments are to be solely for capital costs relating to:

29 (A) A project which has as its principal purpose providing broadband service, as defined
30 in §31G-1-2 of this code, to a household or business located in an unserved area, as defined in
31 §31G-1-2 of this code, or to an underserved area meeting the following criteria:

32 (i) Access to internet service is only available by wireline or fixed wireless technology; and

33 (ii) Access to internet service in which 15 percent or more of households and businesses
34 cannot obtain internet service with an actual downstream or upstream data rate equivalent to or
35 faster than the current definition of broadband service as defined by the Federal Communications
36 Commission and further certified by the council; or

37 (B) A project which has as its principal purpose building a segment of a
38 telecommunications network that links a network operator's core network to a local network plant
39 that serves either an unserved area, as defined in §31G-1-2 of this code, or an area in which no
40 more than two wireline providers are operating.

41 (2) The authority may not issue loan insurance to a provider, unless the participating
42 financial institution provides written certification to the authority that, but for the authority's insuring
43 the debt instrument, the financial institution would not otherwise make the loan based solely on
44 the creditworthiness of the loan applicant: *Provided*, That nothing contained in this section or any
45 other provision of this article may be construed as permitting the authority to insure the refinancing
46 of existing debt.

47 (3) The authority may make the provision of loan insurance authorized by this section
48 contingent upon the eligible broadband provider receiving an award under a federally funded
49 broadband expansion program.

50 (4) To fund the loan insurance authorized by this section, the authority shall request a loan
51 from the West Virginia Board of Treasury Investments, according to the requirements of §12-6C-
52 11a of this code.

53 (c) *Insurance application requirements.* –

54 (1) An eligible provider may apply to the authority for loan insurance. The authority shall
55 make the application form or forms available to the public on its website.

56 (2) The application for loan insurance shall, at a minimum, require the applicant to submit:

57 (A) Proof of business ownership and other business registration information;

58 (B) Detailed information regarding all current, previous, and pending business debt,
59 including any past instances of loan delinquency or default or any breach of a borrower covenant;

60 (C) Detailed records of the provider's financial history, including, but not limited to, tax
61 returns and financial statements detailing the provider's income, cash flow, and account balances
62 for the past five years;

63 (D) The number of persons employed by the provider and the names and contact
64 information for all managers of the project to be insured;

65 (E) Detailed information regarding assets being presented as collateral, including, but not
66 limited to, serial or identification numbers for all large value machinery, equipment, furniture and
67 fixtures, inventory records, and accounts receivable;

68 (F) Detailed business plans, financial plans, and financial projections related to the
69 broadband deployment project for which the applicant is requesting loan insurance; and

70 (G) Any additional information that is relevant to the provider's eligibility to receive loan
71 insurance and the provider's ability to deploy broadband in the state, including, but not limited to,
72 any required authorizations or determinations by any applicable regulatory bodies.

73 (3) The authority shall ensure that applicants are eligible to receive loan insurance and
74 shall select applicants who demonstrate a minimal risk of default on any debt or security

75 instrument to be insured through the program. At a minimum, the authority shall consider the
76 following criteria in determining whether to approve a loan insurance application:

77 (A) The financial ability of the applicant to complete the insured project and repay the loan;

78 (B) The credit history of the provider;

79 (C) The past earnings and projected cash flow of the provider;

80 (D) The provider's past performance as a participant in any previous economic
81 development program of this state or of any other state;

82 (E) The provider's experience with broadband service deployment in the state or any other
83 state; and

84 (F) The nature and value of the collateral being offered for the loan insurance.

85 (4) The authority may not issue loan insurance to a provider if the provider, or a parent
86 company of the provider, has previously defaulted on a debt or security instrument insured by the
87 authority.

88 (5) The requirements of this subsection do not apply to applications received by the
89 authority for broadband loan insurance or debt instrument insurance prior to the effective date of
90 this section for such applications.

91 (d) *Public notice by applicant.* –

92 (1) Upon the filing of an application for loan insurance under this section, the broadband
93 provider shall cause to be published as a Class II legal advertisement in compliance with §59-3-
94 1 *et seq.* of this code notice of the filing of the application and that the authority may approve the
95 same unless within 10 business days after completion of publication a written objection is received
96 by the authority from a person or persons alleging that the proposed broadband project does not
97 satisfy the provisions of this section.

98 (2) The publication area for such notice is to be the county or counties in which any portion
99 of the proposed broadband project is to be constructed. The notice shall be in such form as the
100 authority shall direct and shall include a map of the area or areas to be served by the proposed

101 broadband project. The applicant shall also cause to be mailed by first class, on or before the first
102 day of publication of the notice, a copy of the notice to all known current providers of broadband
103 service within the area proposed to be served.

104 (3) If an objection under this subsection is timely received by the authority, the authority
105 shall advise the council within five business days. The council shall set the matter for hearing
106 within 30 days of receipt of notice from the authority. The council may establish procedural rules
107 governing such hearings by legislative rule, or the council may follow the Rules of Practice and
108 Procedure of the Public Service Commission. The council shall issue a decision on whether the
109 proposed project satisfies the requirements of this section or not within 30 days of completion of
110 the hearing. Any party participating in the hearing may appeal the council's decision within 30
111 days of the issuance of the council's decision to the Circuit Court of Kanawha County.

112 (4) This subsection shall apply to all applicants except to those broadband providers that
113 plan on providing a downstream data rate of at least one gigabyte per second to the end user or
114 applicants that have been preliminarily determined to be eligible for a federally funded broadband
115 expansion program.

116 (5) The requirements this subsection do not apply to applications received by the authority
117 for broadband loan insurance or debt instrument insurance prior to the effective date of this
118 section.

119 (e) *Information to be posted by the authority.* — The authority shall make the following
120 information, pertaining to all loan insurance agreements, available on its website:

121 (1) The name of the insured provider;

122 (2) The location or locations of the project;

123 (3) The amount of the authority loan or financial assistance provided by the insurance
124 fund;

125 (4) The purpose of the loan or financial assistance;

126 (5) The term, rate, and interest of the loan; and

127 (6) The fixed assets that serve as security for the loan or insurance provided.

128 (f) *Internal controls and accounting.* — The authority shall keep itemized records of all
129 transactions and agreements entered into in furtherance of the program. In administering the
130 program, the authority shall adopt appropriate accounting practices and develop internal controls,
131 including, but not limited to, strict compliance with the requirements of §5A-8-9 of this code.

132 (g) *Quarterly reports and biennial legislative audits.* —

133 (1) By October 30, 2021, and on or before the 30th day of January, April, July, and October
134 of each year thereafter, the authority shall prepare and submit to the Joint Committee on
135 Government and Finance, the Governor, and the West Virginia Board of Treasury Investments a
136 quarterly report which shall include, at a minimum:

137 (A) For each insured project, the provider name; the lending financial institution; the total
138 value of the loan; the total amount of the loan that is insured pursuant to this section; the maturity
139 date of the loan; the balance of loan moneys outstanding with the authority; and the status of the
140 loan, including whether the loan is in delinquent or in default status.

141 (B) For loans not in good standing with the financial institution, the reason for the
142 delinquent or default status of the loan; the provider's plans to address the delinquency or default;
143 the availability of loan collateral that may be seized by the state; the expected outcome of the
144 delinquency or default; and the estimated loss to any state funds that will result from the
145 delinquency or default.

146 (2) Beginning in 2022, and during each year in which a loan insurance agreement entered
147 into pursuant to this section remains in effect, the authority shall prepare and submit to the Joint
148 Committee on Government and Finance, the Governor, and the board an annual report
149 addressing the status of each project that is insured, pursuant to this section. The report shall, at
150 a minimum, provide project-specific data addressing the broadband service levels being provided
151 by the project, the geographic area to which different broadband service levels are being provided

152 by the project, and the number of households actively receiving broadband service from the
153 project.

154 (3) Beginning in 2022, and every other year thereafter so long as a loan insurance
155 agreement entered into pursuant to this section remains in effect, the Legislative Auditor shall
156 audit the procedures, accounting practices, and internal controls of the authority for compliance
157 with this section and §12-6C-11a of this code and report the findings of the audit to the Joint
158 Committee on Government and Finance.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

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Chairman, Senate Committee

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Chairman, House Committee

Originated in the Senate.

In effect from passage.

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Clerk of the Senate

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Clerk of the House of Delegates

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President of the Senate

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Speaker of the House of Delegates

The within this the.....
Day of, 2021.

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Governor