

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Committee Substitute

for

House Bill 2978

By Delegate Riley

[Originating in the Committee on Investments.]

1 A BILL to amend and reenact §5F-2-1, §11B-1-2, §13-3-3, §13-3-6, and §13-3-7 of the Code of
2 West Virginia, 1931, as amended, to amend said code by adding thereto a new section,
3 designated §12-6A-8, relating generally to the Municipal Bond Commission governance;
4 designating the State Treasurer as chairman of the commission; requiring the State
5 Treasurer to provide office space and staff to support the commission; increasing the per
6 diem rate for members of the commission; requiring the commission to produce quarterly
7 financial statements; requiring the commission to undergo an annual audit; providing for an
8 exemption from state purchasing; permitting the commission to conduct business via video
9 conferencing; authorizing the commission to enter into any existing contracts or
10 agreements with financial institutions; removing obsolete language; and making technical
11 corrections.

Be it enacted by the Legislature of West Virginia:

**CHAPTER 5F. REORGANIZATION OF THE EXECUTIVE BRANCH OF
STATE GOVERNMENT.**

ARTICLE 2. TRANSFER OF AGENCIES AND BOARDS.

§5F-2-1. Transfer and incorporation of agencies and boards; funds.

1 (a) The following agencies and boards, including all the allied, advisory, affiliated, or
2 related entities and funds associated with any agency or board, are incorporated in and
3 administered as a part of the Department of Administration:

4 (1) Public Employees Insurance Agency provided in §5-16-1 *et seq.* of this code;

5 (2) Governor's Mansion Advisory Committee provided in §5A-5-1 *et seq.* of this code;

6 (3) Commission on Uniform State Laws provided in §29-1A-1 *et seq.* of this code;

7 (4) West Virginia Public Employees Grievance Board provided in §6C-3-1 *et seq.* of this
8 code;

9 (5) Board of Risk and Insurance Management provided in §29-12-1 *et seq.* of this code;

- 10 (6) Boundary Commission provided in §29-23-1 *et seq.* of this code;
- 11 (7) Public Defender Services provided in §29-21-1 *et seq.* of this code;
- 12 (8) Division of Personnel provided in §29-6-1 *et seq.* of this code;
- 13 (9) West Virginia Ethics Commission provided in §6B-2-1 *et seq.* of this code;
- 14 (10) Consolidated Public Retirement Board provided in §5-10D-1 *et seq.* of this code; and
- 15 (11) Real Estate Division provided in §5A-10-1 *et seq.* of this code.

16 (b) The following agencies and boards, including all the allied, advisory, affiliated, or
17 related entities and funds associated with any agency or board, are incorporated in and
18 administered as a part of the Department of Commerce:

19 (1) Division of Labor provided in §21-1-1 *et seq.* of this code, which includes:

20 (A) Occupational Safety and Health Review Commission provided in §21-3A-1 *et seq.* of
21 this code; and

22 (B) Board of Manufactured Housing Construction and Safety provided in §21-9-1 *et seq.* of
23 this code.

24 (2) Office of Miners' Health, Safety, and Training provided in §22A-1-1 *et seq.* of this code.

25 The following boards are transferred to the Office of Miners' Health, Safety, and Training for
26 purposes of administrative support and liaison with the Office of the Governor:

27 (A) Board of Coal Mine Health and Safety and Coal Mine Safety and Technical Review
28 Committee provided in §22A-6-1 *et seq.* of this code;

29 (B) Board of Miner Training, Education, and Certification provided in §22A-7-1 *et seq.* of
30 this code; and

31 (C) Mine Inspectors' Examining Board provided in §22A-9-1 *et seq.* of this code.

32 (3) Division of Natural Resources and Natural Resources Commission provided in §20-1-1
33 *et seq.* of this code;

34 (4) Division of Forestry provided in §19-1A-1 *et seq.* of this code;

35 (5) Geological and Economic Survey provided in §29-2-1 *et seq.* of this code;

36 (6) Workforce West Virginia provided in chapter 21A of this code, which includes:

37 (A) Division of Unemployment Compensation;

38 (B) Division of Employment Service;

39 (C) Division of Workforce Development;

40 (D) Division of Research, Information and Analysis; and

41 (7) Division of Rehabilitation Services provided in §18-10A-1 *et seq.* of this code.

42 (c) The Economic Development Authority provided in §31-15-1 *et seq.* of this code is
43 continued as an independent agency within the executive branch.

44 (d) The Water Development Authority and the Water Development Authority Board
45 provided in §22C-1-1 *et seq.* of this code is continued as an independent agency within the
46 executive branch.

47 (e) The West Virginia Educational Broadcasting Authority provided in §10-5-1 *et seq.* of
48 this code is continued as a separate independent agency within the Department of Arts, Culture,
49 and History, which shall provide administrative support for the authority.

50 (f) The Division of Culture and History as established in §29-1-1 *et seq.* of this code is
51 continued as a separate independent agency within the Executive Branch as the Department of
52 Arts, Culture, and History. All references throughout this code to the "Division of Culture and
53 History" means the "Department of Arts, Culture, and History".

54 (g) The following agencies and boards, including all of the allied, advisory, and affiliated
55 entities, are transferred to the Department of Environmental Protection for purposes of
56 administrative support and liaison with the Office of the Governor:

57 (1) Air Quality Board provided in §22B-2-1 *et seq.* of this code;

58 (2) Solid Waste Management Board provided in §22C-3-1 *et seq.* of this code;

59 (3) Environmental Quality Board, or its successor board, provided in §22B-3-1 *et seq.* of
60 this code;

61 (4) Surface Mine Board provided in §22B-4-1 *et seq.* of this code;

62 (5) Oil and Gas Inspectors' Examining Board provided in §22C-7-1 *et seq.* of this code;

63 (6) Shallow Gas Well Review Board provided in §22C-8-1 *et seq.* of this code; and

64 (7) Oil and Gas Conservation Commission provided in §22C-9-1 *et seq.* of this code.

65 (h) Subject to the provisions of §5F-2-1a of this code, the following agencies and boards,
66 including all of the allied, advisory, affiliated, or related entities and funds associated with any
67 agency or board, are incorporated in and administered as a part of the Department of Health:

68 (1) Human Rights Commission provided in §5-11-1 *et seq.* of this code;

69 (2) Bureau for Public Health provided in §16-1-1 *et seq.* of this code;

70 (3) Office of Emergency Medical Services and the Emergency Medical Service Advisory
71 Council provided in §16-4C-1 *et seq.* of this code;

72 (4) Health Care Authority provided in §16-29B-1 *et seq.* of this code;

73 (5) The Developmental Disabilities Council established by Executive Order No. 6-88 and
74 continued by Executive Order No. 15-99;

75 (i) Subject to the provisions of §5F-2-1a of this code, the following agencies and boards,
76 including all of the allied, advisory, affiliated, or related entities and funds associated with any
77 agency or board, are incorporated in, and administered as a part of, the Department of Human
78 Services:

79 (1) Women's Commission provided in §29-20-1 *et seq.* of this code; and

80 (2) Bureau for Child Support Enforcement provided in §48-1-1 *et seq.* of this code.

81 (j) The following agencies and boards, including all of the allied, advisory, affiliated, or
82 related entities and funds associated with any agency or board, are incorporated in and
83 administered as a part of the Department of Homeland Security:

84 (1) West Virginia State Police;

85 (2) Division of Emergency Management provided in §15-5-1 *et seq.* of this code and
86 Emergency Response Commission provided in §15-5A-1 *et seq.* of this code: *Provided, That*
87 notwithstanding any other provision of this code to the contrary, whenever in this code, or a rule

88 promulgated thereunder, a reference is made to the Division of Homeland Security and
89 Emergency Management, it shall be construed to mean the Division of Emergency Management;

90 (3) Division of Administrative Services;

91 (4) Division of Corrections and Rehabilitation;

92 (5) Fire Commission;

93 (6) State Fire Marshal;

94 (7) Board of Probation and Parole;

95 (8) The West Virginia Fusion Center;

96 (9) Division of Protective Services; and

97 (10) Any other agency or entity hereinafter established within the Department of Homeland
98 Security by an act of the Legislature.

99 (k) The following agencies and boards, including all of the allied, advisory, affiliated, or
100 related entities and funds associated with any agency or board, are incorporated in and
101 administered as a part of the Department of Revenue:

102 (1) Tax Division provided in §11-1-1 *et seq.* of this code;

103 (2) Racing Commission provided in §19-23-1 *et seq.* of this code;

104 (3) Lottery Commission and position of Lottery Director provided in §29-22-1 *et seq.* of this
105 code;

106 (4) Insurance Commissioner provided in §33-2-1 *et seq.* of this code;

107 (5) West Virginia Alcohol Beverage Control Commissioner provided in §11-16-1 *et seq.* of
108 this code and §60-2-1 *et seq.* of this code;

109 (6) Board of Banking and Financial Institutions provided in §31A-3-1 *et seq.* of this code;

110 (7) Lending and Credit Rate Board provided in §47A-1-1 *et seq.* of this code;

111 (8) Division of Financial Institutions provided in §31A-2-1 *et seq.* of this code;

112 (9) The State Budget Office provided in §11B-2-1 *et seq.* of this code;

113 ~~(10) The Municipal Bond Commission provided in §13-3-1 *et seq.* of this code;~~

114 ~~(44)~~ (10) The Office of Tax Appeals provided in §11-10A-1 *et seq.* of this code; and

115 ~~(42)~~ (11) The State Athletic Commission provided in §29-5A-1 *et seq.* of this code.

116 (l) The following agencies and boards, including all of the allied, advisory, affiliated, or
117 related entities and funds associated with any agency or board, are incorporated in and
118 administered as a part of the Department of Transportation:

119 (1) Division of Highways provided in §17-2A-1 *et seq.* of this code;

120 (2) Parkways Authority provided in §17-16A-1 *et seq.* of this code;

121 (3) Division of Motor Vehicles provided in §17A-2-1 *et seq.* of this code;

122 (4) Driver's Licensing Advisory Board provided in §17B-2-1 *et seq.* of this code;

123 (5) Aeronautics Commission provided in §29-2A-1 *et seq.* of this code;

124 (6) State Rail Authority provided in §29-18-1 *et seq.* of this code; and

125 (7) Public Port Authority provided in §17-16B-1 *et seq.* of this code.

126 (m) Effective July 1, 2011, the Veterans' Council provided in §9A-1-1 *et seq.* of this code,
127 including all the allied, advisory, affiliated, or related entities and funds associated with it, is
128 incorporated in and administered as a part of the Department of Veterans' Assistance.

129 (n) Except for powers, authority, and duties that have been delegated to the secretaries of
130 the departments by §5F-2-2 of this code, the position of administrator and the powers, authority,
131 and duties of each administrator and agency are not affected by the enactment of this chapter.

132 (o) Except for powers, authority, and duties that have been delegated to the secretaries of
133 the departments by §5F-2-2 of this code, the existence, powers, authority, and duties of boards
134 and the membership, terms, and qualifications of members of the boards are not affected by the
135 enactment of this chapter. All boards that are appellate bodies or are independent decision makers
136 may not have their appellate or independent decision-making status affected by the enactment of
137 this chapter.

138 (p) Any department previously transferred to and incorporated in a department by prior
139 enactment of this section means a division of the appropriate department. Wherever reference is

140 made to any department transferred to and incorporated in a department created in §5F-1-2 of this
141 code, the reference means a division of the appropriate department and any reference to a
142 division of a department so transferred and incorporated means a section of the appropriate
143 division of the department.

144 (q) When an agency, board, or commission is transferred under a bureau or agency other
145 than a department headed by a secretary pursuant to this section, that transfer is solely for
146 purposes of administrative support and liaison with the Office of the Governor, a department
147 secretary, or a bureau. Nothing in this section extends the powers of department secretaries under
148 §5F-2-2 of this code to any person other than a department secretary and nothing limits or
149 abridges the statutory powers and duties of statutory commissioners or officers pursuant to this
150 code.

151 (r) The Department of Economic Development as established in §5B-2-1 *et seq.* of this
152 code is continued as a separate independent agency within the Executive Branch.

153 (s) The Department of Tourism as established in §5B-2I-1 *et seq.* of this code is continued
154 as a separate independent agency within the Executive Branch.

CHAPTER 11B. DEPARTMENT OF REVENUE.

ARTICLE 1. DEPARTMENT OF REVENUE.

§11B-1-2. Agencies, boards, commissions, divisions, and offices comprising the department of ~~finance and revenue~~.

1 (a) There shall be in the Department of Revenue the following agencies, boards,
2 commissions, divisions, and offices, including all the allied, advisory, affiliated, or related entities
3 which are incorporated in and shall be administered as part of the Department of Revenue:

4 (1) The Alcohol Beverage Control Commissioner provided for in W. Va. Code §11-16-1 *et*
5 *seq.*, and W. Va. Code §60-1-1 *et seq.*;

6 (2) The Division of Banking provided for in W. Va. Code §31A-2-1 *et seq.*;

7 (3) The board of banking and financial institutions provided for in W. Va. Code §31A-3-1 *et*
8 *seq.*;

9 (4) The state budget office, ~~heretofore known as the budget section of the Finance~~
10 ~~Division, Department of Administration, previously provided for in article two, chapter five-a of this~~
11 ~~code and now provided for in W. Va. Code §11B-2-1 *et seq.*;~~

12 (5) The agency of Insurance Commissioner provided for in W. Va. Code §33-2-1 *et seq.*;

13 (6) The lending and credit rate board provided for in W. Va. Code §47A-1-1 *et seq.*;

14 (7) The Lottery Commission and the position of lottery director provided for in W. Va. Code
15 §29-22-1 *et seq.*;

16 ~~(8) The Municipal Bond Commission provided for in article three, chapter thirteen of this~~
17 ~~code;~~

18 (9) ~~(8)~~ The office of tax appeals provided for in W. Va. Code §11-10A-1 *et seq.*;

19 ~~(10)~~ ~~(9)~~ The state athletic commission provided for in W. Va. Code §29-5A-1 *et seq.*;

20 ~~(14)~~ ~~(10)~~ The Tax Division provided for in W. Va. Code §11-1-1 *et seq.*; and

21 ~~(42)~~ ~~(11)~~ The West Virginia Racing Commission provided for in W. Va. Code §19-23-1 *et*
22 *seq.*

23 (b) The department shall also include any other agency, board, commission, division,
24 office, or unit subsequently incorporated in the department by the Legislature.

CHAPTER 12. PUBLIC MONEYS AND SECURITIES.

ARTICLE 6A. THE DEBT MANAGEMENT ACT OF 1991.

§12-6A-8. Treasurer as chair of Municipal Bond Commission, the state's fiscal agent, and to provide support to the Municipal Bond Commission.

1 (a) The Treasurer shall chair the Municipal Bond Commission as specified in §13-3-1 *et*
2 *seq.* of this code, and his or her office shall hire its own employees, consultants, managers, and
3 advisors, fix compensation, prescribe job duties, and provide suitable office space necessary to

4 provide support to the Municipal Bond Commission.

5 (b) The commission shall produce quarterly financial statements for the assets managed
6 by the commission and send them to each member of the commission and provide copies as
7 reasonably requested.

8 (c) The commission shall provide any other information requested in writing by the
9 Department of Revenue, the Joint Committee on Finance, or any member of the Legislature.

10 (d) Annual Audits. -- Beginning with fiscal year ending June 30, 2026, and each fiscal year
11 thereafter, the commission shall have an annual financial and compliance audit of the assets,
12 accounts, payments, and transfers made by the commission.

13 (e) Purchasing Exemption. -- Notwithstanding any other provision to the contrary, the
14 commission is exempt from all requirements of the Purchasing Division, authorized under W. Va.
15 Code §5A-3-1 et seq. of this code.

CHAPTER 13. PUBLIC BONDED INDEBTEDNESS.

ARTICLE 3. MUNICIPAL BOND COMMISSION.

§13-3-3. Officers; employees; chief administrative officer; meetings; quorum; compensation and expenses; legal representation.

1 (a) The ~~Tax Commissioner~~ State Treasurer or his or her designee shall be chair of the
2 commission.

3 (b) The members of the commission shall appoint a chief administrative officer and may fix
4 his or her title and duties. Notwithstanding the provisions of W. Va Code §6-7-2a, the commission
5 shall have the authority to set the compensation of the chief administrative officer. The chief
6 administrative officer shall serve as secretary to the board and treasurer of the commission. The
7 chair may designate a board member to serve as secretary in the absence of the chief
8 administrative officer. The chair is authorized with the approval of the commission, to employ other
9 employees and consultants as the commission deems advisable and fix their compensation and

10 prescribe their duties.

11 (c) Appointed members of the commission shall be paid ~~\$50~~ \$500 for each day or
12 substantial portion thereof that they are engaged in the work of the commission. Each member of
13 the commission may be reimbursed for all reasonable and necessary expenses actually incurred
14 in the performance of duties on behalf of the commission.

15 (d) The commission shall hold at least three meetings in each fiscal year, one of which
16 meetings shall be within 60 days of the end of the fiscal year and shall be the annual meeting. The
17 meetings shall be held on dates and at places prescribed by the chair. Additional meetings may be
18 held at the call of the chair or upon the written request of three members at such time and place as
19 designated in such call or request. Three members of the commission constitute a quorum.

20 (e) The chair with the consent of the commission is authorized to provide or designate legal
21 advisory services to the commission.

§13-3-6. Powers and duties of commission.

1 (a) The commission shall serve as fiscal agent for all issuers of general obligation bonds
2 issued by the counties, municipalities, and school districts of the State of West Virginia when the
3 commission is specifically named as the fiscal agent by statute.

4 (b) The commission shall serve as fiscal agent for all issuers of revenue bonds issued by
5 the counties, municipalities, and school districts of this state when the commission is specifically
6 named as the fiscal agent by statute.

7 (c) The commission shall serve as fiscal agent for the issuers of revenue bonds issued by
8 the State of West Virginia through its departments, commissions, boards, or agencies, when the
9 commission is specifically named as the fiscal agent by statute.

10 (d) The commission may serve as fiscal agent for the issuer of other public purpose
11 revenue bond issues when so provided by bond ordinance.

12 (e) The commission may agree to serve as paying agents for all issuers when so provided
13 by bond ordinance.

14 (f) The commission may conduct business by telephonic or video conference when
15 necessary.

16 (g) The commission may use any contract or agreement of the State Treasurer's Office,
17 Investment Management Board, or the West Virginia Board of Treasury Investments.

18 ~~(g)~~ (h) The commission is hereby granted, has, and may exercise all powers necessary or
19 appropriate to effectuate the purposes of this article.

**§13-3-7. Permissible investments; limitations and prohibitions on purchase, sale, or
exchange of securities; public records; combining funds and proration of interest;
custody of securities.**

1 (a) Notwithstanding any provisions of this code to the contrary, the commission may invest
2 funds under its control in the following classes of securities and not otherwise:

3 (1) Securities of the United States or any agency thereof which are guaranteed by or for
4 which the full faith and credit of the United States is pledged for the payment of the principal and
5 interest;

6 ~~(2) General obligations of this state or any of its agencies, boards or commissions;~~

7 ~~(3) General obligations of any county, municipality or school district in this state;~~

8 ~~(4)~~ (2) Pools of investment operated by the West Virginia Board of Treasury Investments
9 provided that their investments are limited to the above-named securities, and ~~provided that~~ if
10 securities purchased for these pools following the date of the enactment of this article shall not
11 have maturities greater than five years in length; and

12 ~~(5)~~ (3) Repurchase agreements or similar banking arrangements with a member bank of
13 banks of the federal reserve system or a bank, the deposits of which are insured by the federal
14 deposit insurance corporation, or its successor: *Provided*, That such investments shall only be
15 made to the extent insured by the federal deposit insurance corporation or to the extent that the
16 principal amount thereof shall be fully collateralized by direct obligations of or obligations
17 guaranteed by the United States of America.

18 (b) Securities purchased or held under the provisions of this article may be sold or
19 exchanged for other securities: *Provided*, That: (1) No security shall be purchased, sold, or
20 exchanged without the concurrence or ratification of a majority of all members of the commission;
21 (2) no security shall be purchased at a price above, nor sold or exchanged at a price below, its
22 prevailing fair market value; (3) no security shall be purchased, sold, or exchanged for the purpose
23 of aiding any individual, firm, or corporation by the payment of brokerage commissions or fees
24 thereto; (4) no security purchased, sold, or exchanged shall benefit any member or employee of
25 the commission; and (5) no security shall be received in exchange which does not comply with the
26 requirements of this article.

27 (c) The commission shall record all pertinent information related to any purchase, sale, or
28 exchange of securities and make such information available for public inspection during normal
29 office hours of the commission.

30 (d) Funds from several or all accounts may be combined for investment and any interest
31 earned shall be prorated and credited quarterly to the various contributing accounts ~~on the basis of~~
32 based on the amount thereof invested, calculated according to an average periodic balance, or
33 other generally accepted accounting principle.

34 (e) All securities purchased by the commission as an investment for the funds shall remain
35 in the custody of the state Board of Treasury Investments until the same are sold, exchanged,
36 retired, or mature and are paid in full.