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OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

# WEST VIRGINIA LEGISLATURE

SECOND REGULAR SESSION, 1992



# ENROLLED

HOUSE BILL No. 4734

(By Delegates Rutledge & Browning)



Passed March 2, 1992

In Effect From Passage

**ENROLLED**  
**H. B. 4734**

(By DELEGATES RUTLEDGE AND BROWNING)

[Passed March 2, 1992; in effect from passage.]

AN ACT to amend and reenact section six, article six, chapter twelve of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to the board of investments; charges for expenses of the board; creation of loss expenses account; purpose of the account; expenditures from the account; transfer of funds remaining in the account to the liquidity investment pool; and transfer of excess funds and appropriation of the funds by the Legislature.

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

That section six, article six, chapter twelve of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

**ARTICLE 6. WEST VIRGINIA STATE BOARD OF INVESTMENTS.**

**§12-6-6. Costs and expenses; fees for services; special revenue account; costs of determining third parties' liability; recoupment of investment losses.**

1     (a) The board shall make a charge against the  
2 earnings of the various funds managed by the board for  
3 all necessary expenses of the board. The charge shall be  
4 on a pro rata basis of actual earnings of the various  
5 funds managed by the board. The charge shall be  
6 deposited to the credit of the general revenue fund.

7 (b) There is hereby created in the state treasury a  
8 special revenue account to be known as the "loss  
9 expenses account." The purpose of this account is to  
10 provide funds to the board of investments to pay costs,  
11 fees and expenses incurred, or to be incurred, for the  
12 following: (1) Investigation and pursuit of claims against  
13 third parties for the investment losses incurred during  
14 the period beginning the first day of August, one  
15 thousand nine hundred eighty-four, and ending on the  
16 thirty-first day of January, one thousand nine hundred  
17 eighty-nine; (2) consulting services regarding the  
18 restructuring of the office of the treasurer following said  
19 losses; and (3) implementation of the recommendations  
20 made as a result of the consultations regarding restruc-  
21 turing. That special revenue account shall be funded by  
22 depositing income derived by the board from securities  
23 lending and recoveries from third parties. The board is  
24 authorized to deposit into the special revenue account,  
25 and to expend in accordance with the provisions of this  
26 section, those funds received from such recoveries and  
27 not more than two million dollars annually from income  
28 derived by the board from securities lending. Funds in  
29 the loss expense account in excess of reasonably  
30 estimated costs, fees and expenses for any fiscal year  
31 and any funds remaining in such special revenue  
32 account at the end of each fiscal year after expenditures,  
33 for the purposes specified above, may be transferred by  
34 the board to its "liquidity investment pool," to be used,  
35 in such manner as the board determines, to eliminate  
36 the present imbalance in the state accounts caused by  
37 the investment losses described above in this subsection:  
38 *Provided*, That amounts collected which are found from  
39 time to time to exceed the funds needed for the purposes  
40 set forth in this section may be transferred to other  
41 accounts or funds and redesignated for other purposes  
42 by appropriation of the Legislature. The authority for  
43 this special revenue account expires on the thirtieth day  
44 of June, one thousand nine hundred ninety-five.

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

*Thomer Heck*  
-----  
Chairman Senate Committee

*Ernest C. Moore*  
-----  
Chairman House Committee

Originating in the House.

Takes effect from passage.

*Nassell E. Palmer*  
-----  
Clerk of the Senate

*Donald G. Kopp*  
-----  
Clerk of the House of Delegates

*Walter Anderson*  
-----  
President of the Senate

*Bo Stolle*  
-----  
Speaker of the House of Delegates

The within *is approved* ..... this the *17<sup>th</sup>*  
day of *March* ..... 1992.

*Yaston Caperton*  
-----  
Governor

PRESENTED TO THE

GOVERNOR

Date 3/11/92

Time 3:40 pm