WEST VIRGINIA CODE: §11-13A-5b

§11-13A-5b. Creation and cessation of West Virginia Future Fund; legislative intent; calculation of deposits from excess severance tax revenues; permissible uses of investment income and limitations on expenditures; definitions.

(a) There is hereby created in the State Treasury a special revenue account, designated the West Virginia Future Fund, which is an interest-bearing account and may be invested by the West Virginia Investment Management Board in the manner permitted by the provisions of §12-6-1 *et seq*. of this code, with the investment income to be credited to the fund and deposited in the special revenue account.

(b) The Legislature declares its intention to use the fund as a means of conserving a portion of the state's revenue derived from the increased revenue proceeds received by the state as a result of any mineral production as well as other funding sources as the Legislature may designate in order to meet future needs. The principal of the fund shall remain inviolate and no portion of the principal may be appropriated, expended or encumbered by the Legislature or any official of the state. Only the investment income of this fund may be appropriated and expended: *Provided*, That no more than the average net investment return for the immediately preceding five fiscal years may be appropriated or expended in any one fiscal year.

(c) Notwithstanding any provision of this code to the contrary, for the fiscal year beginning July 1, 2014, and each year thereafter, the secretary of revenue shall cause to be deposited in this fund three percent of the annual severance tax revenue which would otherwise be deposited into the General Revenue Fund which is attributable to the severance of coal, limestone, sandstone, natural gas and oil and collected and received pursuant to the provisions of sections §11-13A-3 and §11-13A-3a of this code: *Provided*, That these deposits shall only be made during fiscal years within which the balance of the Revenue Shortfall Reserve Fund equals or exceeds 13 percent of the state's General Revenue Fund budget for the fiscal year just ended as determined within 60 days of the end of that prior fiscal year as provided by subsection (b), §11B-2-20 of this code: *Provided, however*, That these deposits shall not be made in any fiscal year in which the Governor's General Revenue Fund estimate relies on transfers from the Revenue Shortfall Reserve Fund: *Provided further*, That these deposits shall not be made in any fiscal year for which mid-year spending reductions, hiring freezes, mid-year decreases in appropriations or transfers from the Revenue Shortfall Reserve Fund are necessitated due to revenue shortfalls or would be necessitated if the deposits were to be made: *And provided further*, That amounts that may be deposited into the fund in error or found later to be subject to these limitations shall be redeposited into the General Revenue Fund. The Legislature may, by general appropriation or by designation of other funding sources, deposit into the fund additional moneys as it considers appropriate.

(d) In order to maximize the value of the fund, no money from the fund may be expended or appropriated until fiscal year 2020 and thereafter the Legislature may appropriate, subject

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to the limitations provided in this section, from the fund solely for enhancing education and workforce development; economic development and diversification; infrastructure improvements; and tax relief measures for the benefit of the citizens and businesses of the State of West Virginia.

(e) Cessation of the West Virginia Future Fund. —

(1) On July 1, 2023, the West Virginia Future Fund and any duties regarding its creation, continuation, and expenditure shall be eliminated.

(2) Any funds held in the West Virginia Future Fund on July 1, 2023, shall be transferred into the General Revenue Fund of this state.

(f) For purposes of this section:

(1) "Economic development and diversification" means fostering economic growth and development in the state, including commercial, industrial, community, cultural or historical improvements; or preservation or other proper purposes.

(2) "Infrastructure improvements" means fostering infrastructure improvements including, but not limited to, post-mining land use, water or wastewater facilities or a part thereof, storm water systems, steam, gas, telephone and telecommunications, broadband development, electric lines and installations, roads, bridges, railroad spurs, drainage and flood control facilities, industrial park development or buildings that promote job creation and retention.

(3) "Tax relief" means reducing the tax responsibility of citizens and businesses located in the State of West Virginia, including, but not limited to, increasing the Homestead Exemption and reducing or eliminating the ad valorem property tax on inventory and equipment held for commercial or industrial use.

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