WEST VIRGINIA CODE: §13-2H-4

§13-2H-4. Issuance of lottery revenue bonds by county.

(a) The county commission may issue lottery revenue bonds of the county as provided in this section to finance or refinance all or part of a public project and pledge all or any part of the lottery revenues for the payment of the principal of and interest on such lottery revenue bonds and for reserves therefor: Provided, That a county commission receiving lottery revenues pursuant to the provisions of subdivision (3), subsection (c), section twenty-seven, article twenty-two-c, chapter twenty-nine of this code may only pledge fifty percent of the lottery revenues to the payment of principal and interest on the lottery revenue bonds and for reserves therefor. Any pledge of lottery revenue funds for lottery revenue bonds is a prior and superior charge on the lottery revenues and Lottery Revenue Fund over the use of any of the moneys to pay for the cost of any of the purposes on a cash basis.

(b) The lottery revenue bonds may be authorized and issued by the county commission to finance or refinance, in whole or in part, public projects in an aggregate principal amount not exceeding the amount which the county commission determines can be paid as to both principal and interest and reasonable margins for a reserve therefor from the lottery revenues and the Lottery Revenue Fund.

A county commission issuing lottery revenue bonds shall establish a fund to deposit lottery revenues and call such fund the Lottery Revenue Fund. The county commission shall thereafter deposit all lottery revenues pledged to the payment of principal and interest of lottery revenue bonds into the Lottery Revenue Fund.

(c) The issuance of lottery revenue bonds may be authorized by an order of the county commission. The lottery revenue bonds shall: (1) Bear a date or dates; (2) mature at a time or times not exceeding forty years from their respective dates; (3) be in a specific denomination; (4) be in a registered form with exchangeability and interchangeability privileges; (5) be payable in a medium of payment and at a place or places within or without the state; (6) be subject to terms of prior redemption at those prices; and (7) may have such other terms and provisions as determined by the county commission. The lottery revenue bonds shall be signed by the president of the county commission under the seal of the county commission, attested by the clerk of the county commission. Lottery revenue bonds may be sold in a manner as the county commission determines is for the best interests of the county.

(d) The county commission may enter into: (1) Trust agreements with banks or trust companies within or without the state and in trust agreements or orders authorizing the issuance of bonds; (2) valid and legally binding covenants with the holders of the lottery revenue bonds as to the custody, safeguarding and disposition of the proceeds of the lottery revenue bonds, the moneys in the Lottery Revenue Fund, sinking funds, reserve funds or any other moneys or funds; as to the rank and priority, if any, or different issues of lottery revenue bonds by the county commission under the provisions of this section; (3)

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agreements as to such provisions as payment, term, security, default and remedy provisions as the county commission shall consider necessary or desirable; and (4) agreements as to any other matters or provisions which are considered necessary and advisable by the county commission in the best interests of the county and to enhance the marketability of such lottery revenue bonds.

(e) The lottery revenue bonds are negotiable instruments under the Uniform Commercial Code of this state and are not obligations or debts of the state or of the county issuing the bonds and the credit or taxing power of the state or county may not be pledged therefor, but the lottery revenue bonds may be payable only from the revenue pledged therefor as provided in this section.

(f) A holder of lottery revenue bonds has a lien against the lottery revenues and the Lottery Revenue Fund for payment of the lottery revenue bond and the interest thereon and may bring suit to enforce the lien.

(g) A county commission may issue and secure additional bonds payable out of the lottery revenues and the Lottery Revenue Fund which bonds may rank on a parity with, or be subordinate or superior to, other bonds issued by the county commission and payable from the Lottery Revenue Fund.

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