WEST VIRGINIA CODE: §13-2H-5

§13-2H-5. Issuance of lottery revenue bonds by municipality.

(a) A municipality may issue lottery revenue bonds 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 the lottery revenue bonds and for reserves therefor: Provided, That a municipality receiving lottery revenues pursuant to the provisions of subdivision (4), 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 such purposes on a cash basis.

(b) The lottery revenue bonds may be authorized and issued by the municipality to finance or refinance, in whole or in part, public projects in an aggregate principal amount not exceeding the amount which the municipality 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 municipality issuing lottery revenue bonds shall establish a fund to deposit lottery revenues and call the fund the Lottery Revenue Fund. The municipality 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 ordinance of the municipality and such lottery revenue bonds shall be issued pursuant to the provisions of article sixteen, chapter eight of this code.

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

(e) 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.

(f) A municipality 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 municipality and payable from the Lottery Revenue Fund.

WV Legislature