WEST VIRGINIA CODE: §31-18B-1

§31-18B-1. Legislative intent.

The Legislature finds and declares that:

(1) The vast majority of West Virginians have pursued a goal of owning a home, a center of family life and family independence deeply cherished and highly valued.

(2) In many parts of the state there is a large number of single-family residential units that cannot presently be marketed because of high interest rates and adverse economic conditions, or because of having been declared to be a federal disaster area by the Federal Emergency Management Agency.

(3) In addition, the state and its inhabitants are suffering high unemployment and low income because of the depressed state of the housing market and because of its inability to attract new business. This situation adversely affects potential home buyers, home builders, skilled craftsmen, realtors and their employees and other citizens. These conditions also reduce state revenues and frustrate the laudable aspirations of many West Virginians to enjoy the pleasures of home ownership and pursue productive employment, or because of having been declared to be a federal disaster area by the Federal Emergency Management Agency.

(4) By the cooperative efforts of our citizens there is a large pool of resources held in trust by the state for the sole benefit of West Virginians, including funds reserved for workers injured in the course of employment.

(5) Some of these funds, particularly the workers' compensation fund, are invested under the actuarial assumption of a yield less than that of current market investments. Yet the current yield on some of these funds, and particularly the workers' compensation fund, is lower than the actuarially assumed interest rate, and has been for at least three years.

(6) The common good does not require that all of these funds be invested so as to yield the very highest investment return offered in the market, especially when the current rate of market interest is:

(a) So high that it stifles the legitimate aspirations and attainable dreams of so many West Virginians and West Virginia businesses; and

(b) So high that it encourages the flight of capital accumulated by West Virginians for the benefit of West Virginians to national markets where the only consideration is the highest rate of return.

(7) In these circumstances, prudence does not require that the state Board of Investments seek the highest rate of return on all investments. Rather, prudence requires that in

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investing federally tax-free funds the state Board of Investments should seek a rate of return commensurate with its public charter. Furthermore, prudence demands that the board immediately seek fiscally sound investments within the State of West Virginia which offer sound security and directly serve the hopes and aspirations in housing and employment of the inhabitants of this state.

(8) The survival and renewal of a vibrant market for single-family residential units and the opportunity to attract new businesses to the state is a sound and preferred investment for the resources held in trust by this state for its citizens. Such investments deserve precedence and encouragement, even at the expense of foregoing the highest rate of investment return, an investment return which the tax paying investor might gain in the current market place but which prudence dictates that the state Board of Investments need not pursue.

(9) The success of the undertakings required by this article will be amply demonstrated by: (a) The increased financial stability of the state, (b) the contribution which will occur when the dreams of hundreds of West Virginians are realized, (c) the intrinsic worth of enhancing the cooperative spirit of the inhabitants of this state in employment and housing, and (d) the enhancement of revenue to the state which will be generated by the commerce West Virginia seeks to stimulate. In addition, the rate of return realized by these funds will be at least as high as the actuarial assumptions, and, given the rates of return demonstrated over the past three years, probably higher than the current rate of return.

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