WEST VIRGINIA CODE: §5-1-19

§5-1-19. Temporary loans.

The Governor may raise, from time to time, by temporary loans, not having over eighteen months to run, nor bearing a greater interest than 2¢ per $100 per day, so much as may be needed to supply the wants of the treasury: Provided, That the Governor may, on or before June 30, 1989, issue notes, revenue bonds, certificates or other evidences of indebtedness of the state as provided in this section to redeem previous liabilities for the ordinary expenses of the state. Such notes, revenue bonds, certificates or other evidences of indebtedness may not exceed in the aggregate the principal sum of $135 million and shall provide for repayment of principal and interest in full no later than June 30, 1992.

The issuance of such notes, revenue bonds, certificates or other evidences of indebtedness shall be authorized by an executive order, and such notes, revenue bonds, certificates or other evidences of indebtedness shall be payable in such medium of payment and at such place or places, within or without the state, and may have such other terms and conditions as the Governor determines. Such notes, revenue bonds, certificates or other evidences of indebtedness shall be signed by the Governor, under the great seal of the state, and attested by the Secretary of State. The Governor and Secretary of State may sign and attest such notes, revenue bonds, certificates or other evidences of indebtedness by facsimile signature. Such notes, revenue bonds, certificates or other evidences of indebtedness may be issued at such interest rate or rates as the Governor deems reasonable and necessary to serve the best interests of the state and to enhance their marketability. Such notes, revenue bonds, certificates or other evidences of indebtedness shall be sold in such manner and on such terms and conditions as the Governor may determine to be in the best interests of the state. Any revenue bonds issued hereunder shall be in registered form.

The Governor may enter into trust agreements with banks or trust companies, within or without the state, and in such trust agreements or the executive order authorizing the issuance of such notes, revenue bonds, certificates or other evidences of indebtedness he may enter into valid and legally binding covenants with the holders of such notes, revenue bonds, certificates or other evidences of indebtedness as to the custody, safekeeping and disposition of the moneys within the "Fiscal Responsibility Fund" hereinafter created and as to any other matters or provisions which are deemed necessary or advisable by the Governor to serve the best interests of the state and to enhance the marketability of such notes, revenue bonds, certificates or other evidences of indebtedness. The Governor may contract for the provision of such professional and technical services as he may deem necessary or advisable in connection with the issuance of such notes, revenue bonds, certificates or other evidences of indebtedness, including without limitation accounting, actuarial, consulting, financial and legal services. The fees and expenses of such professionals and any and all other costs associated with the issuance of such notes, revenue bonds, certificates or other evidences of indebtedness shall be payable from the proceeds of such issuance.

Such notes, revenue bonds, certificates or other evidences of indebtedness shall be and constitute negotiable instruments under the Uniform Commercial Code of this state; shall, together with the interest thereon, be exempt from all taxation by the State of West Virginia, or by any county, school district, municipality or political subdivision thereof; and such notes, revenue bonds, certificates or other evidences of indebtedness shall not be deemed to be general obligations or debts of the state within the meaning of the Constitution of the State of West Virginia, and the credit or the taxing power of the state shall not be pledged therefor, but such notes, revenue bonds, certificates or other evidences of indebtedness shall be payable only from the revenue pledged therefor as provided in this section.

The proceeds of any indebtedness issued hereunder shall be paid into a special fund hereby created in the State Treasury named "The Fund for Redemption of Previous Liabilities". The Governor may make disbursements from this fund to pay the reasonable fees, expenses and costs associated with the issuance of the indebtedness authorized by this section, and such other disbursements as he deems necessary to redeem previous liabilities for the ordinary expenses of the state.

There is hereby created in the State Treasury a special fund named the "Fiscal Responsibility Fund" into which shall be paid on and after July 1, 1989, the amounts as and when specified in section thirty, article fifteen, chapter eleven of this code. All moneys deposited in said fund are pledged to the repayment of principal and interest on any notes, revenue bonds, certificates or other evidences of indebtedness issued pursuant to this section. A lien on the fund shall exist in favor of the holders of any notes, revenue bonds, certificates or other evidences of indebtedness issued under this section to the extent of such indebtedness. Any moneys not needed for repayment of principal and interest on and costs associated with the notes, revenue bonds, certificates or other evidences of indebtedness authorized by this section may be used to repay principal and interest on moneys previously transferred from the occupational pneumoconiosis fund pursuant to section eight-a, article four-b, chapter twenty-three of this code. Repayment to the occupational pneumoconiosis fund, if any, shall be made into the special account created in the State Treasury by said section eight-a. Any amounts remaining in the "Fiscal Responsibility Fund" after provisions for repayment of indebtedness issued pursuant to this section and not otherwise used for repayment of moneys previously transferred from the occupational pneumoconiosis fund shall be transferred to the General Revenue Fund of this state on or before August 1, 1992.