WEST VIRGINIA CODE: §8-13-20

§8-13-20. Balances in Municipal Bond Commission fund may be transferred or remitted to general fund where bonded indebtedness has been paid or where defeasance or payment of bonded indebtedness has been provided for; use of transferred or remitted funds.

(a) As used in this section, unless the context in which used clearly requires a different meaning, the word "commission" means the West Virginia Municipal Bond Commission.

(b) Every municipality shall have plenary power and authority to transfer to the General Fund of such municipality:

(1) Any unexpended balances of funds raised to pay the interest on and create sinking funds for any bonded indebtedness when the bonded indebtedness for the payment of which such funds were raised has been fully paid and discharged or when provision has been made, as hereinafter provided in subsection (d) of this section, to fully pay and discharge such bonded indebtedness, and

(2) Any balance remaining in any fund levied and collected under authority of any special levy election.

(c) The commission is authorized to remit to the municipality which has issued or issues any bonds, to be credited to the general of such municipality, any balances of funds remaining under the supervision and control of the commission when the bonded indebtedness for the payment of which such funds were raised and paid to the commission has been fully paid and discharged or when provision has been made, as hereinafter provided in subsection (d) of this section, to fully pay and discharge such bonded indebtedness.

(d) All outstanding bonds of any series shall, prior to the maturity date thereof, be deemed to have been fully paid and discharged when there shall have been deposited with the commission:

(1) Either moneys in an amount which shall be sufficient, or

(2) Securities of a quality in which the commission is authorized by law to invest moneys in its possession and control, the principal of an interest on which will provide moneys which, together with the moneys, and investment securities, if any, theretofore deposited with, or acquired by, the commission and held by it for the payment of such bonds and the moneys, if any, then deposited with the commission for such purpose, (i) shall be sufficient to pay when due the principal and interest due and to become due on said bonds on and prior to the maturity date thereof, or (ii) if the outstanding bonds are redeemable and the municipality by ordinance determines to redeem said outstanding bonds, shall be sufficient to pay when due the redemption price, and interest due and to become due on said bonds on and prior to

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the next redemption date thereof.

The moneys and securities held by the commission pursuant to this subsection (d) shall be held by the commission in trust for the payment of the principal or redemption price, if applicable, of and interest on the bonds for the payment or redemption of which such provision is made: Provided, That any cash received from principal or interest payments on securities so held by the commission, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in principal amounts sufficient to pay when due the principal or redemption price, if applicable, of and interest to become due on such bonds on and prior to the redemption date or maturity date thereof, as the case may be, and the interest earned from any such reinvestments shall be paid over to the municipality which issued such bonds, as received by the commission, free and clear of any trust. Any moneys, and the proceeds of any securities, held by the commission in trust for the redemption, if applicable, or for the payment and discharge of any series of bonds, which are in excess of the moneys required to fully pay and discharge such bonds, by redemption, if applicable, or upon maturity thereof, shall also be transferred to the General Fund of the municipality which issued such bonds after such bonds are redeemed, if applicable, or after such bonds are fully paid and discharged at maturity, as the case may be.

(e) In any case where such funds are transferred from sinking funds, or are remitted from the commission, as hereinabove provided, no part of the moneys so transferred or remitted shall be expended for the payment of current expenses of the municipality, but such funds shall be expended as the governing body of such municipality shall elect for the liquidation of existing nonbonded indebtedness, if any, of such municipality or for the liquidation of other bonded indebtedness of such municipality or for any combination of such uses.

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