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OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

# WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1991

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## ENROLLED

SENATE BILL NO. 622

(By Senator Tomblin, et al)

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PASSED March 8, 1991

In Effect July 1, 1991 ~~Passage~~

**ENROLLED**  
**Senate Bill No. 622**

(BY SENATORS TOMBLIN, BLATNIK, BRACKENRICH,  
CHERNENKO, CRAIGO, HAWSE, JONES, LUCHT, J. MANCHIN,  
M. MANCHIN, SHARPE, SPEARS, WAGNER, WHITLOW,  
WITHERS AND BOLEY)

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[Passed March 8, 1991; to take effect July 1, 1991.]

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AN ACT to amend chapter twelve of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article, designated article six-a, relating to the state board of investments; enacting the debt management act of 1991; legislative findings and declaration of public necessity; creating the division of debt management; director of division; definitions; debt information reporting by state spending units; powers and duties for the division; and authorizing the promulgation of legislative rules.

*Be it enacted by the Legislature of West Virginia:*

That chapter twelve of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new article, designated article six-a, to read as follows:

**ARTICLE 6A. THE DEBT MANAGEMENT ACT OF 1991.**

**§12-6A-1. Short title.**

- 1 This article shall be known and may be cited as
- 2 "The Debt Management Act of 1991".

**§12-6A-2. Legislative findings and declaration of public necessity.**

1 (a) The Legislature hereby finds and declares that  
2 efficient and effective state government requires the  
3 designation of an authority having responsibility for  
4 procuring, maintaining and reporting pertinent infor-  
5 mation relating to the debt of the state and its  
6 agencies, boards, commissions and authorities. In  
7 addition to other duties and powers delegated to the  
8 state board of investments by this article, the board  
9 shall perform the functions and duties necessary to  
10 enable it to serve as a central information source  
11 concerning the incurrence, recording and reporting of  
12 debt issued by the state, its agencies, board, commis-  
13 sions and authorities.

14 (b) The Legislature hereby finds:

15 (1) The credit rating and acceptance of bonds, notes,  
16 certificates of participation and other securities and  
17 indebtedness of the state and its spending units have  
18 been unstable as a result of the instability in tradi-  
19 tional national and international markets of goods and  
20 services produced by the citizens of the state.

21 (2) In order to finance essential capital projects for  
22 the benefit of the citizens of the state at the lowest  
23 possible cost, the state must maintain high levels of  
24 acceptance of the indebtedness of the state and its  
25 spending units in the financial markets.

26 (3) In order to attain these goals, authorization of  
27 state debt must be based on the ability of the state to  
28 meet its total debt service requirements, in light of  
29 other uses of its fiscal resources.

30 (c) The Legislature hereby further finds that the  
31 public policies and responsibilities of the state as set  
32 forth in this article cannot be fully attained without  
33 the creation of a state division of debt management.

**§12-6A-3. Division of debt management created; director.**

1 There is hereby created within the office of the state  
2 board of investments, the division of debt management.

3 The division shall be under the control of a director  
4 to be appointed by the board and who shall be qual-  
5 ified by reason of exceptional training and experience  
6 in the field of activities of his respective division and  
7 shall serve at the will and pleasure of the board.

**§12-6A-4. Definitions.**

1 For the purpose of this article:

2 "Debt" means bonds, notes, certificates of participa-  
3 tion, certificate transactions, capital leases and all  
4 other forms of securities and indebtedness.

5 "Division" means the division of debt management.

6 "State" means the state of West Virginia.

7 "Spending unit" means any of the state's agencies,  
8 boards, commissions, committees, authorities or other  
9 of its entities with the power to issue debt and secure  
10 such debt, and not including local political subdivisions  
11 of the state.

**§12-6A-5. Powers and duties.**

1 The division of debt management shall perform the  
2 following functions and duties:

3 (1) Develop a long-term debt plan including criteria  
4 for the issuance of debt by the state and its spending  
5 units and the continuous evaluation of the current and  
6 projected debt of the state and its spending units.

7 (2) Evaluate cash flow projections relative to pro-  
8 posed and existing revenue bond issues.

9 (3) Act as liaison with the Legislature on all debt  
10 matters, including, but not limited to, new debt issues  
11 and the status of debt issued by the state and its  
12 spending units.

13 (4) Assist the state and its spending units regarding  
14 the issuance of debt if requested.

15 (5) Establish reporting requirements for the issuance  
16 of debt by the state and its spending units pursuant to  
17 the provisions of this article.

18 (6) Make and execute contracts and other instru-  
19 ments and pay the reasonable value of services or  
20 commodities rendered to the division pursuant to  
21 those contracts.

22 (7) Contract, cooperate or join with any one or more  
23 other governments or public agencies, or with any  
24 political subdivision of the state, or with the United  
25 States, to perform any administrative service, activity  
26 or undertaking which any such contracting party is  
27 authorized by law to perform and to charge for  
28 providing such services and expend any fees collected.

29 (8) Do all things necessary or convenient to effectu-  
30 ate the intent of this article and to carry out its powers  
31 and functions.

**§12-6A-6. Debt information reporting.**

1 (1) Within fifteen days following the end of each  
2 calendar quarter, each state spending unit shall  
3 provide the division and the legislative auditor, in the  
4 manner provided by this article and in such form and  
5 detail as the state board of investments may by  
6 regulation require, a statement of the total debt of  
7 each such state spending unit incurred during the  
8 calendar quarter and owing at the end of such calen-  
9 dar quarter, which statement shall include, but not be  
10 limited to, the name of the state spending unit, the  
11 amounts and types of debt incurred during the calen-  
12 dar quarter and outstanding at the end of the calendar  
13 quarter, the cost and expenses of incurring the debt,  
14 the maturity date of each debt, the terms and condi-  
15 tions of the debt, the current debt service on the debt,  
16 the current interest rate on the debt, the source of the  
17 proceeds utilized for repayment of the debt, the  
18 amounts of repayment during the calendar quarter,  
19 the repayment schedule and the security for the debt.

20 (2) Not less than fifteen days prior to a proposed  
21 offering of debt to be issued by a state spending unit,  
22 written notice of such proposed offering and the terms  
23 thereof shall be given to the division by such state  
24 spending unit in such form as the division may by  
25 regulation require.

26 (3) Within thirty days following the end of each  
27 calendar quarter and on an annual basis the state  
28 board of investments shall prepare and issue a report  
29 of all debt of the state and its spending units and of all  
30 proposed debt issuances of which the board has  
31 received notice and shall furnish a copy of such report  
32 to the governor, the president of the Senate, the  
33 speaker of the House, the legislative auditor and upon  
34 request to any legislative committee and any member  
35 of the Legislature and such report shall be kept  
36 available for inspection by any citizen of the state.

**§12-6A-7. Promulgation of rules.**

1 The division of debt management shall promulgate  
2 rules relating to reporting requirements and its duties  
3 under this article and the rules shall be promulgated  
4 in accordance with the provisions of article three,  
5 chapter twenty-nine-a of this code.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

*Homer Luck*  
.....  
Chairman Senate Committee

*Ernest C. Madie*  
.....  
Chairman House Committee

Originated in the Senate.

To take effect July 1, 1991.

*Narru Chabua*  
.....  
Clerk of the Senate

*Ronald L. Kopp*  
.....  
Clerk of the House of Delegates

*Paul F. Smith*  
.....  
President of the Senate

*Bob Clark*  
.....  
Speaker House of Delegates

The within ~~was agreed~~ this the *1st* .....  
day of *April* ....., 1991.

*Gaston Caperton*  
.....  
Governor



PRESENTED TO THE

GOVERNOR

Date 3/18/91

Time 3:00 pm