WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1991

ENROLLED

SENATE BILL NO. 622
(By Senator Tomblin, et al)

PASSED March 8, 1991
In Effect July 1, 1991
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:


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.

(a) The Legislature hereby finds and declares that efficient and effective state government requires the designation of an authority having responsibility for procuring, maintaining and reporting pertinent information relating to the debt of the state and its agencies, boards, commissions and authorities. In addition to other duties and powers delegated to the state board of investments by this article, the board shall perform the functions and duties necessary to enable it to serve as a central information source concerning the incurrence, recording and reporting of debt issued by the state, its agencies, board, commissions and authorities.

(b) The Legislature hereby finds:

(1) The credit rating and acceptance of bonds, notes, certificates of participation and other securities and indebtedness of the state and its spending units have been unstable as a result of the instability in traditional national and international markets of goods and services produced by the citizens of the state.

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

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

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

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

There is hereby created within the office of the state board of investments, the division of debt management.
The division shall be under the control of a director to be appointed by the board and who shall be qualified by reason of exceptional training and experience in the field of activities of his respective division and shall serve at the will and pleasure of the board.

§12-6A-4. Definitions.

For the purpose of this article:

“Debt” means bonds, notes, certificates of participation, certificate transactions, capital leases and all other forms of securities and indebtedness.

“Division” means the division of debt management.

“State” means the state of West Virginia.

“Spending unit” means any of the state’s agencies, boards, commissions, committees, authorities or other of its entities with the power to issue debt and secure such debt, and not including local political subdivisions of the state.


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

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

(2) Evaluate cash flow projections relative to proposed and existing revenue bond issues.

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

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

(5) Establish reporting requirements for the issuance of debt by the state and its spending units pursuant to the provisions of this article.
(6) Make and execute contracts and other instruments and pay the reasonable value of services or commodities rendered to the division pursuant to those contracts.

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

(8) Do all things necessary or convenient to effectuate the intent of this article and to carry out its powers and functions.

§12-6A-6. Debt information reporting.

(1) Within fifteen days following the end of each calendar quarter, each state spending unit shall provide the division and the legislative auditor, in the manner provided by this article and in such form and detail as the state board of investments may by regulation require, a statement of the total debt of each such state spending unit incurred during the calendar quarter and owing at the end of such calendar quarter, which statement shall include, but not be limited to, the name of the state spending unit, the amounts and types of debt incurred during the calendar quarter and outstanding at the end of the calendar quarter, the cost and expenses of incurring the debt, the maturity date of each debt, the terms and conditions of the debt, the current debt service on the debt, the current interest rate on the debt, the source of the proceeds utilized for repayment of the debt, the amounts of repayment during the calendar quarter, the repayment schedule and the security for the debt.

(2) Not less than fifteen days prior to a proposed offering of debt to be issued by a state spending unit, written notice of such proposed offering and the terms thereof shall be given to the division by such state spending unit in such form as the division may by regulation require.
(3) Within thirty days following the end of each calendar quarter and on an annual basis the state board of investments shall prepare and issue a report of all debt of the state and its spending units and of all proposed debt issuances of which the board has received notice and shall furnish a copy of such report to the governor, the president of the Senate, the speaker of the House, the legislative auditor and upon request to any legislative committee and any member of the Legislature and such report shall be kept available for inspection by any citizen of the state.


The division of debt management shall promulgate rules relating to reporting requirements and its duties under this article and the rules shall be promulgated in accordance with the provisions of article three, chapter twenty-nine-a of this code.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the Senate.

To take effect July 1, 1991.

Clerk of the Senate

President of the Senate

Speaker House of Delegates

The within is signed this the 1st day of .................................................. 1991.

Governor