WEST VIRGINIA LEGISLATURE
SECOND REGULAR SESSION, 1992

ENROLLED

Com. Sub. For

HOUSE BILL No. 2916

(By Delegate .............................................)

Passed ............................................. 1992

In Effect ............................................. 1992

SECRETARY OF STATE
OFFICE OF WEST VIRGINIA

1992 APR - 1 PM 4:41
RECEIVED
AN ACT to amend and reenact section four, article nineteen, chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to revenue bond financing for municipal and county waterworks and electric power systems; providing that electric power systems are exempt from certain taxation under specified circumstances; and providing that any payments in lieu of tax be distributed in a specified manner.

Be it enacted by the Legislature of West Virginia:

That section four, article nineteen, chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 19. MUNICIPAL AND COUNTY WATERWORKS AND ELECTRIC POWER SYSTEMS.

PART IV. REVENUE BOND FINANCING.

§8-19-4. Estimate of cost; ordinance or order for issuance of revenue bonds; interest on bonds; rates for services; exemption from taxation.

1 Whenever a municipality or county commission shall, 2 under the provisions of this article, determine to
acquire, by purchase or otherwise, construct, establish, extend or equip a waterworks system or an electric power system, or to construct any additions, betterments or improvements to any waterworks or electric power system, it shall cause an estimate to be made of the cost thereof, and may, by ordinance or order, provide for the issuance of revenue bonds under the provisions of this article, which ordinance or order shall set forth a brief description of the contemplated undertaking, the estimated cost thereof, the amount, rate or rates of interest, the time and place of payment, and other details in connection with the issuance of the bonds. Such bonds shall be in such form and shall be negotiated and sold in such manner and upon such terms as the governing body of such municipality or county commission may by ordinance or order specify. All such bonds and the interest thereon shall be exempt from all taxation by this state, or any county, municipality or county commission, political subdivision or agency thereof. Notwithstanding any other provision of this code to the contrary, the real and personal property which a municipality or county has acquired and constructed according to the provisions of this article, and any leasehold interest therein held by other persons, shall be deemed public property and shall be exempt from taxation by the state, or any county, municipality or other levying body, so long as the same is owned by such municipality or county: Provided, That with respect to electric power systems, this exemption for real and personal property shall be applicable only for such real and personal property (1) physically situate within the municipal or county boundaries of the municipality or county which acquired or constructed such electric power system and there was in place prior to the effective date of the amendments to this section made in the year one thousand nine hundred ninety-two an agreement between the municipality, and the county commission for payments in lieu of tax, or (2) acquired or constructed with the written agreement of the county school board, county commission and any municipal authority within whose jurisdiction the electric power system is or is to be physically situate. Notwithstanding
anything contained in this statute to the contrary, this
exemption shall be applicable to any leasehold or similar
interest held by persons other than a municipality or
county only if acquired or constructed with the written
agreement of the county school board, county commis-
sion and any municipal authority within whose jurisdic-
tion the electric power system is or is to be physically
situate: Provided, however, That payments made to any
county commission, county school board or municipality
in lieu of tax pursuant to such an agreement shall be
distributed as if the payments resulted from ad valorem
property taxation. Such bonds shall bear interest at a
rate per annum set by the municipality or county
commission, payable at such times, and shall be payable
as to principal at such times, not exceeding fifty years
from their date, and at such place or places, within or
without the state, as shall be prescribed in the ordinance
or order providing for their issuance. Unless the
governing body of the municipality or county commis-
sion shall otherwise determine, such ordinance or order
shall also declare that a statutory mortgage lien shall
exist upon the property so to be acquired, constructed,
established, extended or equipped, fix minimum rates
or charges for water or electricity to be collected prior
to the payment of all of said bonds and shall pledge the
revenues derived from the waterworks or electric power
system for the purpose of paying such bonds and interest
thereon, which pledge shall definitely fix and determine
the amount of revenues which shall be necessary to be
set apart and applied to the payment of the principal
of and interest upon the bonds and the proportion of the
balance of such revenues, which are to be set aside as
a proper and adequate depreciation account, and the
remainder shall be set aside for the reasonable and
proper maintenance and operation thereof. The rates or
charges to be charged for the services from such
waterworks or electric power system shall be sufficient
at all times to provide for the payment of interest upon
all bonds and to create a sinking fund to pay the
principal thereof as and when the same become due, and
reasonable reserves therefor, and to provide for the
repair, maintenance and operation of the waterworks or
87 electric power system, and to provide an adequate
88 depreciation fund, and to make any other payments
89 which shall be required or provided for in the ordinance
90 or order authorizing the issuance of said bonds.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originating in the House.

Takes effect July 1, 1992.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker of the House of Delegates

The within is approved this the day of April 1992.

Governor