WEST VIRGINIA LEGISLATURE

SECOND REGULAR SESSION, 1998

ENROLLED

House Bill No. 4702

(By Delegates Michael, Mezzatesta, Doyle, Claments, Leggett and Frederick)

Passed March 14, 1998

In Effect from Passage



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H. B. 4702

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AN ACT to amend article six, chapter twelve of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new section, designated section twenty; to amend and reenact sections one-a, two, three, four, five, eight, nine, ten and twenty-six, article twenty, chapter thirtyone of said code; to further amend said article by adding thereto three new sections, designated section five-c, section eight-a and section nine-a; and to amend and reenact sections fourteen, fifteen and seventeen, article three, chapter thirty-three of said code, all relating to providing for the administrative structure and funding of juvenile and adult detention and corrections, construction, operations, maintenance and oversight; providing that the regional jail and correctional facility authority may finance certain costs through the investment management board; requiring the investment management board to invest certain funds available for investment from the public employees retirement system in the state's regional jail and correctional facility system; limiting the amount that may be transferred; loan repayment; requiring authority to certify a list of projects; rate of return on investments; creating funds; requiring board to initiate a declaratory judgement action; providing that the authority may design, finance and

construct or renovate and repair juvenile facilities; adding definitions; revising the composition, powers and duties of the authority; revising the composition and scope of authority of the jail and correctional facility standards commission; creating a separate standards commission for juvenile facilities and providing for the appointment of members: specifying powers and duties of the juvenile facilities standards commission; authorizing the regional jail and correctional facility authority to construct new facilities or renovate existing facilities to be used for secure predisposition detention of juveniles, for juvenile transfer facilities and for juvenile correctional facilities and allowing said facilities to be adjacent to regional jails under certain circumstance; redefining the regional jail and correctional facility development fund; including discretionary oversight of juvenile facilities under the jurisdiction of the legislative oversight committee on regional jails and correctional facilities; providing for the disposition of certain designated insurance tax revenues; eliminating obsolete and superfluous provisions; and providing a reasonable return on the investment by dedicating a portion of revenues generated from certain designated insurance taxes.

Be it enacted by the Legislature of West Virginia:

That article six, chapter twelve of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new section, designated section twenty; that sections one-a, two, three, four, five, eight, nine, ten, and twenty-six, article twenty, chapter thirty-one of said code be amended and reenacted; that said article be further amended by adding thereto three new sections, designated section five-c, section eight-a and section nine-a; and that sections fourteen, fifteen and seventeen, article three, chapter thirty-three of said code be amended and reenacted, all to read as follows:

CHAPTER 12. PUBLIC MONEYS AND SECURITIES.

ARTICLE 6. WEST VIRGINIA INVESTMENT MANAGEMENT BOARD.

§12-6-20. Investment with regional jail and correctional facility authority.

(a) The Legislature finds and declares:

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- (1) That the supreme court of appeals has determined and ordered that the Constitution of this state imposes a duty on behalf of the state to make significant improvements in the jail and correctional facility system, including the duty to make capital improvements to facilities and to pay for the cost of those improvements;
- (2) That construction of capital improvements requires that the cost of the facilities be financed over time; that capital improvements cannot be funding out of the current year appropriations of the Legislature; and that section fifty-one, article six of the Constitution prohibits the Legislature amending the budget bill so as to create a deficit;
- (3) That while the supreme court of appeals is empowered to interpret the laws, including the Constitution of the state, section one, article ten of the Constitution grants to the Legislature the power of taxation; section fifty-one, article six of the Constitution grants to the Legislature the power of appropriation; and section one, article five of the Constitution prohibits any branch of government from exercising powers properly belongs to another;
 - (4) That the enacting of new taxes, or the diversion of revenues from other essential departments and functions of government, in order to support capital improvements in jails and correctional facilities, is not in the interests of the people of the state represented in the Legislature, and is specifically rejected by the Legislature in its exercise of its legitimate Constitutional powers;
 - (5) That the decision of the supreme court of appeals, imposing a duty on the state to construct and pay for capital improvements to jails and correctional facilities arising out of the Bill of Rights of the United States Constitution declared ratified in the year one thousand seven hundred ninety-one, and the state Constitution of the year one thousand eight hundred sixty-three, constitutes a prior liability of the state within the meaning of section four, article ten of the Constitution and an

- 40 exception to the Constitutional limitation on contracting41 state debt;
- 42 (6) That the construction of capital improvements of 43 jail and correctional facilities may be funded through 44 funds available for investment through the West Virginia 45 investment management board, invested in such a manner 46 as to be assured as high a rate of return as would be 47 earned if these funds were otherwise invested, and repaid 48 by the state as provided in this article.
- 49 (b) The investment management board shall upon 50 request of the regional jail and correctional facility 51 authority transfer moneys as an investment, from funds 52 available for investment from the public employees 53 retirement system, to the regional jail and correctional 54 facility authority. The amount transferred may not 55 exceed one hundred fifty million dollars in the aggregate 56 and shall be used for the purposes of financing 57 construction of regional jails, correctional facilities, 58 juvenile detention facilities, juvenile correctional facilities, 59 or extensions, renovations, improvements or additions 60 thereto, or for the replacement or renovation of existing 61 facilities. If the board has loaned money to the state 62 building commission under subsection (b), section 63 nineteen of this article, the total amount loaned shall be 64 repaid to the board from funds made available under the 65 investment made pursuant to this section. Prior to the 66 expenditure of any of the funds, the regional jail and 67 correctional facility authority shall certify to the joint 68 committee on government and finance a list of projects 69 that are to be funded from the invested funds. 70 certified list may not thereafter be altered or amended 71 other than by legislative enactment. Funds shall be 72 invested with the regional jail and correctional facility 73 authority as requested by the regional jail and correctional 74 facility authority. The money invested shall earn a return 75 at a rate equal to the average monthly rate of return 76 earned by fixed income investments made by the board 77 over the previous twelve months, plus one tenth of one 78 percent. The monthly rate of return shall be calculated 79 every month. The manner and timing of the investment 80 shall be determined by the board. The total of the

amounts invested may not exceed a total of one hundred fifty million dollars during fiscal year one thousand nine hundred ninety-eight, and fiscal year one thousand nine hundred ninety-nine, cumulatively. The authority to make the investment authorized by this section expires on the thirtieth day of June, one thousand nine hundred ninety-nine.

- (c) There is created in the state treasury a regional jail and correctional facility investment fund dedicated to the payment of investment earnings and the return of capital invested under this section. The treasurer shall administer the fund. The fund is an interest-bearing account with interest earned credited to and deposited back into the fund. The fund consists of amounts required to be deposited by section fourteen, article three, chapter thirty-three of this code.
- (d) The treasurer shall, monthly, transfer amounts from the regional jail and correctional facility investment fund to the board that are sufficient to allow investment earnings to be paid and the capital invested returned in substantially equal amounts by the thirty-first day of August, two thousand twenty-three: *Provided*, That the amount of investment earnings paid and the capital invested returned during the fiscal year beginning the first day of July, one thousand nine hundred ninety-eight, may not exceed ten million dollars. Payment representing investment earnings and the return of capital invested shall begin six months from the date the initial funds are invested, or by the tenth day of January, one thousand nine hundred ninety-nine, whichever is later.
- (e) The board shall calculate the amount of the projected annual investment earnings to be paid and the capital invested to be returned and certify the amount to the treasurer on the first day of December of each year, until all investment earnings are paid and the total capital invested is returned.
- 117 (f) As soon as practical, but at least within thirty days 118 of the effective date of this section, the investment 119 management board shall initiate a declaratory judgement 120 action seeking to determine the constitutionality of the

- 121 investment to be made under the provisions of this section
- 122 and the validity of subsection (g) of this section. The
- 123 action shall be initiated in and decided by the supreme
- 124 court of appeals, notwithstanding any provision of this
- 125 code requiring the action to be initiated in a circuit court.
- 126 (g) The Legislature recognizes the fiduciary liability
- 127 and responsibility imposed on the board by this article
- 128 and by article six, chapter forty-four of this code. The
- 129 board, its trustees and employees, have no liability, either
- 130 personally or corporately with respect to the investment
- 131 provided for in this section and the loans made under
- section nineteen of this article, if the investment and loans
- 133 are made in accordance with the respective provisions of
- 134 this section and section nineteen of this article.
- (h) The regional jail and correctional facility authority
- 136 shall expend the funds invested under the provisions of
- 137 this section to proceed with the projects identified
- 138 pursuant to subsection (b) of this section.

CHAPTER 31. CORPORATIONS.

ARTICLE 20. WEST VIRGINIA REGIONAL JAIL AND CORRECTIONAL FACILITY AUTHORITY.

§31-20-1a. Legislative findings and purposes.

- 1 (a) The Legislature finds as follows:
- 2 (1) That some existing jails, adult correctional facilities
- 3 and juvenile detention and correctional facilities in this
- 4 state serve neither the best interests of the incarcerated
- 5 populations of the jails and facilities nor the citizens of
- 6 West Virginia;
- 7 (2) That due to time constraints established and
- 8 imposed by judicial decisions, it is imperative that the
- 9 Legislature give immediate and diligent attention to the
- 10 improvement of existing facilities and the construction
- 11 and maintenance of new facilities, as well as to the
- 12 development and implementation of new, innovative and
- 13 effective programs dealing with incarcerated persons;
- 14 (3) That the physical condition of some existing jails,
- 15 adult correctional facilities and juvenile facilities

- 16 contribute to a frustration of efforts to provide 17 rehabilitation, education, vocational training, and social 18 and psychological adjustment and improvement for 19 incarcerated persons, with the result that those existing 20 facilities are utilized largely for the limited purposes of 21 confinement:
- 22 (4) That there is a need to examine, understand and 23 implement various new and innovative trends which are 24 being advanced in the area of correctional institution 2.5 design, and to explore the developing alternatives to 26 incarceration which are being experimented with in other 27 jurisdictions; and
- 28 (5) That the revenues of this state, insofar as they are 29 currently used to maintain a traditional penal system, are 30 not efficiently utilized to provide facilities or produce 31 programs which could direct an adult or juvenile inmate's 32 or detainee's time and effort to prepare him or her for life outside of confinement; nor do the revenues provide 33 34 corrections officials with the resources necessary to 35 address the issues and problems with which they are 36 confronted.
 - (b) The purposes of this article are as follows:

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- 38 (1) To provide a cost-efficient system within this state 39 for the construction, maintenance and operation of adult jails and correctional facilities; 40
- 41 (2) To develop and implement plans for the 42 renovation and improvement of existing facilities and the 43 design and construction of new facilities to better serve the 44 incarcerated and detained juvenile and adult populations 45 and the citizens of this state;
- (3) To provide an environment in which new and innovative corrections programs may be considered and undertaken, and in which opportunities may be offered to incarcerated persons to overcome personal deficiencies 50 which are educational, vocational, social or psychological in nature; and
- 52 (4) To investigate the feasibility of individualizing and classifying adult inmates according to their psychological 53

- and physical conditions at the time they are incarcerated,
- 55 and the feasibility of designing for each such inmate a
- 56 plan for self-improvement and rehabilitation.

§31-20-2. Definitions.

- 1 Unless the context indicates clearly otherwise, as used 2 in this article:
- (a) "Adjacent regional juvenile detention facility"
 means a facility constructed or maintained on property
 owned or controlled by the regional jail authority and
 designed for the short term pre-adjudicatory detention of
 juveniles, for the confinement of juveniles who are
 awaiting transportation to or placement at another juvenile
 detention facility or juvenile correctional facility and for
 juveniles who are awaiting trial as an adult pursuant to
 section ten, article five, chapter forty-nine of this code.
- 12 (b) "Authority" or "West Virginia Regional Jail 13 Authority" means the West Virginia regional jail and 14 correctional facility authority created by this article.
- 15 (c) "Board" means the governing body of the 16 authority.
- 17 (d) "Bonds" means bonds of the authority issued 18 under this article.
- 19 (e) "Cost of construction or renovation of a local jail 20 facility, regional jail facility or juvenile facility" means
- 21 the cost of all lands, water areas, property rights and
- 22 easements, financing charges, interest prior to and during
- 23 construction and for a period not exceeding six months
- 24 following the completion of construction, equipment,
- 25 engineering and legal services, plans, specifications and 26 surveys, estimates of costs and other expenses necessary or
- surveys, estimates of costs and other expenses necessary or incidental to determining the feasibility or practicability of
- 28 any project, together with any other expenses as may be
- 29 necessary or incidental to the financing and the
- 30 construction or renovation of the facilities and the placing
- 31 of the facilities in operation.
- 32 (f) "County" means any county of this state.

- 33 (g) "Federal agency" means the United States of 34 America and any department, corporation, agency or 35 instrumentality created, designated or established by the 36 United States of America.
- 37 (h) "Fund" means the regional jail and correctional 38 facility development fund provided in section ten of this 39 article, including those accounts that may be established 40 by the authority for accurate accounting of the 41 expenditure of public funds by that agency.
- 42 (i) "Government" means state and federal 43 government, and any political subdivision, agency or 44 instrumentality of the state or federal government, 45 corporate or otherwise.

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- (j) "Inmate" means any adult person properly committed to a local or regional jail facility or a correctional facility.
- 49 (k) "Local jail facility" means any county facility for 50 the confinement, custody, supervision or control of adult 51 persons convicted of misdemeanors, awaiting trial or 52 awaiting transportation to a state correctional facility.
- 53 (1) "Municipality" means any city, town or village in this state.
- 55 (m) "Notes" means any notes as defined in section 56 one hundred four, article three, chapter forty-six of this 57 code issued under this article by the authority.
- 58 (n) "Correctional facility" means any correctional 59 facility, penitentiary or other correctional institution 60 operated by the division of corrections for the 61 incarceration of adults.
- 62 (o) "Regional jail facility" or "regional jail" means 63 any facility operated by the authority and used jointly by 64 two or more counties for the confinement, custody, 65 supervision or control of adult persons convicted of 66 misdemeanors or awaiting trial or awaiting transportation 67 to a state correctional facility.
- 68 (p) "Regional jail commission" means the 69 commission established in section eight of this article.

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- 70 (q) "Revenues" means all fees, charges, moneys, 71 profits, payments of principal of, or interest on, loans and 72 other investments, grants, contributions and all other 73 income received by the authority.
- 74 (r) "Security interest" means an interest in the loan 75 portfolio of the authority which is secured by an 76 underlying loan or loans and is evidenced by a note issued 77 by the authority.
 - (s) "Work farm" has the same meaning as that term is used in section twelve, article eight, chapter seven of this code authorizing work farms for individual counties.
- 81 (t) "Juvenile detention facility" or "juvenile detention center" means a facility operated by the 82 83 division of juvenile services for the short term pre-84 adjudicatory detention of juveniles, for the confinement of 85 juveniles who are awaiting transportation to or placement 86 at another juvenile detention facility or juvenile 87 correctional facility and for juveniles who are awaiting 88 trial as an adult pursuant to section ten, article five, chapter 89 forty-nine of this code.
- 90 (u) "Juvenile correctional facility" means a facility
 91 operated by the division of juvenile services for the post92 dispositional confinement of juveniles adjudicated of
 93 offenses that would be criminal offenses if committed by
 94 an adult.

§31-20-3. West Virginia regional jail and correctional facility authority; composition; appointment; terms; compensation and expenses.

1 There is hereby created the West Virginia regional jail 2 and correctional facility authority which shall be a body 3 corporate and a government instrumentality. 4 authority shall have and is hereby granted all of the 5 powers and authority and shall perform all of the 6 functions and services heretofore vested in and performed 7 by the West Virginia regional jail and prison authority. 8 The West Virginia regional jail and prison authority is 9 hereby abolished. Wherever in this chapter and elsewhere

10 in law reference is made to the West Virginia regional jail

and prison authority, such reference shall henceforth be construed and understood to mean the West Virginia regional jail and correctional facility authority.

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The authority shall be governed by a board of nine members, seven of whom are entitled to vote on matters coming before the authority. The complete governing board shall consist of the commissioner of the division of corrections; the director of the division of juvenile services; the secretary of the department of military affairs and public safety; the secretary of the department of administration, or his or her designated representative; three county officials appointed by the governor, no more than two of which may be of the same political party; and two citizens appointed by the governor to represent the areas of law and medicine. The commissioner of the division of corrections and the director of the division of juvenile services shall serve in an advisory capacity and are not entitled to vote on matters coming before the authority. Members of the Legislature are not eligible to serve on the board.

The governor shall nominate and, by and with the advice and consent of the Senate, appoint the five appointed members of the authority for staggered terms of four years beginning the first day of July, one thousand nine hundred eighty-nine. Of the members of the board first appointed, one shall be appointed for a term ending the thirtieth day of June, one thousand nine hundred ninety-one, two shall be appointed for terms ending the thirtieth day of June, one thousand nine hundred ninety-two, and two shall be appointed for terms ending the thirtieth day of June, one thousand nine hundred ninety-three. As these original appointments expire, each subsequent appointment shall be for a full four-year term.

Any appointed member whose term has expired shall serve until his successor has been duly appointed and qualified. Any person appointed to fill a vacancy shall serve only for the unexpired term. Any appointed member is eligible for reappointment. Members of the authority are not entitled to compensation for services performed as members but are entitled to reimbursement

- 51 for all reasonable and necessary expenses actually 52 incurred in the performance of their duties.
- All members of the board of the authority shall execute an official bond in a penalty of ten thousand dollars, conditioned as required by law. Premiums on such bond shall be paid from funds accruing to the authority. Such bond shall be approved as to form by the
- 58 attorney general and as to sufficiency by the governor
- and, when fully executed and approved, shall be filed in the office of the secretary of state.

§31-20-4. Governing body; organization and meetings; quorum; administrative expenses.

1 The governing body of the authority shall consist of 2 the voting members of the board as provided for in 3 section three of this article and shall exercise all the powers given to the authority in this article. On the 5 second Monday of July of each odd-numbered year, the board shall meet to elect a chairman and a secretary from among its own members. The secretary of the department of administration or his or her designated representative 9 shall serve as treasurer of the board. The board shall 10 otherwise meet quarterly, unless a special meeting is called 11 by its chairman.

A majority of the members of the board constitute a quorum, and a quorum must be present for the board to conduct business. Unless the bylaws require a larger number, action may be taken by majority vote of the members present.

The board shall prescribe, amend and repeal bylaws and rules governing the manner in which the business of the authority is conducted and shall review and approve the budget prepared by the executive director annually.

The governor shall, with the advice and consent of the Senate, appoint an executive director to act as its chief executive officer, to serve at the will and pleasure of the governor. The executive director is empowered to employ any other personnel he or she determines necessary and may appoint counsel and legal staff for the authority and

- 27 retain such temporary engineering, financial and other 28 consultants or technicians as may be required for any special study or survey consistent with the provisions of 29 30 this article. The executive director is further empowered 31 to engage in negotiations and carry out plans to 32 implement the provisions of this article and to exercise 33 those powers listed in section five of this article on behalf 34 of the authority. The executive director shall prepare 35 annually a budget to be submitted to the board for its 36 review and approval.
- All costs incidental to the administration of the authority, including office expense, personal services expense and current expense, shall be paid from the regional jail and correctional facility development fund in accordance with guidelines issued by the board of the authority.

§31-20-5. Powers and duties of the authority; bidding procedures.

1 Public hearings pursuant to this section shall be held by the authority in convenient locations for public 3 comment on the establishment of regional jails. authority shall cause to be published at least two weeks in 5 advance of a hearing a Class II-0 legal advertisement, as 6 provided in section two, article three, chapter fifty-nine of this code, setting forth the reason for the hearing and the time, place and date thereof. The publication area shall be each county which may be included in a region for the 10 purposes of a regional jail with the county in which the 11 public hearing is held.

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In addition to the hearing requirements above, before beginning construction of a new facility for use as a regional jail or correctional facility or before beginning renovation or acquisition of an existing facility for use as a regional jail facility, which existing facility is not already a jail, correctional facility or secure facility for the detention of juveniles or persons otherwise involuntarily committed or confined, the authority shall hold a hearing for comment by all members of the public on all aspects relating to the advisability of the use of the site for that regional jail facility. The authority shall promulgate

- legislative rules pursuant to chapter twenty-nine-a of this
- code for the requirements for notice and other procedures 2.4
- 25 of said public hearings, which requirements shall be as
- similar as practicable to those hearings conducted 26
- 27 regarding the construction of bridges by the West Virginia
- department of highways. 28
- 29 The authority, as a public corporation and 30 governmental instrumentality exercising public powers of
- 31 the state, may exercise all powers necessary or appropriate
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 - to carry out the purposes of this article, including, but not
- 33 limited to, the power:
- 34 (a) To acquire, own, hold and dispose of property, real
- 35 and personal, tangible and intangible.
- 36 (b) To lease property, whether as a lessee or lessor.
- 37 (c) To mortgage or otherwise grant security interests 38 in its property.
- 39 (d) To conduct examinations and investigations and to
- hear testimony and take proof, under oath or affirmation 40
- 41 at public or private hearings, on any matter relevant to this
- 42 article and necessary for information on the construction
- or renovation of any adult correctional facility or juvenile 43
- 44 facility or the establishment of any correctional facility
- 45 industries project.
- 46 (e) To issue subpoenas requiring the attendance of
- 47 witnesses and the production of books and papers relevant
- 48 to any hearing before the authority or one or more
- 49 members appointed by it to conduct any hearing.
- 50 (f) To apply to the circuit court having venue of the
- 51 offense to have punished for contempt any witness who
- 52 refuses to obey a subpoena, refuses to be sworn or
- affirmed, or refuses to testify, or who commits any 53
- 54 contempt after being summoned to appear.
- (g) To sue and be sued, implead and be impleaded, 55
- 56 and complain and defend in any court.
- 57 (h) To adopt, use and alter at will a corporate seal.

- 58 (i) To make rules for the management and regulation 59 of its affairs pursuant to article three, chapter twenty-nine-60 a of this code.
 - (j) To appoint officers, agents and employees.

- (k) To make contracts of every kind and nature and to execute all instruments necessary or convenient for carrying on its business, including contracts with any other governmental agency of this state or of the federal government or with any person, individual, partnership or corporation to effect any or all of the purposes of this article.
- (1) Without in any way limiting any other subdivision of this section, to accept grants from and enter into contracts and other transactions with any federal agency.
- (m) To borrow money and to issue its negotiable bonds, security interests or notes and to provide for and secure the payment thereof, and to provide for the rights of the holders thereof, and to purchase, hold and dispose of any of its bonds, security interests or notes: *Provided*, That no bond or other obligation may be issued or incurred unless and until the Legislature by concurrent resolution has approved the purpose and amount of each project for which proceeds from the issuance of the bond or other obligation will be used.
- (n) To sell, at public or private sale, any bond or other negotiable instrument, security interest or obligation of the authority in a manner and upon terms that the authority considers would best serve the purposes of this article.
- (o) To issue its bonds, security interests and notes payable solely from the revenues or other funds available to the authority therefor; and the authority may issue its bonds, security interests or notes in such principal amounts as it considers necessary to provide funds for any purposes under this article, including:
- (1) The payment, funding or refunding of the principal of, interest on or redemption premiums on, any bonds, security interests or notes issued by it whether the

- bonds, security interests, notes or interest to be funded orrefunded have or have not become due.
- (2) The establishment or increase of reserves to secure or to pay bonds, security interests, notes or the interest thereon and all other costs or expenses of the authority incident to and necessary or convenient to carry out its corporate purposes and powers. Any bonds, security interests or notes may be additionally secured by a pledge of any revenues, funds, assets or moneys of the authority from any source whatsoever.
 - (p) To issue renewal notes or security interests, to issue bonds to pay notes or security interests and, whenever it considers refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured except that no renewal notes shall be issued to mature more than ten years from date of issuance of the notes renewed and no refunding bonds may be issued to mature more than twenty-five years from the date of issuance.
 - (q) To apply the proceeds from the sale of renewal notes, security interests or refunding bonds to the purchase, redemption or payment of the notes, security interests or bonds to be refunded.
 - (r) To accept gifts or grants of property, funds, security interests, money, materials, labor, supplies or services from the United States of America or from any governmental unit or any person, firm or corporation, and to carry out the terms or provisions of, or make agreements with respect to, or pledge, any gifts or grants, and to do any and all things necessary, useful, desirable or convenient in connection with the procuring, acceptance or disposition of gifts or grants.
- (s) To the extent permitted under its contracts with the holders of bonds, security interests or notes of the authority, to consent to any modification of the rate of interest, time of payment of any installment of principal or interest, security or any other term of any bond, security interest, note or contract or agreement of any kind to which the authority is a party.

(t) To sell security interests in the loan portfolio of the authority. The security interests shall be evidenced by instruments issued by the authority. Proceeds from the sale of security interests may be issued in the same manner and for the same purposes as bond and note revenues.

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- (u) To propose legislative rules for promulgation, in accordance with the provisions of article three, chapter twenty-nine-a of this code, to implement and make effective the powers, duties and responsibilities invested in the authority by the provisions of this article and otherwise by law.
- (v) To assume the responsibility for operation and management of regional jail facilities under the jurisdiction of the state regional jail and correctional facility authority. The authority shall provide for the transportation of inmates between the regional jails and local holding facilities for court appearances.
- (w) To exercise all power and authority provided in this article necessary and convenient to plan, finance, construct, renovate, maintain and operate or oversee the operation of regional jails and correctional facilities.
- 155 (x) To exercise all power and authority provided in 156 this article necessary and convenient to plan, finance, 157 construct, renovate, repair and replace juvenile detention 158 facilities and juvenile correctional facilities.
- (y) To cooperate with the commission for distribution of surplus foods and to authorize the executive director to exercise all power and authority provided in this section necessary to implement the pilot program for delivery of leftover prepared foods at the regional jail located in Marshall County, pursuant to section seventeen, article two, chapter eighteen of this code.

§31-20-5c. Additional powers and duties of the authority; juvenile detention facilities.

- 1 (a) The regional jail and correctional facility authority 2 shall complete a comprehensive study of all existing 3 juvenile detention facilities in the state of West Virginia no
- 4 later than the first day of October, one thousand nine

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- 5 hundred ninety-eight. During the conduct of this study, all
- 6 state agencies shall provide the authority with any relevant
- 7 information and materials that the authority requests. This
- 8 study shall include an assessment of the physical
- 9 conditions of confinement within the existing juvenile
- 10 detention facilities and the relative need for facilities of
- 11 that type, taking into account the broad range of
- 12 alternatives that are available for juveniles who are in the
- 13 custody of the division of juvenile services.
- 14 (b) After completing this study, the authority shall 15 submit a report to the governor proposing a plan for the 16 establishment of regional juvenile detention facilities.
 - (c) The authority shall consider, but is not limited to, the following when in developing the regional juvenile detention facilities plan:
 - (1) All federal statutes and mandates concerning the location, construction, operation, administration and staffing of juvenile detention facilities;
 - (2) The relative physical condition of the juvenile detention facilities located within the state;
- 25 (3) The transportation costs associated with the 26 establishment of centralized and regional juvenile 27 detention facilities, including, but not limited to, the costs of transporting detained juveniles to court appearances 29 and for other necessary absences from the facility.
- 30 (4) The availability of medical services and 31 educational and recreational opportunities;
- 32 (5) Information received from public hearings;
- 33 (6) The relative savings in cost and efficiency of 34 providing regional juvenile detention services at facilities 35 located adjacent to existing regional jail facilities, 36 including moneys saved by the sharing of certain staff and 37 services, including food services, to the extent that such 38 sharing of resources is permitted by federal law and 39 guidelines;
- 40 (7) Available facilities located adjacent to existing 41 regional jails which may be used as regional juvenile

- 42 detention facilities, including, but not limited to, existing
- 43 county and state owned properties: Provided, That if the
- 44 authority determines that an existing facility meets
- 45 applicable standards, including all federal standards, or
- 46 could reasonably be made to meet the standards for a
- 47 regional juvenile detention facility, the authority may
- 48 proceed to acquire that existing facility and compensate
- 49 the owner thereof in an amount that may not exceed fair
- 50 market value.

§31-20-8. Jail facilities standards commission; appointment; compensation; vacancies; quorum.

- 1 (a) A jail facilities standards commission of twelve 2 members is hereby created. The superintendent of the 3 state police or his or her designee shall serve as chairperson of the commission and is eligible to vote on 5 matters before the commission. The governor shall appoint two county sheriffs, to be chosen from a list of 6 7 three names provided by the president of the West 8 Virginia sheriffs' association, three county commissioners, 9 to be chosen from a list of five names provided by the 10 president of the West Virginia county commissioners' association, and one chief of police, to be chosen from a 11 12 list of three names provided by the president of the West 13 Virginia police chiefs' association. Each of the 14 appointed members shall serve for a term of three years, is 15 eligible for reappointment and may vote on matters before the commission. The executive director of the regional 16 17 jail and correctional facility authority, the commissioner 18 of the division of corrections, the, commissioner of the 19 bureau of public health, the state fire marshal, and the 20 superintendent of schools or their designees shall be
- (b) Members of the commission shall serve without compensation, but may be reimbursed by the regional jail and correctional facility authority for reasonable and necessary expenses incurred in the performance of their duties. The regional jail and correctional facility authority shall provide the commission with secretarial and other necessary services.

members ex officio in an advisory capacity.

- 29 (c) A vacancy among the appointed members of the
- 30 commission shall be filled, within thirty days, in the same
- 31 manner as the original appointment. A quorum consists
- of four of the seven voting members. 32

§31-20-8a. Juvenile facilities standards commission; appointment: compensation: vacancies: quorum.

- 1 (a) A juvenile facilities standards commission
- 2 consisting of nine members is hereby created.
- 3 governor shall appoint two citizen members who are
- 4 experienced and knowledgeable in the field of law
- 5 enforcement; one citizen member who is experienced and
- knowledgeable in the field of juvenile development; and
- 7 one lay member. Each of these appointed members shall
- serve for a term of three years and be eligible for
- 9 reappointment. The secretary of the department of
- 10
- military affairs and public safety shall be a member ex
- 11 officio and shall serve as the commission's chairman. The
- 12 state fire marshal and the chairman of the juvenile justice
- 13 subcommittee of the governor's committee on crime,
- 14 delinquency and correction shall be members ex officio.
- 15 The director of the division of juvenile services and the
- 16 executive director of the regional jail and correctional
- 17 facility authority shall be members ex officio but shall
- 18 serve in an advisory capacity are not entitled to vote on
- 19 matters coming before the commission.
- 20 (b) Members of the commission shall serve without
- 21 compensation, but may be reimbursed by the division of
- 22 juvenile services for reasonable and necessary expenses
- 23 incurred in the performance of their duties. The division
- 24 of juvenile services shall provide the commission with
- 25 secretarial and other necessary services.
- 26 (c) A vacancy among the appointed members of the
- 27 commission shall be filled, within thirty days, in the same
- 28 manner as the original appointment. A quorum consists
- 29 of four of the seven voting members.

§31-20-9. Jail facilities standards commission: Purpose, powers and duties.

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- (a) The purpose of the jail facilities standards commission is to assure that proper minimum standards and procedures are developed for jail facility operation, maintenance and management of inmates for regional jails and local jail facilities used as temporary holding facilities. In order to accomplish this purpose, the commission shall:
- (1) Prescribe standards for the maintenance and operation of county and regional jails. The standards shall include, but not be limited to, requirements assuring adequate space, lighting and ventilation; fire protection equipment and procedures; provision of specific personal hygiene articles; bedding, furnishings and clothing; food services; appropriate staffing and training; sanitation, safety and hygiene; isolation and suicide prevention; appropriate medical, dental and other health services; indoor and outdoor exercise; appropriate vocational and educational opportunities; classification; inmate rules and discipline; inmate money and property; religious services; inmate work programs; library services; visitation, mail and telephone privileges; and other standards necessary to assure proper operation: Provided, That the standards developed for the construction, operation and maintenance of jails apply only to jail facilities completed after the fifth day of April, one thousand nine hundred eighty-eight, and that the standards serve only as guidelines for any jail facility in operation prior to that date: Provided, however, That the commission shall establish standards and procedures permitting and implementing in those facilities the double bunking of inmates in all appropriate cases to the extent that this practice does not violate federal law;
- (2) Propose legislative rules for promulgation pursuant to the provisions of article three, chapter twenty-nine-a of this code that are necessary to implement the provisions of this article relating to jail facilities, including, without limitation, minimum jail and work farm standards which shall be proposed for promulgation on or before the first day of July, one thousand nine hundred ninety-nine: *Provided*, That rules filed by the jail and correctional facilities standards commission and authorized by the Legislature to be promulgated before

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commission.

- 42 the amendment to this section enacted in the regular
- 43 session of the Legislature in the year one thousand nine
- 44 hundred ninety-eight remain in force except that such 45 previously promulgated rules no longer apply to: (i)
- 46 Correctional facilities; and (ii) jail facilities that were
- 47 originally constructed for use as a jail which were
- 48 completed and placed in operation before the fifth day of
- 49 April, one thousand nine hundred ninety-eight: Provided,
- 50 however, That such previously promulgated rules shall
- 51 serve as guidelines for those facilities that fall within the
- 52 specifications of (ii) herein;
 - (3) Develop a process for reviewing and updating the jail and work farm standards pursuant to the provisions of article three, chapter twenty-nine-a of this code as necessary to assure that they conform to current law; and
 - (4) Report periodically to the regional jail and correctional facility authority and the appropriate county and municipal authorities to advise, recommend, and direct actions to be taken by the authority, the county or the municipality to implement proper minimum jail and work farm standards.
- 63 (b) Notwithstanding any other provision of this code to the contrary, any county commission providing and 64 maintaining a jail on the effective date of this article may 65 66 not be required to provide and maintain a jail after a regional jail becomes available pursuant to the provisions 67 68 of article twenty, chapter thirty-one of this code, unless the 69 county commission determines that a facility is necessary: 70 Provided, That the county commission may provide and 71 maintain a holding facility which complies with the 72 standards set forth for holding facilities in legislative rules promulgated by the jail facilities standards commission or 73 74 its predecessor, the jail and correctional facility standards

§31-20-9a. Juvenile facilities standards commission: Purpose; powers; and duties.

- 1 The purpose of the commission is to assure that
- 2 proper minimum standards and procedures are developed
- 3 for juvenile detention and juvenile correctional facility

- 4 operation, maintenance and management. To this end, 5 the commission shall:
- 6 (1) Develop standards for the maintenance and 7 operation of juvenile detention and correctional facilities. 8 These standards shall include, but not be limited to, 9 requirements assuring adequate space, lighting and 10 ventilation; fire protection equipment and procedures: 11 provision of specific personal hygiene articles; bedding, 12 furnishings and clothing; food services; appropriate 13 staffing and training; sanitation, safety and hygiene; 14 isolation and suicide prevention; appropriate medical, 15 dental and other health services; indoor and outdoor 16 exercise; appropriate vocational and educational 17 opportunities; rules and discipline; religious services; 18 vocational programs; library services; visitation, mail and 19 telephone privileges; and other standards necessary to 20 assure proper operation.
- 21 (2) Propose legislative rules for promulgation 22 pursuant to article three, chapter twenty-nine-a of this 23 code, including, without limitation, the minimum standards 24 for juvenile detention and correctional facilities as 25 provided in subdivision (1) of this section not later than 26 the first day of January, one thousand nine hundred 27 ninety-nine.
- 28 (3) Develop a process for reviewing and updating 29 these standards as necessary to assure that they conform to 30 current law.
- 31 (4) Report periodically to the authority to advise and 32 recommend actions to be taken by the authority, if 33 necessary, to implement proper standards in the state's 34 juvenile detention and correctional facilities.

§31-20-10. Regional jail and correctional facility development fund.

1 (a) The regional jail and correctional facility 2 development fund is hereby created and shall be 3 composed of special accounts in the state treasury. The 4 fund shall operate as a revolving fund whereby all 5 appropriations and payments to the fund may be applied

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- and reapplied by the authority for the purposes of this 7 article. Separate accounts may be established within the 8 fund for the purpose of identification of various revenue 9 resources and payment of specific obligations. 10 separate accounts may be used for purposes that include, but are not limited to, the construction, renovation or 11 12 repair of specific facilities, cash control, facility 13 maintenance and for the individual operating accounts of 14 facilities operated by the authority. The authority may 15 create other separate accounts within the fund that it 16 determines are necessary for the efficient operation of the 17 authority.
 - (b) Revenues deposited into the fund shall be used to make payments of interest and shall be pledged as security for bonds, security interests or notes issued or lease-purchase obligations entered into with another state entity by the authority pursuant to this article.
- (c) Whenever the authority determines that the balance in the fund is in excess of the immediate requirements of this article, it may request that the excess be invested until needed. In this case the excess shall be invested in a manner consistent with the investment of temporary state funds. Interest earned on any money invested pursuant to this section shall be credited to the fund.
- 30 (d) If the authority determines that funds held in the 31 fund are in excess of the amount needed to carry out the 32 purposes of this article, it shall take any action that is 33 necessary to release the excess and transfer it to the 34 general revenue fund of the state treasury.
 - (e) The fund shall consist of the following:
- 36 (1) Amounts raised by the authority by the sale of bonds or other borrowing authorized by this article;
- 38 (2) Moneys collected and deposited in the state 39 treasury which are specifically designated by acts of the 40 Legislature for inclusion into the fund;
- 41 (3) Contributions, grants and gifts from any source, 42 both public and private, which may be used by the 43 authority for any project or projects;

- 44 (4) All sums paid by the counties pursuant to 45 subsection (h) of this section; and
- 46 (5) All interest earned on investments made by the state from moneys deposited in this fund.
- 48 (f) The amounts deposited in the fund shall be accounted for and expended in the following manner:

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- (1) Amounts raised by the sale of bonds or other borrowing authorized by this article shall be deposited in a separate account within the fund and expended for the purpose of construction, renovation and repair of correctional facilities, regional jails and juvenile detention and correctional facilities for which need has been determined by the authority;
- (2) Amounts deposited from all other sources shall be pledged first to the debt service on any bonded indebtedness, including lease-purchase obligations entered into by the authority with another state entity or other obligation incurred by borrowing of the authority;
- (3) After any requirements of debt service have been satisfied, the authority shall requisition from the fund the amounts that are necessary to provide for payment of the administrative expenses of this article;
- (4) The authority shall requisition from the fund after any requirements of debt service have been satisfied the amounts that are necessary for the maintenance and operation of the correctional facilities or regional jails or both that are constructed pursuant to the provisions of this article and shall expend those amounts for that purpose. The fund shall make an accounting of all amounts received from each county by virtue of any filing fees, court costs or fines required by law to be deposited in the fund and amounts from the jail improvement funds of the various counties. After the expenses of administration have been deducted, the amounts expended in the respective regions from those sources shall be in proportion to the percentage the amount contributed to the fund by the counties in each region bears to the total amount received by the fund from those sources;

- (5) Notwithstanding any other provisions of this article, sums paid into the fund by each county pursuant to subsection (h) of this section for each inmate shall be placed in a separate account and shall be requisitioned from the fund to pay for costs incurred at the regional jail facility at which each inmate was incarcerated; and
 - (6) Any amounts deposited in the fund from other sources permitted by this article shall be expended in the respective regions based on particular needs to be determined by the authority.
 - (g) After a regional jail facility becomes available pursuant to this article for the incarceration of inmates, each county within the region shall incarcerate all persons whom the county would have incarcerated in any jail prior to the availability of the regional jail facility in the regional jail facility except those whose incarceration in a local jail facility used as a local holding facility is specified as appropriate under the standards and procedures developed pursuant to section nine of this article and who the sheriff or the circuit court elects to incarcerate therein.
 - (h) When inmates are placed in a regional jail facility pursuant to subsection (g) of this section, the county shall pay into the regional jail and correctional facility development fund a cost per day for each incarcerated inmate to be determined by the regional jail and correctional facility authority according to criteria and by procedures established by legislative rules proposed for promulgation pursuant to article three, chapter twentynine-a of this code to cover the costs of operating the regional jail facilities of this state to maintain each inmate. The per diem costs for incarcerating inmates may not include the cost of construction, acquisition or renovation of the regional jail facilities: *Provided*, That each regional jail facility operating in this state shall keep a record of the date and time that an inmate is incarcerated, and a county may not be charged for a second day of incarceration for an individual inmate until that inmate has remained incarcerated for more than twenty-four hours. Thereafter, in cases of continuous incarceration, subsequent per diem

- 122 charges shall be made upon a county only as subsequent
- 123 intervals of twenty-four hours pass from the original time
- 124 of incarceration.

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§31-20-26. Legislative oversight committee.

1 The president of the Senate and the speaker of the 2 House of Delegates shall each designate five members of their respective houses, at least one of whom shall be a 4 member of the minority party, to serve on a legislative oversight committee charged with immediate and ongoing oversight of the authority and the commissions, and 7 functions and duties of the authority and the commissions 8 created by this article. This committee shall report 9 regularly at each legislative session on the implementation 10 of the purposes set forth in section one-a of this article. It 11 shall regularly investigate all matters relating to integrity, 12 probity and foresight in funding, operating and planning 13 the correctional system on state, regional and county 14 levels, and may include the planning, funding, 15 constructing and operating of juvenile detention and 16 correctional facilities. Specifically, the committee shall 17 study and make recommendations to the Legislature as to 18 the revision of the system of classifying adult inmates, with a view variously to decreasing the prison population 19 confined in "maximum security" facilities and to 20 21 designating and meeting the needs of inmates classified as 22 elderly, disabled or otherwise handicapped. In addition, 23 the committee may study and make recommendations to 24 the Legislature relating to the system of juvenile detention 25 and juvenile corrections.

The committee shall further study and inform the state judiciary of the impact of sentencing on the composition of the prison population in proportion to the use of facilities. It shall recommend alternatives to long-term sentencing, and shall recommend measures to improve the quality of correctional staff and facilitate nonconfrontational contacts with inmates. The committee shall investigate means to structure inmates' time to ensure genuine and willing reaccommodations to societal norms; shall probe and coordinate all available means for funding state, regional and county correctional facilities; and shall

- 37 contract with penal experts to study these issues in
- 38 appropriate depth and perspective. Annually, to predict a
- 39 prudent use of available funds, the committee shall study
- 40 the profile of the inmate population with regard to its age
- 41 and social background and needs.
- 42 The committee shall recommend to the Legislature the
- 43 funding required to execute these functions. It shall meet
- 44 regularly with the governing body of the authority
- 45 established in this article to determine what may be
- 46 required for full and timely compliance with all federal
- 47 mandates and court-ordered changes in the correctional
- 48 system and shall recommend funding for these changes.

CHAPTER 33. INSURANCE.

ARTICLE 3. LICENSING, FEES AND TAXATION OF INSURERS.

§33-3-14. Annual financial statement and premium tax return; remittance by insurer of premium tax, less certain deductions; special revenue fund created.

- 1 (a) Every insurer transacting insurance in West
- Virginia shall file with the commissioner, on or before the
- 3 first day of March, each year, a financial statement made
- 4 under oath of its president or secretary and on a form 5
- prescribed by the commissioner. The insurer shall also, 6 on or before the first day of March of each year subject to
- 7 the provisions of section fourteen-c of this article, under
- 8 the oath of its president or secretary, make a premium tax
- 9 return for the previous calendar year, on a form
- 10 prescribed by the commissioner showing the gross amount
- 11 of direct premiums, whether designated as a premium or
- 12 by some other name, collected and received by it during 13 the previous calendar year on policies covering risks
- 14 resident, located or to be performed in this state and
- 15 compute the amount of premium tax chargeable to it in
- 16 accordance with the provisions of this article, deducting 17 the amount of quarterly payments as required to be made
- 18 pursuant to the provisions of section fourteen-c of this
- 19 article, if any, less any adjustments to the gross amount of
- 20 the direct premiums made during such calendar year, if
- 21 any, and transmit with the return to the commissioner a

remittance in full for the tax due. The tax is the sum 22 equal to two percent of the gross direct premiums, 23 24 including dividends, by whatever name called, on 25 participating policies applied in reduction of premiums. 26 less premiums returned to policyholders because of 27 cancellation of policies, and also includes any additional 28 tax due under section fourteen-a of this section. All taxes 29 received by the commissioner shall be paid into the 30 insurance tax fund created in subsection (b) of this 31 section.

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- (b) There is created a special revenue fund in the state treasury which is designated the "insurance tax fund." This fund is not part of the general revenue fund of the state. It consists of all amounts deposited in the fund pursuant to subsection (a) of this section, sections fifteen and seventeen of this article, any appropriations to the fund, all interest earned from investment of the fund and any gifts, grants or contributions received by the fund. The treasurer shall administer the fund.
- 41 (c) The treasurer shall dedicate and transfer from the 42 insurance tax fund to the investment management board. 43 on or before the tenth day of each month, an amount equal to one twelfth of the projected annual investment 44 45 earnings to be paid and the capital invested to be returned, as certified to the treasurer by the investment management 46 47 board, into the regional jail and correctional facility 48 investment fund created under the provisions of section 49 twenty, article six, chapter twelve of this code: *Provided*. 50 That the amount dedicated and transferred may not 51 exceed twenty million dollars in any fiscal year. In the 52 event there are insufficient funds available in any month 53 to transfer the amount required pursuant to this subsection 54 to the regional jail and correctional facility investment 55 fund, the deficiency shall be added to the amount 56 transferred in the next succeeding month in which 57 revenues are available to transfer the deficiency. Each 58 month a lien on the revenues generated from the 59 insurance premium tax, the annuity tax and the minimum 60 tax, provided in this section and sections fifteen and 61 seventeen of this article, up to a maximum amount equal 62 to one twelfth of the projected annual principal and return

- 63 is granted to the investment management board to secure
- 64 the investment made with the regional jail and correctional
- 65 facility authority pursuant to section twenty, article six,
- 66 chapter twelve of this code. The treasurer shall, no later
- 67 than the last business day of each month, transfer amounts
- 68 the treasurer determines are not necessary for making
- 69 refunds under this article to meet the requirements of
- 70 subsection (d), section twenty, article six, chapter twelve of
- 71 this code, to the credit of the general revenue fund.
- 72 (d) The amendment to this section enacted during the
- 73 regular session of the Legislature in the year one thousand
- 74 nine hundred ninety-eight is effective on the first day of
- 75 July, one thousand nine hundred ninety-eight.

§33-3-15. Annuity tax.

- 1 (a) Every life insurer transacting insurance in West
- 2 Virginia shall make a return to the commissioner annually
- 3 on a form prescribed by the commissioner, on or before
- 4 the first day of March, under the oath of its president or
- 5 secretary, of the gross amount of annuity considerations
- 6 collected and received by it during the previous calendar
- 7 year on business transacted in this state and stating the
- 8 amount of tax due under this section, together with
- 9 payment in full for the tax due. The tax is the sum equal
- to one per centum of the gross amount of the annuity
 considerations, less annuity considerations returned and
- 12 less termination allowances on group annuity contracts.
- 13 All the taxes received by the commissioner shall be paid
- 14 into the insurance tax fund created in subsection (b),
- 15 section fourteen of this article.
- 16 (b) Th amendment to this section enacted during the
- 17 regular session of the Legislature in the year one thousand
- 18 nine hundred ninety-eight is effective on the first day of
- 19 July, one thousand nine hundred ninety-eight.

§33-3-17. Minimum tax payable.

- 1 (a) The minimum amount of tax payable by any
- 2 insurer licensed in the state of West Virginia when
- 3 considering the aggregate payments due from all of the
- 4 taxes imposed by this article is two hundred dollars for

any calendar year. This minimum tax is payable annually on or before the first day of March and shall be calculated 7 on a form prescribed by the commissioner. Except as otherwise provided in this section, all provisions of this 9 article relating to the levy, imposition and collection of the regular premium tax are applicable to the levy, imposition 10 and collection of this minimum tax. All moneys received 11 12 by the commissioner from this minimum tax shall be paid 13 into the insurance tax fund created in subsection (b), 14 section fourteen of this article.

(b) The amendment to this section enacted during the regular session of the Legislature in the year one thousand nine hundred ninety-eight is effective on the first day of July, one thousand nine hundred ninety-eight.

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PRESENTED TO THE

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