

HB 4037

WEST VIRGINIA LEGISLATURE
SECOND REGULAR SESSION, 2010



ENROLLED

House Bill No. 4037

(By Mr. Speaker, Mr. Thompson, and Delegate Armstead)
[By Request of the Executive]



Passed February 25, 2010

In Effect From Passage

ENROLLED

H. B. 4037

(BY MR. SPEAKER, MR. THOMPSON, AND DELEGATE ARMSTEAD)
[BY REQUEST OF THE EXECUTIVE]

[Passed February 25, 2010; in effect from passage]

AN ACT to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article, designated §13-4-1 and §13-4-2, all relating generally to federal subsidy bonds and bond financing; defining terms; authorizing certain bond issuers to receive and use credit payments with respect to federal subsidy bonds; and exempting the bonds from taxation.

Be it enacted by the Legislature of West Virginia:

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new article, designated §13-4-1 and §13-4-2, all to read as follows:

ARTICLE 4. FEDERAL SUBSIDY BONDS.

§13-4-1. Definitions.

1 Unless the context clearly indicates otherwise, as used in
2 this article:

3 (1) "Federal subsidy bonds" means any state or local
4 government bonds authorized for sale under the Internal

5 Revenue Code of 1986, as amended, for which a credit
6 payment is available to the issuer or its designee. Certain
7 Build America Bonds authorized under Section 1531 of Title
8 I of Division B of the American Recovery and Reinvestment
9 Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009),
10 codified at Section 54AA(g) of the Internal Revenue Code of
11 1986, as amended, are federal subsidy bonds.

12 (2) “Credit payment” means any payment to an issuer of
13 federal subsidy bonds or its designee authorized under the
14 provisions of the Internal Revenue Code to offset a portion of
15 the interest paid on the bonds. Periodic credit payments
16 received from the United States Secretary of the Treasury, as
17 described in Section 6431(b) of the Internal Revenue Code,
18 are credit payments.

19 (3) “Government entity” means the State of West
20 Virginia, including any department, division, agency, bureau,
21 board, commission, office or authority thereof, any political
22 subdivision of the State of West Virginia including, but not
23 limited to, any county, municipality or school district, and
24 any other entity authorized by the provisions of this code to
25 issue bonds, notes or other debt obligations.

26 (4) “General revenue bond” means a bond, note or other
27 debt obligation issued by a government entity for which the
28 government entity has pledged the full faith and credit,
29 including a limited pledge, of such government entity to the
30 repayment of the obligation.

31 (5) “Special revenue bond” means a bond, note or other
32 debt obligation issued by a government entity for which the
33 government entity pledges a dedicated revenue stream or
34 other security interest to secure the repayment of the
35 obligation.

§13-4-2. Authority to issue federal subsidy bonds; election of credit payments; treatment of federal subsidy payments; exemption from taxation.

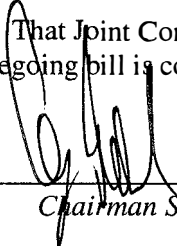
1 (a) A government entity authorized to issue bonds, notes
2 or other debt obligations under the provisions of this code
3 may issue federal subsidy bonds in the manner, and subject
4 to the requirements, limitations and conditions, set forth in
5 the provisions of the code that authorize the government
6 entity to issue such bonds, notes or other debt obligations.
7 This section may not be construed to grant bonding authority
8 to any government entity or to expand the bonding authority
9 of any government entity.

10 (b) A government entity that issues federal subsidy bonds
11 may elect to receive credit payments.

12 (c) Credit payments shall be treated as special revenue in
13 the case of special revenue bonds issued by a government
14 entity or as general revenue in the case of general revenue
15 bonds issued by a government entity. A government entity
16 may use credit payments to pay future debt service on the
17 federal subsidy bonds or for any other purpose allowable by
18 law.

19 (d) Federal subsidy bonds issued by a government entity
20 under this section shall be exempt from tax in the manner,
21 and subject to the requirements, limitations and conditions,
22 set forth in the provisions of this code that authorize the
23 government entity to issue bonds, notes or other debt
24 obligations.

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



Chairman Senate Committee



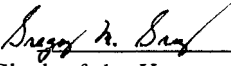
Chairman House Committee

Originating in the House.

In effect from passage.



Clerk of the Senate



Clerk of the House of Delegates

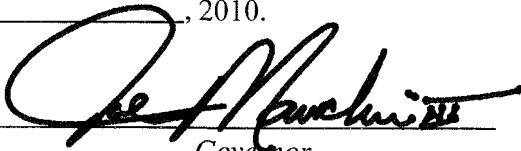


President of the Senate



Speaker of the House of Delegates

The within is approved this the 8th
day of March, 2010.



Governor

PRESENTED TO THE
GOVERNOR

MAR 04 2010

Time 2:35 pm