

**WEST VIRGINIA LEGISLATURE**  
**EIGHTY-FIRST LEGISLATURE**  
**REGULAR SESSION, 2014**

—●—  
**ENROLLED**

COMMITTEE SUBSTITUTE

FOR

**Senate Bill No. 461**

(SENATORS KESSLER (MR. PRESIDENT), WILLIAMS, TUCKER,  
PLYMALE, STOLLINGS, SNYDER, COOKMAN, PALUMBO,  
FITZSIMMONS, BEACH, YOST, MILLER, D. HALL, JENKINS,  
McCABE, WELLS, EDGELL, BARNES, BLAIR, BOLEY, CANN,  
CHAFIN, KIRKENDOLL, LAIRD, NOHE, PREZIOSO, SYPOLT, UNGER,  
WALTERS, GREEN AND M. HALL, *ORIGINAL SPONSORS*)

[PASSED MARCH 8, 2014; IN EFFECT NINETY DAYS FROM PASSAGE.]

SB 461

OFFICE WEST VIRGINIA  
SECRETARY OF STATE

2014 MAR 20 P 3:47

FILED

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**COMMITTEE SUBSTITUTE**

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SECRETARY OF STATE**

**FOR**

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WALTERS, GREEN AND M. HALL, *original sponsors*)**

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**[Passed March 8, 2014; in effect ninety days from passage.]**

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**AN ACT to amend the Code of West Virginia, 1931, as amended,  
by adding thereto a new section, designated §11-13A-5b,  
relating to creation of a Future Fund for conserving a portion of  
proceeds from certain severance tax revenues for future  
expenditures; creating an interest-bearing special revenue  
account; authorizing the West Virginia Investment  
Management Board to invest moneys of the fund; providing  
that the principal of the fund be inviolate and that only the  
investment income may be expended; providing for  
contributions to the fund from a portion of revenues collected  
from certain severance taxes; prohibiting appropriation and  
expenditure from the fund until fiscal year 2020; limiting of  
amount of appropriation from the fund in certain circumstances;  
requiring moneys to be expended solely for enhancing  
education and workforce development; economic development  
and diversification; infrastructure improvements; tax relief**

measures for the benefit of the citizens and businesses of the State of West Virginia; and defining certain terms.

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 section, designated §11-13A-5b, to read as follows:

**ARTICLE 13A. SEVERANCE AND BUSINESS PRIVILEGE TAX ACT.**

**§11-13A-5b. Creation of West Virginia Future Fund; legislative intent; calculation of deposits from excess severance tax revenues; permissible uses of investment income and limitations on expenditures; definitions.**

1 (a) There is hereby created in the State Treasury a special  
2 revenue account, designated the West Virginia Future Fund,  
3 which is an interest-bearing account and may be invested by  
4 the West Virginia Investment Management Board in the  
5 manner permitted by the provisions of article six, chapter  
6 twelve of this code, with the investment income to be  
7 credited to the fund and deposited in the special revenue  
8 account.

9 (b) The Legislature declares its intention to use the fund  
10 as a means of conserving a portion of the state's revenue  
11 derived from the increased revenue proceeds received by the  
12 state as a result of any mineral production as well as other  
13 funding sources as the Legislature may designate in order to  
14 meet future needs. The principal of the fund shall remain  
15 inviolate and no portion of the principal may be appropriated,  
16 expended or encumbered by the Legislature or any official of  
17 the state. Only the investment income of this fund may be  
18 appropriated and expended: *Provided*, That no more than the

19 average net investment return for the immediately preceding  
20 five fiscal years may be appropriated or expended in any one  
21 fiscal year.

22 (c) Notwithstanding any provision of this code to the  
23 contrary, for the fiscal year beginning July 1, 2014, and each  
24 year thereafter, the secretary of revenue shall cause to be  
25 deposited in this fund three percent of the annual severance  
26 tax revenue which would otherwise be deposited into the  
27 General Revenue Fund which is attributable to the severance  
28 of coal, limestone, sandstone, natural gas and oil and  
29 collected and received pursuant to the provisions of sections  
30 three and three-a, article thirteen-a, chapter eleven of this  
31 code: *Provided*, That these deposits shall only be made  
32 during fiscal years within which the balance of the Revenue  
33 Shortfall Reserve Fund equals or exceeds thirteen percent of  
34 the state's General Revenue Fund budget for the fiscal year  
35 just ended as determined within sixty days of the end of that  
36 prior fiscal year as provided by subsection (b), section  
37 twenty, article two, chapter eleven-b of this code: *Provided*,  
38 *however*, That these deposits shall not be made in any fiscal  
39 year in which the Governor's General Revenue Fund estimate  
40 relies on transfers from the Revenue Shortfall Reserve Fund:  
41 *Provided further*, That these deposits shall not be made in  
42 any fiscal year for which mid-year spending reductions,  
43 hiring freezes, mid-year decreases in appropriations or  
44 transfers from the Revenue Shortfall Reserve Fund are  
45 necessitated due to revenue shortfalls or would be  
46 necessitated if the deposits were to be made: *And provided*  
47 *further*, That amounts that may be deposited into the fund in  
48 error or found later to be subject to these limitations shall be  
49 redeposited into the General Revenue Fund. The Legislature  
50 may, by general appropriation or by designation of other  
51 funding sources, deposit into the fund additional moneys as  
52 it considers appropriate.

53           (d) In order to maximize the value of the fund, no money  
54 from the fund may be expended or appropriated until fiscal  
55 year 2020 and thereafter the Legislature may appropriate,  
56 subject to the limitations provided in this section, from the  
57 fund solely for enhancing education and workforce  
58 development; economic development and diversification;  
59 infrastructure improvements; and tax relief measures for the  
60 benefit of the citizens and businesses of the State of West  
61 Virginia.

62           (e) For purposes of this section:

63           (1) "Economic development and diversification" means  
64 fostering economic growth and development in the state,  
65 including commercial, industrial, community, cultural or  
66 historical improvements; or preservation or other proper  
67 purposes.

68           (2) "Infrastructure improvements" means fostering  
69 infrastructure improvements including, but not limited to,  
70 post-mining land use, water or wastewater facilities or a part  
71 thereof, storm water systems, steam, gas, telephone and  
72 telecommunications, broadband development, electric lines  
73 and installations, roads, bridges, railroad spurs, drainage and  
74 flood control facilities, industrial park development or  
75 buildings that promote job creation and retention.

76           (3) "Tax relief" means reducing the tax responsibility of  
77 citizens and businesses located in the State of West Virginia,  
78 including but not limited to increasing the Homestead  
79 Exemption and reducing or eliminating the ad valorem  
80 property tax on inventory and equipment held for commercial  
81 or industrial use.

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.

In effect ninety days from passage.

  
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Clerk of the Senate

  
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Clerk of the House of Delegates

  
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President of the Senate

  
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Speaker of the House of Delegates

**FILED**  
2014 MAR 20 P 3 47  
OFFICE WEST VIRGINIA  
SECRETARY OF STATE

The within ..... *is approved* ..... this  
the *20th* Day of *March* ....., 2014.

  
.....  
Governor

**PRESENTED TO THE GOVERNOR**

MAR 17 2014

Time 1:20 pm