

WEST VIRGINIA LEGISLATURE

2024 FIRST EXTRAORDINARY SESSSION

Enrolled

Senate Bill 1015

BY SENATORS BLAIR (MR. PRESIDENT) AND WOELFEL

(BY REQUEST OF THE EXECUTIVE)

[Passed May 20, 2024; in effect from passage]

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

2024 MAY 24 P 2: 22

FILED

SB1015

WEST VIRGINIA LEGISLATURE
2024 FIRST EXTRAORDINARY SESSSION

Enrolled
Senate Bill 1015

OFFICE OF THE CLERK
WEST VIRGINIA
STATE HOUSE

2024 MAY 24 P 2:22

FILED

BY SENATORS BLAIR (MR. PRESIDENT) AND WOELFEL

(BY REQUEST OF THE EXECUTIVE)

[Passed May 20, 2024; in effect from passage]

1 AN ACT to amend and reenact §11B-2-20 of the Code of West Virginia, 1931, as amended,
2 relating to the amount of surplus deposited into the Revenue Shortfall Reserve Fund; and
3 providing for an effective date.

Be it enacted by the Legislature of West Virginia:

ARTICLE 2. STATE BUDGET OFFICE.

§11B-2-20. Reduction of appropriations; powers of Governor; Revenue Shortfall Reserve Fund and permissible expenditures therefrom.

1 (a) Notwithstanding any provision of this section, the Governor may reduce appropriations
2 according to any of the methods set forth in §11B-2-21 and §11B-2-22 of this code. The Governor
3 may, in lieu of imposing a reduction in appropriations, request an appropriation by the Legislature
4 from the Revenue Shortfall Reserve Fund established in this section.

5 (b) The Revenue Shortfall Reserve Fund is continued within the State Treasury. The
6 Revenue Shortfall Reserve Fund shall be funded continuously and on a revolving basis in
7 accordance with this subsection from surplus revenues, if any, in the State Fund, General
8 Revenue, as the surplus revenues may accrue from time to time.

9 Except as provided otherwise in this subsection, effective July 1, 2024, within 60 days of
10 the end of each fiscal year, the secretary shall cause to be deposited into the Revenue Shortfall
11 Reserve Fund such amount of the first 50 percent of all surplus revenues, if any, determined to
12 have accrued during the fiscal year just ended, as may be necessary to bring the combined
13 balance of the Revenue Shortfall Reserve Fund and the Revenue Shortfall Reserve Fund – Part
14 B to an amount equal to 20 percent of a rolling average of the preceding three fiscal years' general
15 revenue appropriations in Title II, Section 1, providing for appropriations from general revenue, of
16 the enrolled and enacted version of the state's fiscal year budget: *Provided*, That no general
17 revenue supplemental appropriations appropriated from the state's general revenue
18 unappropriated balance or general revenue unappropriated surplus balance will be included in
19 the calculation of the state's general revenue appropriations.

20 (c) Not earlier than November 1 of each calendar year, if the state's fiscal circumstances
21 are such as to otherwise trigger the authority of the Governor to reduce appropriations under this
22 section or §11B-2-21 or §11B-2-22 of this code, then in that event the Governor may notify the
23 presiding officers of both houses of the Legislature in writing of his or her intention to convene the
24 Legislature pursuant to section 19, article VI of the Constitution of West Virginia for the purpose
25 of requesting the introduction of a supplementary appropriation bill or to request a supplementary
26 appropriation bill at the next preceding regular session of the Legislature to draw money from the
27 surplus Revenue Shortfall Reserve Fund to meet any anticipated revenue shortfall. If the
28 Legislature fails to enact a supplementary appropriation from the Revenue Shortfall Reserve Fund
29 during any special legislative session called for the purposes set forth in this section or during the
30 next preceding regular session of the Legislature, then the Governor may proceed with a
31 reduction of appropriations pursuant to §11B-2-21 and §11B-2-22 of this code. Should any
32 amount drawn from the Revenue Shortfall Reserve Fund pursuant to an appropriation made by
33 the Legislature prove insufficient to address any anticipated shortfall, then the Governor may also
34 proceed with a reduction of appropriations pursuant to §11B-2-21 and §11B-2-22 of this code.

35 (d) Upon the creation of the fund, the Legislature is authorized and may make an
36 appropriation from the Revenue Shortfall Reserve Fund for revenue shortfalls, for emergency
37 revenue needs caused by acts of God or natural disasters, or for other fiscal needs as determined
38 solely by the Legislature.

39 (e) Prior to October 31 in any fiscal year in which revenues are inadequate to make timely
40 payments of the state's obligations, the Governor may, by executive order, after first notifying the
41 presiding officers of both houses of the Legislature in writing, borrow funds from the Revenue
42 Shortfall Reserve Fund. The amount of funds borrowed under this subsection may not exceed
43 one and one-half percent of the general revenue estimate for the fiscal year in which the funds
44 are to be borrowed, or the amount the Governor determines is necessary to make timely payment
45 of the state's obligations, whichever is less. Any funds borrowed pursuant to this subsection shall

46 be repaid, without interest, and redeposited to the credit of the Revenue Shortfall Reserve Fund
47 within 90 days of their withdrawal.

48 (f) The Revenue Shortfall Reserve Fund – Part B is continued within the State Treasury.
49 The Revenue Shortfall Reserve Fund – Part B shall consist of moneys transferred from the West
50 Virginia Tobacco Settlement Medical Trust Fund pursuant to §4-11A-2 of this code, repayments
51 made of the loan from the West Virginia Tobacco Settlement Medical Trust Fund to the
52 Physician’s Mutual Insurance Company pursuant to §33-20F-1 *et seq.* of this code and all interest
53 and other return earned on the moneys in the Revenue Shortfall Reserve Fund – Part B. Moneys
54 in the Revenue Shortfall Reserve Fund – Part B may be expended solely for the purposes set
55 forth in subsection (d) of this section, subject to the following conditions:

56 (1) No moneys in the Revenue Shortfall Reserve Fund – Part B nor any interest or other
57 return earned thereon may be expended for any purpose unless all moneys in the Revenue
58 Shortfall Reserve Fund described in subsection (b) of this section have first been expended,
59 except that the interest or other return earned on moneys in the Revenue Shortfall Reserve Fund
60 – Part B may be expended as provided in subdivision (2) of this subsection;

61 (2) Notwithstanding any other provision of this section to the contrary, the Legislature may
62 appropriate any interest and other return earned thereon that may accrue on the moneys in the
63 Revenue Shortfall Reserve Fund – Part B after June 30, 2025, for expenditure for the purposes
64 set forth in §4-11A-3 of this code; and

65 (3) Any appropriation made from Revenue Shortfall Reserve Fund – Part B shall be made
66 only in instances of revenue shortfalls or fiscal emergencies of an extraordinary nature.

67 (g) Subject to the conditions upon expenditures from the Revenue Shortfall Reserve Fund
68 – Part B prescribed in subsection (f) of this section, in appropriating moneys pursuant to the
69 provisions of this section, the Legislature may in any fiscal year appropriate from the Revenue
70 Shortfall Reserve Fund and the Revenue Shortfall Reserve Fund – Part B a total amount up to,

71 but not exceeding, 10 percent of the total appropriations from the State Fund, General Revenue,
72 for the fiscal year just ended.

73 (h) (1) Of the moneys in the Revenue Shortfall Reserve Fund, \$100 million, or such greater
74 amount as may be certified as necessary by the Director of the Budget Office for the purposes of
75 subsection (e) of this section, shall be made available to the West Virginia Board of Treasury
76 Investments for management and investment of the moneys in accordance with the provisions of
77 §12-6C-1 *et seq.* of this code. All other moneys in the Revenue Shortfall Reserve Fund shall be
78 made available to the West Virginia Investment Management Board for management and
79 investment of the moneys in accordance with the provisions of §12-6-1 *et seq.* of this code. Any
80 balance of the Revenue Shortfall Reserve Fund, including accrued interest and other return
81 earned thereon at the end of any fiscal year, does not revert to the General Fund but shall remain
82 in the Revenue Shortfall Reserve Fund for the purposes set forth in this section.

83 (2) All of the moneys in the Revenue Shortfall Reserve Fund – Part B shall be made
84 available to the West Virginia Investment Management Board for management and investment of
85 the moneys in accordance with the provisions of §12-6-1 *et seq.* of this code. Any balance of the
86 Revenue Shortfall Reserve Fund – Part B, including accrued interest and other return earned
87 thereon at the end of any fiscal year, shall not revert to the General Fund but shall remain in the
88 Revenue Shortfall Reserve Fund – Part B for the purposes set forth in this section.

The Clerk of the Senate and the Clerk of the House of Delegates hereby certify that the foregoing bill is correctly enrolled.

J. Linn
.....
Clerk of the Senate

Steve Harris
.....
Clerk of the House of Delegates

OFFICE OF THE CLERK OF THE SENATE
SECRETARY OF STATE

2024 MAY 24 P 2:22

FILED

Originated in the Senate.

In effect from passage.

J.P. Burr
.....
President of the Senate

Ray Hensley
.....
Speaker of the House of Delegates

The within is *approved* this the *24th*
Day of *May* 2024.

James I. Good
.....
Governor

PRESENTED TO THE GOVERNOR

MAY 22 2024

Time 11:28am