

**WEST VIRGINIA  
SECRETARY OF STATE  
NATALIE E. TENNANT  
ADMINISTRATIVE LAW DIVISION**

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**FILED**

2016 APR 14 P 4 23

OFFICE WEST VIRGINIA  
SECRETARY OF STATE

Form #6

**NOTICE OF FINAL FILING AND ADOPTION OF A LEGISLATIVE RULE AUTHORIZED  
BY THE WEST VIRGINIA LEGISLATURE**

AGENCY: W.Va. Depart. of Transportation, Division of Highways TITLE NUMBER: 157

AMENDMENT TO AN EXISTING RULE: YES  NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: \_\_\_\_\_

TITLE OF RULE BEING AMENDED: \_\_\_\_\_

IF NO, SERIES NUMBER OF RULE BEING PROPOSED: 11

TITLE OF RULE BEING PROPOSED: State Transportation Infrastructure Fund Program

THE ABOVE RULE HAS BEEN AUTHORIZED BY THE WEST VIRGINIA LEGISLATURE.

AUTHORIZATION IS CITED IN (house or senate bill number) S.B. 150

SECTION 64-8-2, PASSED ON February 22, 2016

THIS RULE IS FILED WITH THE SECRETARY OF STATE. THIS RULE BECOMES EFFECTIVE ON THE  
FOLLOWING DATE: April 14, 2016

  
Authorized Signature

TITLE 157  
LEGISLATIVE RULE  
DEPARTMENT OF TRANSPORTATION  
DIVISION OF HIGHWAYS

SERIES 11  
STATE TRANSPORTATION INFRASTRUCTURE  
FUND PROGRAM

**§157-11-1. General.**

1.1. Scope -- This legislative rule establishes general rules pertaining to the West Virginia Division of Highways entering into a cooperative agreement with the United States Secretary of Transportation to establish an infrastructure revolving fund to be known as the State Transportation Infrastructure Fund.

1.2. Authority. -- W. Va. Code §17-17B-5.

1.3. Filing Date. -- April 14, 2016

1.4. Effective Date. -- April 14, 2016

**§157-11-2. Definitions.**

2.1. "Board" means State Transportation Infrastructure Fund Advisory Board.

2.2. "Capitalized" means depositing funds as initial capital into the fund.

2.3. "Commissioner" means the West Virginia Commissioner of Highways.

2.4. "Cooperative agreement" means written consent between the state and the United States Department of Transportation Secretary pursuant to Title 23, Chapter 6 of the United States Code.

2.5. "Department" means the West Virginia Department of Transportation.

2.6. "Division" means the West Virginia Division of Highways, a division within the West Virginia Department of Transportation.

2.7. "Eligible borrower" means any government unit which is authorized to develop or construct an eligible project.

2.8. "Eligible cost" means as applied to an eligible project to be financed from the federal accounts, the costs that are permitted under applicable federal laws, requirements, procedures, and guidelines in regard to establishing, operating, and providing assistance from

the fund. As applied to an eligible project to be financed from the state accounts, these costs include the costs of preliminary engineering, traffic and revenue studies, environmental studies, right-of-way acquisition, legal and financial services associated with the development of the eligible project, construction, construction management, facilities, and other costs necessary for the eligible project.

2.9. "Eligible project" means a project of a government unit that meets the eligibility criteria of the National Highway System Designation Act of 1995, Public Law 104-59, Section 350, which provides public benefits by enhancing mobility and safety, promoting economic development, or increasing the quality of life and general welfare of the public. The eligible project may be done by a private entity provided that it is an eligible project of a government unit.

2.10. "Federal accounts" means, collectively, the separate accounts for federal highway funds.

2.11. "Financing agreement" means any agreement entered into by an eligible borrower pertaining to a loan or other financial assistance. This agreement may contain, in addition to financial terms, provisions relating to the regulation and supervision of eligible project, or other provisions as the Commissioner in consultation with the board may determine. The term "financing agreement" includes, without limitation, a loan agreement, trust indenture, security agreement, reimbursement agreement, guarantee agreement, bond or note, ordinance or resolution, or similar instrument.

2.12. "Fund" means the State Transportation Infrastructure Fund that is in the West Virginia Treasury. The fund shall be a revolving fund to be administered by the Commissioner of the Division to enter loan obligations or make loans to or for the benefit of an eligible borrower for the undertaking of an eligible project by a project sponsor.

2.13. "Government unit" means municipalities, counties, state agencies, and quasi-state government agencies.

2.14. "Initial assistance" means the first round of funds that are loaned or used for credit enhancement from the fund for eligible projects. The initial assistance shall not be made in the form of a grant.

"Loan" means any form of direct financial assistance from the fund that is required to be repaid over a period of time and that is provided to a project sponsor for all or part of the eligible costs of an eligible project. A loan may be disbursed in anticipation of reimbursement for or direct payment of eligible costs of a eligible project.

2.15. "Loan obligation" means a bond, note, or other evidence of an obligation.

2.16. "Private entity" means a private person or entity, that has entered into an approved contract with a government unit to undertake an eligible project.

2.17. "Project revenues" means all rates, rents, fees, assessments, charges, and other receipts derived or to be derived by an eligible borrower from a eligible project or made available from a special source, and, as provided in the applicable financing agreement, derived from any system of which the eligible project is a part of, from any other revenue producing facility under the ownership or control of the eligible borrower including, without limitation, proceeds of grants, gifts, appropriations and loans, including the proceeds of loans made from the fund, investment earnings, reserves for capital and current expenses, proceeds of insurance or condemnation and proceeds from the sale or other disposition of property and from any other special source as may be provided by the eligible borrower.

2.18. "Project sponsor" may be a government unit to undertake completion of construction of an eligible project.

2.19. "Revenues" means, when used with respect to the fund, any receipts, fees, income, or other payments received or to be received by the fund including, without limitation, receipts and other payments deposited in the fund and investment earnings on its funds and accounts.

2.20. "State accounts" means, collectively, the separate accounts for state highway funds.

**§157-11-3. State Transportation Infrastructure Fund Advisory Board.**

3.1. The State Transportation Infrastructure Fund Advisory Board is hereby created to make recommendations and offer counsel to the Commissioner or the Commissioner's designee. The Board may offer recommendations and counsel to the Commissioner regarding all aspects of the fund, including, but not limited to, identifying and determining eligible borrowers, eligible projects, financing agreements, loans, and loan obligations as well as the manner in which the fund is capitalized and the manner in which obligations to the fund are enforced.

3.2. The Commissioner shall be an ex officio member and the chairperson of the Board. The Board shall consist of five persons as follows:

- 3.2.a. The assistant commissioner of the Division;
- 3.2.b. The business manager of the Division;
- 3.2.c. A member of the Division's program planning and administration division;
- 3.2.d. The Division's state highway engineer; and
- 3.2.e. The director of the Division's legal division.

3.3. Members of the Board shall receive no compensation for their work on the Board other than compensation for their regular employment by the Division; provided, however, members of the Board shall be reimbursed from the fund for actual and necessary expenses

incurred for the discharge of their official duties as members of the Board in a manner consistent with the guidelines of the department of administration.

**§57-11-4. Powers and Duties of the Commissioner.**

4.1. The Commissioner, in consultation with the Board, shall adopt policies and procedures consistent with W.Va. Code §17-17-B-1 et. seq., for the administration of the fund's affairs and the implementation of the fund's functions, including, but not limited to, the identification and selection of eligible borrowers, eligible costs, and eligible projects as well as the determination of the amount of initial assistance and the manner in which the fund shall be capitalized.

4.2. The Commissioner shall have the following powers:

4.2.a. Make loans to eligible borrowers to finance the eligible costs of eligible projects and to acquire, hold, and subordinate loan obligations in a manner as the Board determines advisable;

4.2.b. Provide eligible borrowers with other financial assistance to defray eligible costs of an eligible project;

4.2.c. Enter into contracts, arrangements, and agreements with eligible borrowers and other persons and execute and deliver all financing agreements and other instruments necessary or convenient to the exercise of the powers granted by W.Va. Code §17-17B-1 et. seq.;

4.2.d. Enter into agreements with a government unit, private entity, department, agency, or instrumentality of the United States or of this State or another state for the purpose of planning and providing for the financing of eligible projects;

4.2.e. Establish policies and procedures for the making and administering of loans and other financial assistance and fiscal controls and accounting procedures to ensure proper accounting and reporting of the fund, government units, eligible borrowers, and private entities;

4.2.f. Collect or authorize the trustee under any trust indenture securing any bonds to collect amounts due under any loan obligations owned by it, including taking the action required to obtain payment of any sums in default;

4.2.g. Consent to any modification with respect to the rate of interest, time and payment of any installment of principal or interest, or any other term of any loan obligations owned by it;

4.2.h. Expend funds to obtain accounting, management, legal, financial consulting, and other professional services necessary to the operations of the fund;

4.2.i. Expend funds credited to the fund as the Board determines necessary for the costs of administering the operations of the fund;

4.2.j. Procure insurance against losses in connection with its property, assets, or activities including insurance against liability for its acts or the acts of its employees or agents or to establish cash reserves to enable it to act as a self-insurer against any and all such losses;

4.2.k. Collect fees and charges in connection with its loans or other financial losses;

4.2.l. Apply for, receive and accept from any source, aid, grants, and contributions of money, property, labor, or other things of value to be used to carry out the purposes of the fund;

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4.2.m. Enter into contracts or agreements for the servicing and processing of financial agreements;

4.2.n. Enter into loan obligations and loans that may be secured or unsecured;

4.2.o. Accept notes and other forms of obligation to evidence any indebtedness as well as mortgages, liens, pledges, assignments or other security interests to secure such indebtedness;

4.2.p. Take all actions that are appropriate to protect security interests, ensure repayment of any indebtedness, and safeguard against losses of the fund, including, but not limited to, initiating foreclosures, default proceedings, and all other forms of redress, whether legal or equitable in nature;

4.2.q. Determine future capital needs of the fund. The future capital needs of the fund may be determined each year based on an actuarial valuation that reflects, among other things, anticipated revenues, project revenues, amounts in federal accounts and state accounts, fund costs, loan defaults and related risk exposure to the extent such valuation is consistent with the Actuarial Standards of Practice published by the Actuarial Standards Board.

4.2.r. Do all other things necessary or convenient to exercise powers granted or reasonably implied by West Virginia Code §17-17B-1 et.seq.