

WEST VIRGINIA LEGISLATURE

2023 REGULAR SESSION

Introduced

Senate Bill 430

By Senator Tarr

[Introduced January 23, 2023; referred
to the Committee on Banking and Insurance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,
 2 designated §12-1-1a; and to amend and reenact §12-2-2 of said code, all relating generally
 3 to the State Treasurer’s authority to contract with financial institutions for banking goods
 4 and services; defining terms; and clarifying Department of Revenue shall utilize State
 5 Treasurer’s contracts and agreements with financial institutions when collecting moneys
 6 owed to the state.

Be it enacted by the Legislature of West Virginia:

CHAPTER 12. PUBLIC MONEYS AND SECURITIES.

ARTICLE 1. STATE DEPOSITORIES.

§12-1-1a. Definitions.

1 For the purposes of this chapter:

2 "Banking goods or services" refers to the goods and services required by a spending unit
 3 and provided by a financial institution to facilitate a spending unit’s collection or acceptance of
 4 state funds, either directly by the spending unit or through a third-party vendor or other entity.

5 "Financial institution" means a bank, national banking association, non-bank financial
 6 institution, a bank and trust company, a trust company, a savings and loan association, a building
 7 and loan association, a mutual savings bank, or a savings bank. The term also includes any entity
 8 when that entity is processing financial transactions for a spending unit or offering financial goods
 9 or services to a spending unit that are traditionally performed by a financial institution, including but
 10 not limited to check disbursement services, depository services, payment card processing
 11 services, or electronic funds transfers.

12 "Spending unit" means a department, agency, board, commission, or institution of the state
 13 government for which an appropriation is requested, or to which an appropriation is made by the
 14 Legislature.

15 "State funds" refers to moneys accepted or collected on behalf of the state or those

16 moneys designated by the Legislature or the State Treasurer as state funds, according to
 17 §12-1-2(e) of this code.

**ARTICLE 2. PAYMENT AND DEPOSIT OF TAXES AND OTHER AMOUNTS DUE THE
 STATE OR ANY POLITICAL SUBDIVISION.**

**§12-2-2. Itemized record of moneys received for deposit; regulations governing deposits;
 credit to state fund; exceptions.**

1 (a) All officials and employees of the state authorized by statute to accept moneys on
 2 behalf of the State of West Virginia shall keep a daily itemized record of moneys received for
 3 deposit in the State Treasury and shall deposit within one business day with the State Treasurer all
 4 moneys received or collected by them for or on behalf of the state for any purpose whatsoever.
 5 The State Treasurer may grant an exception to the one business day rule when circumstances
 6 make compliance difficult or expensive. The State Treasurer may review the procedures and
 7 methods used by officials and employees authorized to accept moneys due the state and change
 8 the procedures and methods if he or she determines it is in the best interest of the state: *Provided,*
 9 That the State Treasurer may not review or amend the procedures by which the Department of
 10 Revenue accepts moneys due the state: *Provided, however, That the Department of Revenue*
 11 *must utilize the State Treasurer's contracts or agreements, entered into pursuant to §12-1-2 or*
 12 *12-3A-6 of this code, for any banking goods and services required for said procedures.* The State
 13 Treasurer shall propose rules for legislative approval, in accordance with the provisions of
 14 §29A-3-1 *et seq.* of this code governing the procedure for deposits. The official or employee
 15 making deposits with the State Treasurer shall prepare deposit lists in the manner and upon report
 16 forms prescribed by the State Treasurer in the state accounting system. The State Treasurer shall
 17 review the deposits in the state accounting system and forward the information to the State Auditor
 18 and to the Secretary of Revenue.

19 (b) All moneys received by the state from appropriations made by the Congress of the

20 United States shall be recorded in special fund accounts, in the State Treasury apart from the
21 general revenues of the state, and shall be expended only upon appropriation of the Legislature in
22 accordance with the provisions of §4-11-1 *et seq.* of this code. All moneys, other than federal
23 funds, defined in §4-11-2 of this code, shall be credited to the state fund and treated by the State
24 Auditor and State Treasurer as part of the general revenue of the state except the following funds
25 which shall be recorded in separate accounts:

26 (1) All funds excluded by the provisions of §4-11-6 of this code;

27 (2) All funds derived from the sale of farm and dairy products from farms operated by any
28 spending unit of the state;

29 (3) All endowment funds, bequests, donations, executive emergency funds and death and
30 disability funds;

31 (4) All fees and funds collected at state educational institutions for student activities;

32 (5) All funds derived from collections from dormitories, boardinghouses, cafeterias and
33 road camps;

34 (6) All moneys received from counties by institutions for the deaf and blind on account of
35 clothing for indigent pupils;

36 (7) All insurance collected on account of losses by fire and refunds;

37 (8) All funds derived from bookstores and sales of blank paper and stationery, and
38 collections by the chief inspector of public offices;

39 (9) All moneys collected and belonging to the capitol building fund, state road fund, state
40 road sinking fund, general school fund, school fund, state fund (moneys belonging to counties,
41 districts and municipalities), state interest and sinking funds, state compensation funds, the fund
42 maintained by the Public Service Commission for the investigation and supervision of applications
43 and all fees, money, interest or funds arising from the sales of all permits and licenses to hunt, trap,
44 fish or otherwise hold or capture fish and wildlife resources and money reimbursed and granted by
45 the federal government for fish and wildlife conservation; and

46 (10) All moneys collected or received under any act of the Legislature providing that funds
47 collected or received under the act shall be used for specific purposes.

48 (c) All moneys, except as provided in subdivisions (1) through (9), inclusive, subsection (b)
49 of this section, shall be paid into the State Treasury in the same manner as collections not
50 excepted and recorded in separate accounts for receipt and expenditure for the purposes for
51 which the moneys are authorized to be collected by law: *Provided*, That amounts collected
52 pursuant to subdivisions (1) through (10), subsection (b) of this section, which are found, from time
53 to time, to exceed funds needed for the purposes set forth in general law may be transferred to
54 other accounts or funds and redesignated for other purposes by appropriation of the Legislature.
55 The gross amount collected in all cases shall be paid into the State Treasury. Commissions, costs
56 and expenses, including, without limitation, amounts charged for use of bank, charge, credit or
57 debit cards, incurred in the collection process shall be paid from the gross amount collected in the
58 same manner as other payments are made from the State Treasury.

59 (d) The State Treasurer may establish an imprest fund or funds in the office of any state
60 spending unit upon receipt of a proper application. To implement this authority, the State Treasurer
61 shall propose rules for legislative approval in accordance with the provisions of §29A-3-1 *et seq.* of
62 this code. The State Treasurer or his or her designee shall annually audit all imprest funds and
63 prepare a list of the funds showing the location and amount as of fiscal year end, retaining the list
64 as a permanent record of the State Treasurer until the Legislative Auditor has completed an audit
65 of the imprest funds of all agencies and institutions involved.

66 (e) The State Treasurer may develop and implement a centralized receipts processing
67 center. The State Treasurer may request the transfer of equipment and personnel from
68 appropriate state agencies to the centralized receipts processing center in order to implement the
69 provisions of this section: *Provided*, That the Governor or appropriate constitutional officer has
70 authority to authorize the transfer of equipment or personnel to the centralized receipts processing
71 center from the respective agency.

NOTE: The purpose of this bill is to ensure that all spending units utilize the State Treasurer's contracts and agreements with financial institutions for banking goods and services.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.