

FILED

2001 MAY -2 A 11: 14

OFFICE WEST VIRGINIA  
SECRETARY OF STATE

**WEST VIRGINIA LEGISLATURE**

*Regular Session, 2001*

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**ENROLLED**

**SENATE BILL NO.** 407

**(By Senator** Love, et al **)**

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**PASSED** April 14, 2001

**In Effect** July 1, 2001 **Passage**

FILED

2001 MAY -2 A 11: 17

OFFICE WEST VIRGINIA  
SECRETARY OF STATE

ENROLLED

**Senate Bill No. 407**

(BY SENATORS LOVE, ANDERSON, BAILEY, BOLEY, BOWMAN,  
CALDWELL, EDGELL, FACEMYER, HUNTER, MINARD, MITCHELL,  
PREZIOSO, REDD, ROSS, ROWE, SPROUSE, MINEAR, PLYMALE,  
HELMICK AND CHAFIN)

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[Passed April 14, 2001; to take effect July 1, 2001.]

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AN ACT to amend chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article, designated article thirty-seven, relating to authorizing a rainy day fund for municipalities known as a financial stabilization fund; naming act; providing findings of Legislature; authorizing municipalities to create financial stabilization funds; specifying the receipts available for the fund; establishing a cap of 30 percent for the fund; authorizing investment of funds; and specifying authorized expenditures from the fund.

*Be it enacted by the Legislature of West Virginia:*

That chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new article, designated article thirty-seven, to read as follows:

**ARTICLE 37. MUNICIPAL FINANCIAL STABILIZATION FUND ACT.**

**§8-37-1. Short title.**

- 1 This act may be known and cited as the “Municipal
- 2 Financial Stabilization Fund Act”.

**§8-37-2. Findings and declarations.**

- 1 The Legislature finds and declares that:

- 2 (1) Municipalities should maintain a prudent level of
- 3 financial resources to try to protect against reducing
- 4 service levels or raising taxes and fees because of tempo-
- 5 rary revenue shortfalls, unpredicted one-time expenditures
- 6 or emergency situations; and

- 7 (2) The creation, maintenance and use of a financial
- 8 stabilization fund will provide municipalities with assis-
- 9 tance to meet these challenges, as well as enable them to
- 10 improve their financial management and practices.

**§8-37-3. Budget stabilization fund; creation; appropriation; maximum.**

- 1 (a) A municipality may create a financial stabilization
- 2 fund by a majority vote of its governing body. The fund
- 3 may receive appropriations, gifts, grants and any other
- 4 funds made available.

- 5 (b) The governing body may appropriate a sum to the
- 6 fund from any surplus in the general fund at the end of
- 7 each fiscal year or from any other money available.

- 8 (c) The amount of money in the fund may not exceed 30
- 9 percent of the municipality’s most recent general fund
- 10 budget, as originally adopted. When the fund exceeds the
- 11 30 percent, the governing body shall transfer the excess to
- 12 any fund it considers appropriate.

**§8-37-4. Fund investment; usage.**

- 1 (a) The governing body may invest the money in the fund
- 2 as it considers appropriate, with the earnings retained by
- 3 the fund.

4 (b) The governing body may appropriate money in the  
5 financial stabilization fund upon a majority vote for the  
6 following purposes:

7 (1) To cover a general fund shortfall; or

8 (2) Any other purpose the municipality considers  
9 appropriate.

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

*Carol D. Williams*  
.....  
Chairman Senate Committee

*John J. ...*  
.....  
Chairman House Committee

Originated in the Senate.

To take effect July 1, 2001.

*David ...*  
.....  
Clerk of the Senate

*James M. ...*  
.....  
Clerk of the House of Delegates

*Carl ...*  
.....  
President of the Senate

*[Signature]*  
.....  
Speaker House of Delegates

The within *is* approved this the *1<sup>st</sup>* Day of *May*, 2001.

*[Signature]*  
.....  
Governor

PRESENTED TO THE

GOVERNOR

Date 4/25/01

Time 5:10 pm