

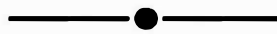
HB 3313

FILED

2009 APR 30 PM 4:48

OFFICE WEST VIRGINIA
SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE
FIRST REGULAR SESSION, 2009



ENROLLED

**COMMITTEE SUBSTITUTE
FOR
House Bill No. 3313**

(By Delegates Cann, Varner, Klempa, Craig and Manchin)



Passed April 10, 2009

In Effect Ninety Days from Passage

E N R O L L E D
COMMITTEE SUBSTITUTE

FOR

H. B. 3313

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OFFICE WEST VIRGINIA
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(BY DELEGATES CANN, VARNER, KLEMPA, CRAIG AND MANCHIN)

[Passed April 10, 2009; in effect ninety days from passage.]

AN ACT to amend and reenact §18-9-6 of the Code of West Virginia, 1931, as amended, relating to allowing depositories and banks to meet the security requirement necessary to be a depository for boards of education by providing a letter of credit from a federal home loan bank.

Be it enacted by the Legislature of West Virginia:

That §18-9-6 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 9. SCHOOL FINANCES.

§18-9-6. Transfer of moneys; appointment of treasurer; bonding of treasurer; approval of bank accounts; authority to invest; security for funds invested.

1 The sheriff of each county shall remit to the board of
2 education all moneys in his or her possession held on behalf
3 of the county board of education, whether or not deposited in
4 a bank or depository, unless the sheriff has been designated
5 treasurer of the board of education as provided in this section.
6 The transfer of funds shall be made as of the balances on
7 hand on June 30 of the year in which the board of education
8 appoints a treasurer other than the sheriff, and shall be
9 completed no later than August 1 of that year. The transfer
10 shall be adjudged complete and final upon the approval of the
11 sheriff's official settlement for the fiscal year ending on June
12 30 of the year in which the board of education appoints a
13 treasurer other than the sheriff, and any minor adjustment
14 made necessary by the actually known figures shall also be
15 made at that time. All balances in all county school funds at
16 the end of each month after June 30 of the year in which the
17 board of education appoints a treasurer other than the sheriff
18 shall be transferred by the sheriff to the county board of
19 education not later than the tenth day of the following month.

20 On or before the first Monday in May each county board
21 of education shall upon recommendation of the county
22 superintendent appoint a treasurer for the board. The
23 treasurer is the fiscal officer of the board, or an employee
24 commonly designated as the person in charge of the financial
25 affairs of the county board, or the county sheriff: *Provided,*
26 That once a board of education has appointed a treasurer
27 other than the sheriff, the sheriff may not be named treasurer
28 of the board in a subsequent year. Upon appointment this
29 person shall be titled and referred to as treasurer of the board
30 of education. For the faithful performance of this duty, the
31 treasurer shall execute a bond, to be approved by the board of
32 education, in the penalty to be fixed by the board of
33 education, not to exceed the amount of school funds which it
34 is estimated the treasurer will handle within any period of
35 two months. The premium on the bond shall be paid by the
36 board of education.

37 The board of education may open a bank account, or
38 accounts, as required to adequately and properly transact the
39 business of the district in a depository, or banks, within the
40 county. The depositories, or banks, shall provide bond to
41 cover the maximum amount to be deposited at any one time.
42 However, the county board of education may, in lieu of such
43 bond, accept as security for money deposited letters of credit
44 from a federal home loan bank, securities of the United
45 States, or of a state, county, district or municipal corporation,
46 or federal agency securities: *Provided*, That a banking
47 institution is not required to provide a bond or security in
48 lieu of bond if the deposits accepted are placed in certificates
49 of deposit meeting the following requirements: (1) The funds
50 are invested through a designated state depository selected by
51 the county board of education; (2) the selected depository
52 arranges for the deposit of the funds in certificates of deposit
53 in one or more banks or savings and loan associations
54 wherever located in the United States, for the account of the
55 county board of education; (3) the full amount of principal
56 and accrued interest of each certificate of deposit is insured
57 by the Federal Deposit Insurance Corporation; (4) the
58 selected depository acts as custodian for the county board of
59 education with respect to such certificates of deposit issued
60 for the county's account; and (5) at the same time that the
61 county board of education's funds are deposited and the
62 certificates of deposit are issued, the selected depository
63 receives an amount of deposits from customers of other
64 financial institutions wherever located in the United States
65 equal to or greater than the amount of the funds invested by
66 the county board of education through the selected
67 depository. One hundred ten percent of the face or par value
68 of the securities may not be less than the sum hereinbefore
69 specified as the amount to be named in the bond in lieu of
70 which the securities are accepted, or the county board of
71 education may accept the securities as partial security to the
72 extent of their face value for the money so deposited and

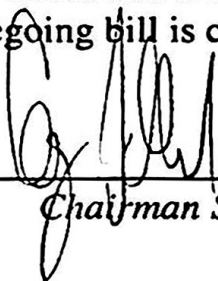
73 require bond for the remainder of the full amount
74 hereinbefore specified, to be named in the bond, and, in the
75 bond so required, the acceptance of securities as partial
76 security and the extent thereof shall be set forth. The
77 hypothecation of the securities shall be by proper legal
78 transfer as collateral security to protect and indemnify by
79 trust any and all loss in case of any default on the part of the
80 banking institution in its capacity as depository as aforesaid.
81 All such securities shall be delivered to or deposited for the
82 account of the county board of education, and withdrawal or
83 substitution thereof may be permitted from time to time upon
84 approval by the county board of education by order of record,
85 but the collateral security shall be released only by order of
86 record of the county board of education when satisfied that
87 full and faithful accounting and payment of all the moneys
88 has been made under the provisions hereof. In the event
89 actual possession of the hypothecated securities is delivered
90 to the county board of education, it shall make ample
91 provision for the safekeeping thereof, and the interest thereon
92 when paid shall be turned over to the banking institution, so
93 long as it is not in default as aforesaid. The county board of
94 education may permit the deposit under proper receipt of
95 such securities with one or more banking institutions within
96 the State of West Virginia and may contract with any such
97 institution for safekeeping and exchange of any such
98 hypothecated securities, and may prescribe the rules for
99 handling and protecting the same.

100 On and after July 1, 1973, all levies and any other school
101 moneys received by the sheriff and paid to the treasurer of
102 the county board of education shall be deposited in these
103 accounts, and all proper payments from such funds shall be
104 made by the designated depository or bank upon order or
105 draft presented for payment and signed by the duly
106 authorized signatories of the board of education: *Provided,*
107 That in determining the depository for board of education

108 funds a board member who has a pecuniary interest in a bank
109 within the county shall not participate in the determination of
110 the depository for such funds.

111 If it is considered that sufficient funds are on hand in any
112 account at any one time which may be more than are
113 normally required for the payment of incurred expenses, the
114 funds in the amount so considered available may be invested
115 by the treasurer of the county board with the West Virginia
116 Municipal Bond Commission, or in guaranteed certificates of
117 deposit issued by the depository or bank, or other guaranteed
118 investments such as treasury bills, treasury notes or
119 certificates of deposit issued by either the United States
120 government or a banking institution in which federal or state
121 guarantees are applicable. Interest earned in such investments
122 is to be credited to the fund from which the moneys were
123 originally available.

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



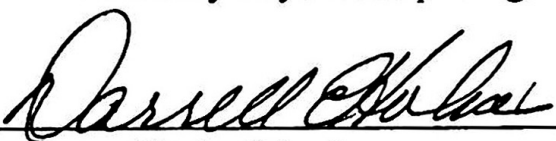
Chairman Senate Committee



Chairman House Committee

Originating in the House.

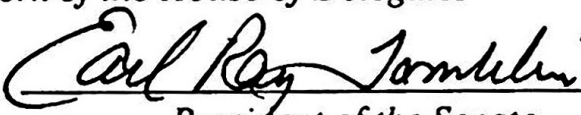
In effect ninety days from passage.



Clerk of the Senate



Clerk of the House of Delegates



President of the Senate



Speaker of the House of Delegates

The within is approved this the 30th
day of April, 2009.



Governor

PRESENTED TO THE
GOVERNOR

APR 29 2009

Time 11:35 am