

# WEST VIRGINIA LEGISLATURE

## 2020 REGULAR SESSION

**Introduced**

### **House Bill 4552**

**FISCAL  
NOTE**

BY DELEGATE BARNHART

BY REQUEST FROM STATE AUDITOR

[Introduced January 27, 2020; Referred to the  
Committee on Finance]

1 A BILL to amend and reenact §12-3-10c of the Code of West Virginia, 1931, as amended, relating  
 2 to state accounting system transaction fees; removing the centralized accounting system  
 3 transaction fee; establishing a penalty fee for spending units failing to utilize a state  
 4 purchasing card when the state purchasing card is accepted by a vendor; authorizing the  
 5 Auditor to waive penalty fees in emergency or other circumstances; creating the  
 6 Transparency and Oversight Support Fund; and prescribing the manner of billing and  
 7 collection of penalty fees.

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

### **ARTICLE 3. APPROPRIATIONS, EXPENDITURES AND DEDUCTIONS.**

#### **§12-3-10c. Transaction fees; disposition of fees.**

1 ~~(a) In order to promote and enhance the use of the state purchasing card program~~  
 2 ~~established by the provisions of section ten-a of this article and in order to maintain and develop~~  
 3 ~~the fiscal operations and accounting systems of the state, the Auditor and the treasurer may~~  
 4 ~~assess joint transaction fees for all financial documents that will be processed on the central~~  
 5 ~~accounting system. Such transaction fees shall be prescribed by legislative rule proposed in~~  
 6 ~~accordance with article three, chapter twenty-nine-a of this code and may include the following:~~

7 ~~(1) A penalty fee to be assessed against spending units of state government who submit~~  
 8 ~~claims for payment of goods and services when those claims are authorized to be paid by use of~~  
 9 ~~a state purchasing card and the spending unit has failed to utilize the state purchasing card; and~~

10 ~~(2) A transaction fee to be assessed against spending units of state government for every~~  
 11 ~~transaction received, electronically or otherwise, by the Auditor from the centralized accounting~~  
 12 ~~system.~~

13 ~~(b) All fees collected under this section shall be deposited into the "Technology Support~~  
 14 ~~and Acquisition Fund" which is hereby created in the State Treasury to be administered by the~~  
 15 ~~Auditor. The Auditor and treasurer shall use moneys deposited in the fund to maintain and develop~~  
 16 ~~the state purchasing card program, support the fiscal operations of the state, including the state~~

17 ~~centralized accounting system, and to acquire and improve the technology required to support~~  
18 ~~these functions: *Provided*, That expenditures from the fund are authorized from collections and~~  
19 ~~are to be made only in accordance with an appropriation by the Legislature and in accordance~~  
20 ~~with the provision of article three of this chapter and upon fulfillment of the provisions set forth in~~  
21 ~~article two, chapter five-a of this code: *Provided, however*, That for the fiscal year ending June~~  
22 ~~30, 1998, expenditures from the fund may be made from collections: *Provided further*, That the~~  
23 ~~Legislature is exempt from any fees imposed under this section~~

24 (a) In order to promote and oversee the use of the state purchasing card program  
25 established by the provisions of §12-3-10a of this code and in order to maintain and develop the  
26 fiscal operations and accounting systems of state and local governments, the Auditor may assess  
27 a penalty fee of three percent of the transaction amount, per transaction, against spending units  
28 of state government who submit claims for payment of goods and services when the merchant or  
29 vendor providing the goods or services accepts the state purchasing card as a payment method  
30 and the spending unit has failed to utilize the state purchasing card for that transaction: *Provided*,  
31 That the Auditor may make provisions for certain purchases such as emergency purchases,  
32 purchases where the card could not be utilized, or other circumstances as determined by the  
33 Auditor, to be made without penalty when the card was not used: *Provided, however*, That the  
34 amount of the penalty fee to be charged under this section shall not exceed \$100 per transaction.

35 (b) All fees collected under this section shall be deposited into the Transparency and  
36 Oversight Support Fund which is hereby created in the State Treasury to be administered by the  
37 Auditor. The Auditor shall use moneys deposited in the fund to maintain and develop the state  
38 purchasing card auditing, fraud detection, and oversight services and support state and local  
39 government financial data accounting and transparency systems, and to acquire and improve the  
40 technology required to support these functions: *Provided*, That expenditures from the fund are  
41 authorized from collections and are to be made only in accordance with an appropriation by the  
42 Legislature and in accordance with the provisions of §12-3-1 *et seq.* of this code: *Provided*,

43 however, That the Legislature is exempt from any fees imposed under this section.

44 (c) All billing and collections for fees collected under this section shall be accounted for in  
45 the statewide centralized enterprise resource planning system. The Auditor shall bill each agency  
46 on a quarterly basis.

47 (d) Nothing in this section should be construed to authorize a state spending unit to pay  
48 purchasing card penalty fees from any grants or funding sources that prohibit use of the funds to  
49 pay transaction or penalty fees.

NOTE: The purpose of this bill is to remove the transaction fee charged to state spending units in the former statewide centralized accounting system, WVFIMS, and to increase the existing purchasing card penalty fee. The bill creates the Transparency and Oversight Fund to receive deposits for the purchasing card penalty fee and prescribes the billing and collection procedures for the fee.

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