

WEST VIRGINIA LEGISLATURE

2023 REGULAR SESSION

Introduced

House Bill 2372

FISCAL
NOTE

By Delegate Gearheart

[Introduced January 11, 2023; Referred to the Committee
on Finance]

1 A BILL to amend and reenact §12-2-2 of the Code of West Virginia, 1931, as amended, relating to
 2 the forfeiture of unencumbered funds in special revenue accounts and repayment of
 3 certain percentages of the special revenue accounts to the General Revenue Fund, if
 4 these accounts have been inactive for designated periods; and prohibiting expenditures
 5 from these accounts pending the forfeiture of the funds.

Be it enacted by the Legislature of West Virginia:

**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. The State Treasurer shall propose rules for legislative
 11 approval, in accordance with ~~the provisions of §29A-3-1 et seq.~~ of this code governing the
 12 procedure for deposits. The official or employee making deposits with the State Treasurer shall
 13 prepare deposit lists in the manner and upon report forms prescribed by the State Treasurer in the
 14 state accounting system. The State Treasurer shall review the deposits in the state accounting
 15 system and forward the information to the State Auditor and to the Secretary of Revenue.

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

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

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

26 (3) All endowment funds, bequests, donations, executive emergency funds and death and
27 disability funds;

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

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

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

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

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

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

42 the federal government for fish and wildlife conservation; and

43 (10) All moneys collected or received under any act of the Legislature providing that funds
44 collected or received under the act shall be used for specific purposes: *Provided*, That
45 notwithstanding any provision of this code to the contrary, any unencumbered special revenue
46 account that has had no activity either receiving or disbursing funds shall have 25 percent of those
47 funds forfeited and reverted to the General Revenue Fund: *Provided, however*, That any
48 unencumbered special revenue account that has had no activity either receiving or disbursing
49 funds for over one year, but less than two years, shall have 50 percent of those funds forfeited and
50 reverted to the General Revenue Fund: *Provided further*, That any unencumbered special revenue
51 account that has had no activity either receiving or disbursing funds for over two years shall have
52 100 percent of those funds forfeited and reverted to the General Revenue Fund. Officials and
53 employees of the state authorized by statute to accept moneys on behalf of the State of West
54 Virginia that are designated for special revenue accounts may not disburse funds from these
55 special revenue accounts pending the forfeiture and repayment to the General Revenue Fund
56 required by this subdivision.

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

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

75 (e) The State Treasurer may develop and implement a centralized receipts processing
76 center. The State Treasurer may request the transfer of equipment and personnel from
77 appropriate state agencies to the centralized receipts processing center in order to implement the
78 provisions of this section: *Provided*, That the Governor or appropriate Constitutional officer ~~has~~
79 ~~authority to~~ authorize the transfer of equipment or personnel to the centralized receipts processing
80 center from the respective agency.

NOTE: The purpose of this bill is to provide for the forfeiture of unencumbered funds in special revenue accounts and repayment of certain percentages of the special revenue accounts to the General Revenue Fund if these accounts have been inactive for designated periods. The bill also prohibits expenditures from these accounts pending the forfeiture of the funds.

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