

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

ENROLLED

Committee Substitute

for

House Bill 2152

BY DELEGATES BURKHAMMER, LEAVITT, AND HOTT

[Passed April 9, 2025; in effect 90 days from passage

(July 8, 2025)]

1 AN ACT to amend the Code of West Virginia, 1931, as amended, by adding a new article,
2 designated §12-10-1, §12-10-2, and §12-10-3, relating to prompt payment by state
3 agencies of certain obligations; providing a short title; defining terms; providing that
4 grantees and vendors shall be entitled to prompt payment upon presentation to a state
5 agency of a legitimate claim for payment; determining the date a legitimate claim for
6 payment is considered received by a state agency; requiring an agency to notify the State
7 Auditor when it has violated this act; allowing vendors and grantees to notify the State
8 Auditor when an agency has violated this act; and requiring the State Auditor to publish a
9 list of noncompliant agencies on the State Auditor's website and update the list on at least
10 a monthly basis; providing the timeline in which state agencies shall process payments;
11 providing the timeline in which state agencies shall process payments for other agencies;
12 and providing for exceptions.

Be it enacted by the Legislature of West Virginia:

ARTICLE 10. PROMPT PAYMENT ACT OF 2025.

§12-10-1. Short title.

1 This article shall be known and cited as the "Prompt Payment Act of 2025".

§12-10-2. Definitions.

1 The words defined in this section have the meanings given them for purposes of this
2 article, unless the context clearly requires otherwise.

3 "Grantee" means any entity receiving a state grant, including a state spending unit, local
4 government, corporation, partnership, association, individual, or other legal entity.

5 "Legitimate claim for payment" means:

6 (1) A notification of an entitlement to a disbursement of state funds pursuant to an awarded
7 state grant; and

8 (2) A vendor's legitimate uncontested invoice for commodities or services provided to any
9 state spending unit.

10 "Payment" means:

11 (1) A disbursement of funds to a grantee pursuant to a state grant; and

12 (2) A state agency's payment, via check, state warrant, purchasing card transaction, or
13 electronic payment, of a legitimate uncontested invoice for commodities or services.

14 "State agency" means any agency, department, board, office, bureau, commission,
15 authority or any other entity of the executive, judicial, elected, or legislative branch of state
16 government.

17 "State grant" means funding provided by a grantor, regardless of the original source of the
18 funds, to a grantee upon application for a specific purpose. The term "state grant" does not
19 include:

20 (1) Payments for commodities and services purchased by a state spending unit;

21 (2) Compensation to state employees and public officials;

22 (3) Reimbursements to state employees and public officials for travel or incidental
23 expenses;

24 (4) Grants of student aid;

25 (5) Government transfer payments;

26 (6) Direct benefits provided under state insurance and welfare programs;

27 (7) Funds reimbursed to a person for expenditures made for qualified purposes when
28 receipts for the expenditures are required prior to receiving the funds;

29 (8) Retirement benefits;

30 (9) Federal pass-through funds that are subject to the federal Single Audit Act
31 Amendments of 1996, 31 U.S.C. § 7501 *et seq.*, and the funds required to match the federal
32 funds;

33 (10) Distributions to volunteer and part-volunteer fire departments and fire companies
34 made pursuant to §33-3-14d, §33-3-33, and §33-12C-7 of this code;

35 (11) Money received from the Fire Service Equipment and Training Fund as provided in
36 §29-3-5f of this code; and

37 (12) Grants made by the West Virginia Water Development Authority.

38 "Vendor" means any person or entity that may, through contract or other means, supply
39 the state or its subdivisions with commodities or services, and lessors of real property: *Provided*,
40 That employees of the state shall not be considered vendors under this article.

§12-10-3. Payment of legitimate claims for payment.

1 (a) Every grantee and vendor shall be entitled to prompt payment upon presentation to a
2 state agency of a legitimate claim for payment.

3 (b)(1) For grants awarded on or after July 1, 2025, and for purchases of commodities or
4 services made on or after July 1, 2025, a payment shall be issued in payment thereof within 45
5 days after a legitimate claim for payment is received by the state agency that has awarded the
6 grant or received the commodities or services.

7 (2) For purposes of this section, a legitimate claim for payment shall be deemed to be
8 received by a state agency on the date on which the legitimate claim for payment is marked as
9 received by the state agency, the date of the postmark made by the United States postal service
10 as evidenced on the envelope in which the legitimate claim for payment is mailed, or the date the
11 legitimate claim for payment is logged received or confirmed on an electronic mailbox or
12 messaging system, whichever is earlier, unless the grantee or vendor can provide sufficient
13 evidence that the legitimate claim for payment was received by the state agency on an earlier
14 date: *Provided*, That in the event an invoice is received by a state agency prior to the date on
15 which the commodities or services covered by the invoice are delivered and accepted or fully
16 performed and accepted, the invoice shall be deemed to be received on the date on which the
17 commodities or services covered by the invoice were actually delivered and accepted or fully
18 performed and accepted.

19 (c) An agency that issues a payment after 45 days, in violation of this section, shall report
20 the violation to the State Auditor. A vendor or grantee who has not received a payment within 45
21 days, in violation of this section, may report that violation to the State Auditor. The State Auditor
22 shall make a list of state agencies that are in violation of this section publicly available on its
23 website and update the list on at least a monthly basis.

24 (d) The state agency initially receiving a legitimate claim for payment shall disburse the
25 grant funds or process the invoice within 10 business days from its receipt.

26 (e) Any other state agency charged by law with processing a state agency's requisition for
27 payment of a legitimate uncontested invoice shall either process the claim or reject it for good
28 cause within 10 business days after such processing state agency receives it.

29 (f) The provisions of this article do not apply to any grantee or vendor who is debarred,
30 whose payments are required to be offset and intercepted to a state or federal agency, or who is
31 otherwise ineligible to receive payment from the state by any act provided for in this code.

32 (g) Nothing in this article should be construed to limit the right of a state agency to refuse
33 illegitimate, erroneous, fraudulent, or disputed claims for payment.

The Clerk of the House of Delegates and the Clerk of the Senate hereby certify that the foregoing bill is correctly enrolled.

.....
Clerk of the House of Delegates

.....
Clerk of the Senate

Originated in the House of Delegates.

In effect 90 days from passage.

.....
Speaker of the House of Delegates

.....
President of the Senate

The within is this the.....
Day of, 2025.

.....
Governor