

H. B. 2432

(By Delegate C. Miller)

[Introduced February 13, 2013; referred to the
Committee on Political Subdivisions then the Judiciary.]

**FISCAL
NOTE**

A BILL to amend the Code of West Virginia, 1931, as amended, by
adding thereto a new section, designated §8-13-24, relating to
requiring that any new or increase to municipal taxes or fees
must be for a specific purpose; requiring that the revenue may
only be spent for that specific purpose; providing a time
limitation with a renewal option; and providing for a surplus.

Be it enacted by the Legislature of West Virginia:

That the Code of West Virginia, 1931, as amended, be amended
by adding thereto a new section, designated §8-13-24, to read as
follows:

ARTICLE 13. TAXATION AND FINANCE.

**§8-13-24. Stated purposes for taxes and fees; special designated
accounts; felony penalty; expiration and renewal;
surpluses.**

1 (a) On the effective date of this section, any increase to the
2 rate or amount of an existing tax or fee or the assessment or the
3 imposition of a new tax or fee by a municipality pursuant to this
4 article or its charter shall contain a stated purpose in the
5 enacting legislation. If the revenue generated is for multiple
6 purposes, the enacting legislation must state those different
7 purposes and set forth the pro rata share for each purpose.
8 However, the enacting legislation may state its purpose as being
9 for general revenue if the reason why the increased general revenue
10 is necessary is also included.

11 (b) Revenues collected by the municipality pursuant to
12 subsection (a) of this section must be deposited in separate
13 special designated accounts and the funds from those accounts may
14 only be used for the purpose stated in the enacting legislation.
15 However, revenue collected as general revenue, or other purpose
16 that has an existing designated account separate from general
17 revenue, may continue to be placed in that account.

18 (c) Revenue collected and placed in the designated accounts
19 pursuant to subsection (b) of this section is held in trust for the
20 municipality. The wrongful or fraudulent use of those funds, other
21 than for the purpose stated in the enacting legislation, is an
22 embezzlement as identified in section twenty, article three,
23 chapter sixty-one of this code and the user of those funds is
24 subject to the felony penalty of that section.

1 (d) The tax or fee, or its increase, imposed by subsection (a)
2 of this section expires after two years. However, it may be
3 renewed by the municipality.

4 (e) Within thirty days of the expiration of a tax or fee
5 imposition or increase, and regardless of renewal, any surplus
6 money in a special designated account must be:

7 (1) Returned to the payers in a pro rata share;

8 (2) Kept in the special designated account upon affirmative
9 action of the municipality stating a specific purpose for the
10 funds; or

11 (3) Transferred into a general revenue account upon
12 affirmative action of the municipality stating the reason why the
13 transfer is necessary.

NOTE: The purpose of this bill is to require that any new or increased municipal taxes or fees must have a defined purpose. It provides that the tax cannot last for more than two years but can be renewed. Revenue generated must be spent in accordance with the stated purpose.

This section is new; therefore, it has been completely underscored.