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H. B. 2583

(By Delegates Ihle, Kessinger, McGeehan, Faircloth, Moffatt,
Householder, Hill, Canterbury, Kurcaba, Blair and Cadle)

[Introduced February 4, 2015; referred to the
Committee on Political Subdivisions then Finance.]

**FISCAL
NOTE**

A BILL to amend and reenact §8-13-23 of the Code of West Virginia, 1931, as amended, relating to removing the publication requirements of financial statements for municipalities, requiring municipalities to advertise availability of financial statements, and requiring municipalities to make financial statements available to the public on their websites and at their primary offices on request at no cost.

Be it enacted by the Legislature of West Virginia:

That §8-13-23 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 13. TAXATION AND FINANCE.

§8-13-23. Preparation, publication and disposition of financial statements.

(a) Every city, within ninety days after the beginning of each fiscal year, shall prepare on a form to be prescribed by the State Tax Commissioner: ~~and cause to be published a sworn statement revealing:~~ (1) The receipts and expenditures of the city during the previous fiscal year; (2) the name of each person who received more than \$50 during the previous fiscal year, together with the amount

1 received; and (3) all debts of the city, the purpose for which each debt was contracted, its due date
2 and to what date the interest on the debt has been paid. The statement ~~shall~~ may be published as a
3 Class I legal advertisement in compliance with the provisions of article three, chapter fifty-nine of
4 this code and the publication area for the publication ~~shall be~~ is the city: *Provided*, That all salaries,
5 receipts and payments to each individual vendor and expenditures to employees of municipal offices,
6 companies and departments may be published in the aggregate.

7 (b) Every city shall transmit to any resident of the city who requests it a copy of any
8 published statement for the fiscal year designated, supplemented by a document listing the names
9 of each person who received less than \$50 from any fund during the fiscal year and showing the
10 amount paid to each and the purpose for which paid and an itemization of the salaries, receipts and
11 payments to each individual vendor and expenditures to employees of municipal offices, companies
12 and departments otherwise published in the aggregate.

13 (c) Every town or village, within one hundred twenty days after the beginning of each fiscal
14 year, shall prepare on a form to be prescribed by the State Tax Commissioner a sworn statement
15 revealing: (1) The receipts and expenditures of the town or village during the previous fiscal year
16 arranged under descriptive headings; (2) the name of each person who received money from any fund
17 during the previous fiscal year, together with the amount received and the purpose for which paid;
18 and (3) all debts of the town or village, the purpose for which each debt was contracted, its due date
19 and to what date the interest on the debt has been paid: *Provided*, That all salaries, receipts and
20 payments to each individual vendor and expenditures to employees of municipal offices, companies
21 and departments may be published in the aggregate.

22 (d) Every town or village shall transmit to any resident of the town or village who requests

1 it, a copy of any statement for the fiscal year designated. Any town or village may, if its governing
2 body thereof elects, also publish the statement as a Class I legal advertisement in compliance with
3 the provisions of article three, chapter fifty-nine of this code and in that event, the publication area
4 for the publication shall be the town or village.

5 (e) The statement required by subsection (a) of this section and the statement required by
6 subsection (c) of this section shall be sworn to by the recorder, the mayor and two members of the
7 governing body of the municipality. As soon as practicable following the close of the fiscal year,
8 a copy of any statement required by this section shall be filed by the municipality with the State Tax
9 Commissioner, the clerk of the county commission of the county and the clerk of the circuit court
10 of the circuit in which the municipality or the major portion of the territory of the municipality is
11 located. If the governing body fails or refuses to perform any of the duties set forth in this section,
12 every member of the governing body and the recorder of the governing body concurring in the failure
13 or refusal shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not less than
14 \$10 nor more than \$100. If any of the provisions of this section are violated, it is the duty of the
15 prosecuting attorney of the county in which the municipality or the major portion of the territory of
16 the municipality is located to immediately present the evidence of the violation to the grand jury if
17 in session, and if not in session he or she shall cause the violations to be investigated by the next
18 succeeding grand jury.

19 (f) Where in subsections (a), (b) and (c) of this section, salaries, receipts and payments to
20 each individual vendor and expenditures are published in the aggregate, the city, town or village
21 shall, upon written request, provide to any resident of the city, town or village an itemized
22 accounting of the salaries, receipts and payments to each individual vendor and expenditures.

1 (g) Beginning July 1, 2015, each municipality, whether city, town or village, is required to
2 publish annually as Class I legal advertisement, a notice that the financial statements required in this
3 section are available to the public on a website maintained by the municipality and in the
4 municipality's primary office, and are available on request at no cost at the municipality's primary
5 office. The legal advertisement shall contain the address of the website and the office address.

NOTE: The purpose of this bill is to waive the publication requirement of financial statements for municipalities and to require all municipalities to advertise the availability of financial statements. Municipalities are required to make their financial statements available to the public on a website and at no cost on request at the municipality's primary office.

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