

# **WEST VIRGINIA LEGISLATURE**

## **2016 REGULAR SESSION**

**Introduced**

### **House Bill 4483**

BY DELEGATES IHLE, STORCH, BUTLER, GEARHEART,  
MCGEEHAN, SOBONYA, HOUSEHOLDER, OVERINGTON,  
MCCUSKEY, CADLE AND SUMMERS

[Introduced February 10, 2016; Referred  
to the Committee on Political Subdivisions then the  
Judiciary.]

1 A BILL to amend and reenact §8-13-23 of the Code of West Virginia, 1931, as amended, relating  
 2 to enacting the City Financial Transparency Act; requiring municipal financial statements  
 3 to include all municipal expenditures; and allowing the municipality's financial statement  
 4 to be posted on the municipality's website in lieu publishing it as a Class I legal  
 5 advertisement.

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

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

### **ARTICLE 13. TAXATION AND FINANCE.**

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

1 (a) This section may be known and cited as the "City Financial Transparency Act."

2 (b) Every municipality, whether city, town or village, within ninety days after the beginning  
 3 of each fiscal year, shall prepare on a form to be prescribed by the State Tax Commissioner and  
 4 cause to be published a sworn statement revealing: (1) The receipts and expenditures of the ~~city~~  
 5 municipality during the previous fiscal year; (2) the name of each person who received ~~more than~~  
 6 \$50 money from any fund during the previous fiscal year, together with the amount received; and  
 7 (3) all debts of the ~~city~~ municipality, the purpose for which each debt was contracted, its due date  
 8 and to what date the interest on the debt has been paid. The statement shall be published as a  
 9 Class I legal advertisement in compliance with the provisions of article three, chapter fifty-nine of  
 10 this code and the publication area for the publication ~~shall be~~ is the ~~city~~ municipality: *Provided,*  
 11 That all salaries, receipts, payments to each individual vendor and expenditures to employees of  
 12 municipal offices, companies and departments may be published in the aggregate.

13 ~~(b)~~ (c) Every ~~city~~ municipality shall transmit to any resident of the ~~city~~ municipality who  
 14 requests it a copy of any published statement for the fiscal year designated, supplemented by a  
 15 document ~~listing the names of each person who received less than \$50 from any fund during the~~  
 16 ~~fiscal year and~~ showing the amount paid to each and the purpose for which paid and an

17 itemization of the salaries, receipts, payments to each individual vendor and expenditures to  
18 employees of municipal offices, companies and departments otherwise published in the  
19 aggregate.

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

29 ~~(d) Every town or village shall transmit to any resident of the town or village who requests~~  
30 ~~it, a copy of any statement for the fiscal year designated. Any town or village may, if its governing~~  
31 ~~body thereof elects, also publish the statement as a Class I legal advertisement in compliance~~  
32 ~~with the provisions of article three, chapter fifty-nine of this code and in that event, the publication~~  
33 ~~area for the publication shall be the town or village.~~

34 ~~(e) (d)~~ The statement required by subsection ~~(a)~~ (b) of this section and the statement  
35 ~~required by subsection (c) of this section~~ shall be sworn to by the recorder, the mayor and two  
36 members of the governing body of the municipality. As soon as practicable following the close of  
37 the fiscal year, a copy of any statement required by this section shall be filed by the municipality  
38 with the State Tax Commissioner, the clerk of the county commission of the county and the clerk  
39 of the circuit court of the circuit in which the municipality or the major portion of the territory of the  
40 municipality is located. If the governing body fails or refuses to perform any of the duties set forth  
41 in this section, every member of the governing body and the recorder of the governing body  
42 concurring in the failure or refusal shall be guilty of a misdemeanor and, upon conviction thereof,

43 shall be fined not less than ~~\$10~~ \$50 nor more than ~~\$100~~ \$250. If any of the provisions of this  
44 section are violated, it is the duty of the prosecuting attorney of the county in which the municipality  
45 or the major portion of the territory of the municipality is located to immediately present the  
46 evidence of the violation to the grand jury if in session, and if not in session he or she shall cause  
47 the violations to be investigated by the next succeeding grand jury.

48 ~~(f)~~ (e) Where in subsections ~~(a)~~ (b) and (c) of this section, salaries, receipts, payments to  
49 each individual vendor and expenditures are published in the aggregate, the ~~city, town or village~~  
50 municipality shall, upon written request, provide to any resident of the ~~city, town or village~~  
51 municipality an itemized accounting of the salaries, receipts, payments to each individual vendor  
52 and expenditures.

53 (f) In lieu of the statement required by subsection (b) of this section, the municipality may,  
54 within ninety days of the beginning of the fiscal year, publish a notice that the requisite financial  
55 statements are available to the public, free of charge, at the municipality's primary office and on  
56 a website maintained by the municipality. Each notice shall contain the office address and the  
57 website address where financial statements are available. The statement shall be published as a  
58 Class I legal advertisement in compliance with the provisions of article three, chapter fifty-nine of  
59 this code and the publication area for the publication shall be the municipality.

NOTE: The purpose of this bill is to enact the City Financial Transparency Act. It requires municipal financial statements to include all municipal expenditures and allows the municipality's financial statement to be posted on the municipality's website in lieu of publishing it as a Class I legal advertisement.

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