

# **WEST VIRGINIA LEGISLATURE**

**2023 REGULAR SESSION**

**Committee Substitute**

**for**

**Senate Bill 430**

BY SENATOR TARR

[Originating in the Committee on Banking and  
Insurance; reported on February 15, 2023]



1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,  
2 designated §12-1-1a; and to amend and reenact §12-2-2 of said code, all relating  
3 generally to the State Treasurer's authority to contract with financial institutions for banking  
4 goods and services; defining terms in chapter; and clarifying Department of Revenue shall  
5 utilize State Treasurer's contracts and agreements with financial institutions when  
6 collecting moneys owed to the state unless an exemption is granted.

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

## **CHAPTER 12. PUBLIC MONEYS AND SECURITIES.**

### **ARTICLE 1. STATE DEPOSITORIES.**

#### **§12-1-1a. Definitions.**

1 For the purposes of this chapter:

2 "Banking goods or services" refers to the goods and services required by a spending unit  
3 and provided by a financial institution to facilitate a spending unit's collection or acceptance of  
4 state funds, either directly by the spending unit or through a third-party vendor or other entity.

5 "Financial institution" means a bank, national banking association, non-bank financial  
6 institution, a bank and trust company, a trust company, a savings and loan association, a building  
7 and loan association, a mutual savings bank, or a savings bank. The term also includes any entity  
8 when that entity is processing financial transactions for a spending unit or offering financial goods  
9 or services to a spending unit that are traditionally performed by a financial institution, including,  
10 but not limited to, check disbursement services, depository services, payment card processing  
11 services, or electronic funds transfers.

12 "Spending unit" means a department, agency, board, commission, or institution of the  
13 state government for which an appropriation is requested, or to which an appropriation is made  
14 by the Legislature.

15 "State funds" refers to moneys accepted or collected on behalf of the state or those  
16 moneys designated by the Legislature or the State Treasurer as state funds, according to  
17 §12-1-2(e) of this code.

**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  
4 all 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: *Provided, however, That absent an exemption granted*  
11 *by the State Treasurer, the Department of Revenue must utilize the State Treasurer's contracts*  
12 *or agreements entered into pursuant to §12-1-2 or §12-3A-6 of this code for any banking goods*  
13 *and services required for said procedures.* The State Treasurer shall propose rules for legislative  
14 approval, in accordance with the provisions of §29A-3-1 *et seq.* of this code governing the  
15 procedure for deposits. The official or employee making deposits with the State Treasurer shall  
16 prepare deposit lists in the manner and upon report forms prescribed by the State Treasurer in  
17 the state accounting system. The State Treasurer shall review the deposits in the state accounting  
18 system and forward the information to the State Auditor and to the Secretary of Revenue.

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

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

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

29 (3) All endowment funds, bequests, donations, executive emergency funds and death and  
30 disability funds;

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

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

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

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

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

39 (9) All moneys collected and belonging to the capitol building fund, state road fund, state  
40 road sinking fund, general school fund, school fund, state fund (moneys belonging to counties,  
41 districts, and municipalities), state interest and sinking funds, state compensation funds, the fund  
42 maintained by the Public Service Commission for the investigation and supervision of applications  
43 and all fees, money, interest or funds arising from the sales of all permits and licenses to hunt,

44 trap, fish, or otherwise hold or capture fish and wildlife resources and money reimbursed and  
45 granted by the federal government for fish and wildlife conservation; and

46 (10) All moneys collected or received under any act of the Legislature providing that funds  
47 collected or received under the act shall be used for specific purposes.

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

59 (d) The State Treasurer may establish an imprest fund or funds in the office of any state  
60 spending unit upon receipt of a proper application. To implement this authority, the State  
61 Treasurer shall propose rules for legislative approval in accordance with the provisions of  
62 §29A-3-1 *et seq.* of this code. The State Treasurer or his or her designee shall annually audit all  
63 imprest funds and prepare a list of the funds showing the location and amount as of fiscal year  
64 end, retaining the list as a permanent record of the State Treasurer until the Legislative Auditor  
65 has completed an audit of the imprest funds of all agencies and institutions involved.

66 (e) The State Treasurer may develop and implement a centralized receipts processing  
67 center. The State Treasurer may request the transfer of equipment and personnel from  
68 appropriate state agencies to the centralized receipts processing center in order to implement the  
69 provisions of this section: *Provided*, That the Governor or appropriate constitutional officer has

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- 70 authority to authorize the transfer of equipment or personnel to the centralized receipts processing
- 71 center from the respective agency.