

# **WEST VIRGINIA LEGISLATURE**

## **2025 REGULAR SESSION**

**Introduced**

### **Senate Bill 613**

By Senator Smith (Mr. President)

[Introduced February 26, 2025; referred  
to the Committee on Government Organization]

A BILL to amend and reenact §6-9-8 of the Code of West Virginia, 1931, as amended, relating to increasing the cap on audits of municipalities.

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

## **ARTICLE 9. SUPERVISION OF LOCAL GOVERNMENT OFFICES.**

### **§6-9-8. Payment of cost of services of chief inspector; revolving fund.**

(a) The cost of any service or act performed by the chief inspector under the provisions of this article as to any county or district office, officer or institution shall be paid by the county commission of the county; the cost of any service or act to any board of education shall be paid by the board; the cost of any service or act to any municipal corporation shall be paid by the authorities of the municipal corporation: *Provided*, That in municipalities in which the total revenue from all taxes does not exceed the sum of \$2,000 annually, the cost including the per diem and all actual costs and expenses of the services shall not exceed the sum of \$200. The cost of this service shall be the actual cost and expense of the service performed, including transportation, hotel, meals, materials, per diem compensation of deputies, assistants, clerical help, and the other costs that are necessary to enable them to perform the services required, but the costs shall not exceed the sum of ~~\$3,000~~ \$5,000 for services rendered to a Class IV municipality: *Provided*, *however*, That the chief inspector may charge up to an additional ~~\$3,000~~ \$5,000 for costs incurred for each service or act performed for a utility or park system owned by a Class IV municipality and for each policemen's and firemen's pension and relief fund maintained by the municipality: *Provided further*, That if a municipality is required to undergo a single audit by the federal agency or agencies making a grant, the cost limitations of this subsection do not apply: And provided further, That the chief inspector shall provide a written quote for all costs in advance for all services required by this article. The chief inspector shall render to the agency liable for the cost a statement of the cost as soon after the cost was incurred as practicable and the agency shall allow the cost and cause it to be paid promptly in the manner that other claims and accounts are allowed and paid and the total amount constitutes a debt against the local agency due the state. Whenever

there is in the State Treasury a sum of money due any county commission, board of education or municipality from any source, upon the application of the chief inspector, the sum shall be at once applied on the debt against the county commission, board of education or municipality and the fact of the application of the fund shall be reported by the Auditor to the county commission, board of education or municipality, which report shall be a receipt for the amount named in the report. All money received by the chief inspector from this source shall be paid into the State Treasury, shall be deposited to the credit of an account to be known as chief inspector's fund and shall be expended only for the purpose of covering the cost of the services, unless otherwise directed by the Legislature. The cost of any examination, service, or act by the chief inspector made necessary, or the part thereof that was made necessary, by the willful fault of any officer or employee, may be recovered by the chief inspector from that person, on motion, on 10-days' notice in any court having jurisdiction.

(b) For the purpose of permitting payments to be made at definite periods to deputy inspectors and assistants for per diem compensation and expenses, there is hereby created a revolving fund for the chief inspector's office. The fund shall be accumulated and administered as follows:

(1) Subject to legislative appropriation, the sum of \$25,000 to be transferred to this fund to create a revolving fund which, together with other payments into this fund as provided in this article, shall constitute a fund to defray the cost of this service;

(2) Payments received for the cost of services of the chief inspector's office and interest earned on the invested balance of the chief inspector's revolving fund shall be deposited into this revolving fund, which shall be known as the Chief Inspector's Fund;

(3) Any appropriations made to this fund may not be considered to have expired at the end of any fiscal period; and

(4) The chief inspector may transfer an amount not to exceed \$400,000 from the Chief Inspector's Fund to the special operating fund created in §32-4-401 *et seq.* of this code: *Provided,*

48 That any transfers shall be completed prior to July 1, 2003.

49 (c) Notwithstanding §61-11A-4 of this code, a court may, in its discretion, when sentencing  
50 a defendant convicted of a felony or misdemeanor based upon any audit, examination, or  
51 investigation by the State Auditor, which discloses misfeasance, malfeasance, or nonfeasance in  
52 the office on the part of any public officer or employee, order reimbursement to the State Auditor  
53 for the actual costs of auditing, investigating, or prosecuting a violation.

54 (1) There is hereby established a special fund in the State Treasury known as the "State  
55 Auditor's Public Integrity and Fraud Fund." The fund shall be administered by the State Auditor to  
56 enhance fraud detection, prevention, transparency and enforcement efforts for the purposes of  
57 carrying out the duties under this article, and §12-4A-3 of this code and shall consist of moneys  
58 deposited in the fund pursuant to this subsection, any other funds appropriated by the Legislature,  
59 and the interest or other earnings on the moneys in the fund.

NOTE: The purpose of this bill is to increase the cap on audits of municipalities.

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