WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Introduced

Senate Bill 725

By Senators Grady and Woelfel

[Introduced March 7, 2025; referred  
to the Committee on Finance]

A BILL to amend and reenact §11-8-26 of the Code of West Virginia, 1931, as amended, relating to clarifying the limitations under which local fiscal bodies may obligate funds beyond a period of one year.

Be it enacted by the Legislature of West Virginia:

Article 8. levies.

§11-8-26. Unlawful expenditures by local fiscal body.

(a) Except as provided in §11-8-14b, §11-8-25a, and §11-8-26a of this code or subsection (b) of this section, a local fiscal body shall not expend money or incur obligations:

(1) In an unauthorized manner;

(2) For an unauthorized purpose;

(3) In excess of the amount allocated to the fund in the levy order; or

(4) In excess of the funds available for current expenses.

(b) As it pertains to subdivision (4), subsection (a) of this section, local fiscal bodies shall not obligate funds beyond a period of one year:

(1) Except that local fiscal bodies shall have the authority to enter into multi-year contracts with a term extending up to five years only if the contract includes a cancellation clause allowing the local fiscal body to terminate the contract at any time upon 30 days’ notice to the vendor. Local fiscal bodies must justify entering into multi-year contracts by maintaining documentation of material fiscal savings to the body; and

(2) Except that local fiscal bodies shall have the authority to enter into multi-year contracts executed to procure technology licensing service agreements with a term extending up to 10 years only if the contract includes a cancellation clause allowing the local fiscal body to terminate the contract at any time upon 30 days’ notice to the vendor. Local fiscal bodies must justify entering into multi-year technology license service agreements by maintaining documentation of material fiscal savings to the body.

~~(b)~~(c) Notwithstanding the foregoing and any other provision of law to the contrary, a local fiscal body or its duly authorized officials may not be penalized for a casual deficit which does not exceed its approved levy estimate by more than three percent*: Provided,* That such casual deficit is satisfied in the levy estimate for the succeeding fiscal year: *Provided, however,* That in calculating a deficit for purposes of this section, account shall not be taken of any amount for which the local fiscal body may be liable for the unfunded actuarial accrued liability of the West Virginia Retiree Health Benefit Trust Fund or any amount allocated to the local fiscal body as an employer annual required contribution that exceeds the minimum annual employer payment component of the contribution, all as provided under §5-16D-1 *et seq.* of this code.