

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]

1 A BILL to amend and reenact §11-8-26 of the Code of West Virginia, 1931, as amended, relating
2 to clarifying the limitations under which local fiscal bodies may obligate funds beyond a
3 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.

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

3 (1) In an unauthorized manner;

4 (2) For an unauthorized purpose;

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

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

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

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

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

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