WEST VIRGINIA CODE: §7-1-3GG

§7-1-3gg. Lease agreements for equipment or materials with option to cancel or renew.

(a) In addition to all other powers and duties now conferred by law upon county commissions, county commissions are hereby authorized and empowered to enter into and execute a lease agreement to obtain equipment or material.

(b) The lease agreement may not be voided because it provides: (1) That title to the equipment or material shall vest in the county commission at or before the expiration of the leasehold term upon fulfillment of the terms and conditions stipulated in the lease agreement; (2) for application of the annual rental payments made under the lease agreement toward the purchase price of the equipment or material, although the total rental payments under the lease agreement are in excess of the cash price of the equipment or material described in the lease agreement, whether the excess is by way of interest or a time-price differential; and/or (3) that the risk of loss of the equipment or material shall be borne by the county commission.

(c) A lease agreement shall be void, unless the lease agreement provides that the county commission has the following options, during each fiscal year of the lease agreement: (1) The option to terminate the lease agreement and return the equipment or material without any further obligation on the part of the county commission; and (2) the option to continue the lease agreement for an additional rental period not to exceed one year in length.

When the lease agreement contains the provisions described in subdivisions (1), (2) and (3), subsection (b) of this section, then the following option must be included: The option to pay in advance at any time during any fiscal year the balance due under the lease agreement, with an appropriate rebate of the unearned interest or time-price differential.

(d) The funds for the initial rental payment under a lease agreement must be legally at the disposal of the county commission for expenditure in the fiscal year in which the lease agreement is executed. If the county commission elects during any subsequent fiscal year to continue the lease agreement for any additional rental period or to pay in advance the balance due, the funds for the additional rental period or the funds to be used to pay the balance in advance must be legally at the disposal of the county commission for expenditure in the fiscal year in which the county commission elects to continue the lease agreement or to pay in advance the balance due.

WV Legislature