WEST VIRGINIA LEGISLATURE
SECOND REGULAR SESSION, 1998

----- ● -----

ENROLLED

HOUSE BILL No. 4055

(By Delegates Seacrist, Michael, Laird and Campbell)

----- ● -----

Passed February 17, 1998

In Effect from Passage
ENROLLED

H. B. 4055

(BY DELEGATES SEACRIST, MICHAEL, LAIRD AND CAMPBELL)

[Passed February 17, 1998; in effect from passage.]

AN ACT to amend article three, chapter twelve of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new section, designated section twenty, relating to payment of funds of county boards of education, county commissions, municipal corporations by electronic or wire transfer, inclusion of appropriate electronic remittance voucher information; and specifying effective date.

Be it enacted by the Legislature of West Virginia:

That article three, chapter twelve of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new section, designated section twenty, to read as follows:

ARTICLE 3. APPROPRIATIONS, EXPENDITURES AND DEDUCTIONS.

§12-3-20. Electronic or wire transfer.

1 (a) Notwithstanding any other provision of this code to the contrary, whenever the treasurer of a county board of education, a county commission or a municipality is authorized or directed pursuant to law to disburse or transfer on behalf of the county board of education, county commission or municipality, funds in the custody of the treasurer or in the treasury of the county board of
education, county commission or municipality, the
treasurer is authorized to disburse or transfer the funds by
means of electronic or wire transfer and that transfer shall
include appropriate electronic remittance voucher
information. The county board of education, county
commission or governing body of a municipality may
enter into a written agreement with the banking institution
in which the funds are deposited, prescribing the manner
in which electronic or wire transfer of the funds shall be
accomplished, identifying by number and name those
accounts from which electronic or wire transfers may be
made, identifying which person or persons are authorized
to order the electronic or wire transfer of funds from those
accounts, and implementing a security procedure as
defined in section two hundred one, article four-a, chapter
forty-six of this code.

(b) It is the duty of the county board of education, county
commission or governing body of a municipality
to adopt a system of internal controls satisfactory to the
tax commissioner as ex officio, the chief inspector and
supervisor of public offices for the documentation and
reporting of all transfers or disbursements of funds
accomplished by electronic or wire transfer to ensure the
safety and integrity of the payment process.

(c) The county board of education, county
commission or governing body of a municipality shall
also adopt procedures:

(1) Governing the method by which the treasurer is
authorized to direct payments from the funds of the
county board of education, county commission or
municipality on deposit with a banking institution;

(2) Governing the method of payment of obligations
of the county board of education, county commission or
municipality, including payment by check, draft,
electronic or wire transfer, or other method of payment
mutually acceptable to the county board of education,
county commission or governing body of a municipality,
and the banking institution; and
(3) Covering any other matters it believes necessary to ensure the safety and integrity of the payment process.

(d) A county board of education, county commission or governing body of a municipality shall file a copy of the procedures it adopts in accordance with the provisions of subsection (c) of this section with each banking institution in which its funds are deposited.

(e) The treasurer of the county board of education, county commission or municipality, and the banking institution shall agree to follow rules and procedures for electronic fund transfers promulgated by the federal reserve bank and the national clearing house association (NACHA) to ensure the safety and integrity of the payment process. These safeguards must be approved by the county board of education, county commission or governing body of a municipality. If the county board of education, county commission or governing body of a municipality finds that the safeguards are consistent with and do not contravene the procedures adopted under the provisions of subsection (c) of this section, the safeguards must be approved.

(f) This section applies to disbursements or transfers made after the thirty-first day of May, one thousand nine hundred ninety-eight.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originating in the House.

Takes effect from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker of the House of Delegates

The within approved this the 27th day of __________ 1998.

Governor