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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

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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
- 2 the contrary, whenever the treasurer of a county board of
- 3 education, a county commission or a municipality is
- 4 authorized or directed pursuant to law to disburse or
- 5 transfer on behalf of the county board of education,
- 6 county commission or municipality, funds in the custody
- 7 of the treasurer or in the treasury of the county board of

8 education, county commission or municipality, the
9 treasurer is authorized to disburse or transfer the funds by
10 means of electronic or wire transfer and that transfer shall
11 include appropriate electronic remittance voucher
12 information. The county board of education, county
13 commission or governing body of a municipality may
14 enter into a written agreement with the banking institution
15 in which the funds are deposited, prescribing the manner
16 in which electronic or wire transfer of the funds shall be
17 accomplished, identifying by number and name those
18 accounts from which electronic or wire transfers may be
19 made, identifying which person or persons are authorized
20 to order the electronic or wire transfer of funds from those
21 accounts, and implementing a security procedure as
22 defined in section two hundred one, article four-a, chapter
23 forty-six of this code.

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

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

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

39 (2) Governing the method of payment of obligations
40 of the county board of education, county commission or
41 municipality, including payment by check, draft,
42 electronic or wire transfer, or other method of payment
43 mutually acceptable to the county board of education,
44 county commission or governing body of a municipality,
45 and the banking institution; and

46 (3) Covering any other matters it believes necessary to
47 ensure the safety and integrity of the payment process.

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

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

67 (f) This section applies to disbursements or transfers
68 made after the thirty-first day of May, one thousand nine
69 hundred ninety-eight.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Randy Schoonover
Chairman Senate Committee

Nick Fantasia
Chairman House Committee

Originating in the House.

Takes effect from passage.

Carol Baker
Clerk of the Senate

Burgess M. Burt
Clerk of the House of Delegates

Earl Ray Tomblin
President of the Senate

[Signature]
Speaker of the House of Delegates

The within *approved* this the *27th*
day of *February*, 1998.

[Signature]
Governor

PRESENTED TO THE

GOVERNOR

Date 2/24/98

Time 4:47 pm