WEST VIRGINIA LEGISLATURE
Regular Session, 2001

ENROLLED

SENATE BILL NO. 407

(By Senator Love, et al)

PASSED April 14, 2001

In Effect July 1, 2001 Passage
AN ACT to amend chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article, designated article thirty-seven, relating to authorizing a rainy day fund for municipalities known as a financial stabilization fund; naming act; providing findings of Legislature; authorizing municipalities to create financial stabilization funds; specifying the receipts available for the fund; establishing a cap of 30 percent for the fund; authorizing investment of funds; and specifying authorized expenditures from the fund.

Be it enacted by the Legislature of West Virginia:

That chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new article, designated article thirty-seven, to read as follows:
ARTICLE 37. MUNICIPAL FINANCIAL STABILIZATION FUND ACT.

§8-37-1. Short title.

1 This act may be known and cited as the "Municipal Financial Stabilization Fund Act".

§8-37-2. Findings and declarations.

1 The Legislature finds and declares that:

2 (1) Municipalities should maintain a prudent level of financial resources to try to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls, unpredicted one-time expenditures or emergency situations; and

7 (2) The creation, maintenance and use of a financial stabilization fund will provide municipalities with assistance to meet these challenges, as well as enable them to improve their financial management and practices.

§8-37-3. Budget stabilization fund; creation; appropriation; maximum.

1 (a) A municipality may create a financial stabilization fund by a majority vote of its governing body. The fund may receive appropriations, gifts, grants and any other funds made available.

5 (b) The governing body may appropriate a sum to the fund from any surplus in the general fund at the end of each fiscal year or from any other money available.

8 (c) The amount of money in the fund may not exceed 30 percent of the municipality's most recent general fund budget, as originally adopted. When the fund exceeds the 30 percent, the governing body shall transfer the excess to any fund it considers appropriate.

§8-37-4. Fund investment; usage.

1 (a) The governing body may invest the money in the fund as it considers appropriate, with the earnings retained by the fund.
(b) The governing body may appropriate money in the financial stabilization fund upon a majority vote for the following purposes:

(1) To cover a general fund shortfall; or

(2) Any other purpose the municipality considers appropriate.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the Senate.

To take effect July 1, 2001.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within bill is approved this the 1st Day of May, 2001.

Governor