

**Senate Bill No. 90**

(By Senator Jenkins)

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[Introduced January 11, 2012; referred to the Committee on  
Government Organization; and then to the Committee on Finance.]  
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**FISCAL  
NOTE**

A BILL to amend the Code of West Virginia, 1931, as amended, by  
adding thereto a new section, designated §11-3-1c, relating to  
the method of appraising certain affordable multifamily rental  
housing property for ad valorem property tax purposes; and  
granting rule-making authority.

*Be it enacted by the Legislature of West Virginia:*

That the Code of West Virginia, 1931, as amended, be amended  
by adding thereto a new section, designated §11-3-1c, to read as  
follows:

**ARTICLE 3. ASSESSMENTS GENERALLY.**

**§11-3-1c. Method of appraising affordable multifamily rental  
housing property.**

(a) In determining the true and actual value of improved real

1 property containing four or more residential units operated, in  
2 whole or in part, as affordable rental housing in accordance with  
3 the provisions of Section 42 Title 26 of the United States Code and  
4 42 U.S.C. §§221(d) (3), 236, 241(f) or 983, for ad valorem property  
5 tax purposes, the assessor shall consider: (1) The actual rents  
6 received and the impact of rent restrictions applicable to the  
7 property; (2) the expenses associated with the operation of the  
8 property; and (3) the impact of rent restrictions on transfer of  
9 title and other restraints on alienation of the property:  
10 *Provided*, That federal or state income tax credits allowed with  
11 respect to the property may not be treated as a part of the  
12 property or as income attributable to it.

13 (b) For real property which only a portion of the individual  
14 housing units are operated as affordable rental housing, as defined  
15 in Section 42 of the Internal Revenue Code of 1986, as amended,  
16 only that portion of the property is subject to the requirements of  
17 this section.

18 (c) In addition to the powers and duties of the Tax  
19 Commissioner in other provisions of this article and this code, the  
20 Tax Commissioner has the power and duty to:

21 (1) Propose for legislative approval, rules establishing a  
22 method to determine the appraised value of real property operated  
23 as affordable rental housing consistent with the provisions of this

1 section;

2       (2) Prescribe forms for annual reporting of income and  
3 expenses to be used by the assessors for valuing such affordable  
4 rental housing; and

5       (3) Develop and publish on an annual basis the capitalization  
6 rate to be used by the assessors for valuing such affordable rental  
7 housing.

NOTE: The purpose of this bill is to provide for the method of appraising certain affordable multifamily rental property for property tax assessment purposes. The bill also grants rule-making authority.

This section is new; therefore, strike-throughs and underscoring have been omitted.