

1 **ENROLLED**

2 COMMITTEE SUBSTITUTE

3 FOR

4 **Senate Bill No. 416**

5 (SENATORS PREZIOSO AND EDGELL, *original sponsors*)

6 _____
7 [Passed March 4, 2014; in effect ninety days from passage.]
8 _____

9
10 AN ACT to amend and reenact §11-6K-4 and §11-6K-5 of the Code of
11 West Virginia, 1931, as amended, all relating to tentative
12 appraisals of natural resources property by the Tax
13 Commissioner for ad valorem property tax purposes; clarifying
14 that notice requirements apply to all oil and natural gas
15 property in production and reserve; and clarifying that
16 informal review procedures do not apply to oil or natural gas
17 property in production and reserve.

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

19 That §11-6K-4 and §11-6K-5 of the Code of West Virginia, 1931,
20 as amended, be amended and reenacted, all to read as follows:

21 **ARTICLE 6K. ASSESSMENT OF INDUSTRIAL PROPERTY AND NATURAL**
22 **RESOURCES PROPERTY.**

23 **§11-6K-4. Review of returns; procuring information for tentative**
24 **appraisals; tentative appraisals by Tax Commissioner;**
25 **notification to taxpayers.**

1 (a) All returns delivered to the Tax Commissioner shall be
2 examined by him or her, and if found insufficient in form,
3 defective, imperfect or not in compliance with law, he or she shall
4 compel the person delivering the return to make it in proper and
5 sufficient form in all respects as required by law.

6 (b) If any owner, operator or producer fails to make a
7 required return, the Tax Commissioner shall proceed to obtain the
8 facts and information required to be furnished by the returns.

9 (c) For the purposes of ascertaining the correctness of any
10 return filed pursuant to this article or of valuing the property of
11 any industrial taxpayer or natural resources property owner or
12 operator, the Tax Commissioner may exercise all of the powers and
13 authority granted to him or her by sections five-a, five-b and
14 five-c, article ten of this chapter.

15 (d) Using information provided on the returns and all other
16 pertinent evidence, information and data the Tax Commissioner has
17 been able to procure, the Tax Commissioner shall annually value and
18 make tentative appraisals of all industrial property and natural
19 resources property as provided in section ten, article one-c of
20 this chapter.

21 (e) (1) On or before October 15 of the assessment year, the
22 Tax Commissioner shall complete the preparation of tentative
23 appraisals of all industrial property and natural resources
24 property and shall notify the affected owner or operator of the
25 amount of the tentative appraisals: *Provided*, That in the case of
26 oil property, natural gas property and managed timberland, the Tax

1 Commissioner shall complete the preparation of tentative appraisals
2 and notify the affected owner or operator by December 1 of the
3 assessment year, and: *Provided, however,* That no notification shall
4 be required where the total increase in the aggregate amount of the
5 tentative appraisals to the affected owner or operator does not
6 exceed \$1,000 and the total tentative appraisals did not increase
7 by more than ten percent from the prior year's appraisals.
8 Notification may, at the reasonable discretion of the Tax
9 Commissioner, be:

10 (A) By written notice deposited in the United States mail,
11 addressed to the owner or operator at the principal office or place
12 of business of the owner or operator;

13 (B) By electronic notification; or

14 (C) By any other means designed to communicate the tentative
15 appraisal information to the owner or operator in a timely and
16 efficient manner and in a convenient useable form.

17 (2) Any notice required to be provided under this section to
18 an owner or operator shall also be provided by the Tax Commissioner
19 to the assessor of the county in which the property is located.
20 The Tax Commissioner shall retain in his or her office true copies
21 of tentative appraisals and of the underlying work sheets used to
22 compute the tentative appraisals, all of which shall be available
23 for inspection by any owner or operator or his or her duly
24 authorized representative.

25 **§11-6K-5. Informal petition to Tax Commissioner for review of**
26 **tentative appraisals.**

1 (a) A taxpayer who is of the opinion that the tentative
2 appraisal of its industrial property or natural resources property,
3 except oil property, natural gas property and managed timberland,
4 does not reflect the true and actual value of the property or is
5 otherwise improperly valued may, after receiving its tentative
6 appraisal and on or before November 15 of the assessment year,
7 informally petition the Tax Commissioner requesting a review of the
8 tentative appraisal. Likewise, an assessor who is of the opinion
9 that the tentative appraisal of any industrial property or natural
10 resources property, except oil property, natural gas property and
11 managed timberland, located in the county does not reflect the true
12 and actual value of the property or is otherwise improperly valued
13 may, after receiving the tentative appraisal and on or before
14 November 15 of the assessment year, informally petition the Tax
15 Commissioner requesting a review of the tentative appraisal. The
16 Tax Commissioner may require the petition be made on a written form
17 prescribed by the Tax Commissioner. At the time a petition is
18 filed by a taxpayer with the Tax Commissioner, the petitioner shall
19 provide a copy of the petition to the assessor of the county in
20 which the property is located. At the time a petition is filed by
21 an assessor with the Tax Commissioner, the petitioner shall provide
22 a copy of the petition to the taxpayer involved.

23 (b) At the petitioner's request, the Tax Commissioner or his
24 or her representative shall meet with the petitioner or the
25 petitioner's representative to discuss the petition at a time and
26 place designated at least five working days in advance by the Tax

1 Commissioner after the petition is filed. If the petitioner is
2 unable to appear and meet with the Tax Commissioner at the time and
3 place set by the Tax Commissioner, the petitioner may submit
4 written evidence to support the petition if it is submitted before
5 the date of the meeting.

6 (c) The Tax Commissioner shall consider and rule on each
7 informal petition filed under this section on or before January 15
8 of the tax year. If the Tax Commissioner agrees with the petition
9 he or she shall modify the tentative appraisal accordingly. The
10 Tax Commissioner shall then notify the petitioner and assessor of
11 the county in which the property is located in writing of his or
12 her decision and shall include supporting data that the assessor
13 might need to evaluate the appraisal.