

1 COMMITTEE SUBSTITUTE

2 FOR

3 **Senate Bill No. 416**

4 (By Senators Prezioso and Edgell)

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6 [Originating in the Committee on Government Organization;
7 reported February 6, 2014.]

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9
10 A BILL 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, ~~or in~~
3 ~~any respect~~ defective, imperfect or not in compliance with law, he
4 or she shall compel the person delivering the return to make it in
5 proper and 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 ~~he or she~~ the Tax
17 Commissioner has been able to procure, the Tax Commissioner shall
18 annually value and make tentative appraisals of all industrial
19 property and natural resources property as provided in section ten,
20 article one-c of 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 ~~affected~~
25 ~~thereby~~ of the amount of the tentative appraisals: *Provided, That*
26 in the case of ~~oil-producing~~ oil property, natural ~~gas-producing~~

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

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

14 ~~(2)~~ (B) By electronic notification; or

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

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

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

1 **tentative appraisals.**

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

25 (b) At the petitioner's request, the Tax Commissioner or his
26 or her representative shall meet with the petitioner or the

1 petitioner's representative to discuss the petition at a time and
2 place designated at least five working days in advance by the Tax
3 Commissioner after the petition is filed. If the petitioner is
4 unable to appear and meet with the Tax Commissioner at the time and
5 place set by the Tax Commissioner, the petitioner may submit
6 written evidence to support the petition if it is submitted before
7 the date of the meeting.

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