

COMMITTEE SUBSTITUTE

FOR

**Senate Bill No. 416**

(By Senators Prezioso and Edgell)

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

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

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

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

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

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

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

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

11 (c) For the purposes of ascertaining the correctness of any  
12 return filed pursuant to this article or of valuing the property  
13 of any industrial taxpayer or natural resources property

14 owner or operator, the Tax Commissioner may exercise all of  
15 the powers and authority granted to him or her by sections  
16 five-a, five-b and five-c, article ten of this chapter.

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

24 (e) (1) On or before October 15 of the assessment year,  
25 the Tax Commissioner shall complete the preparation of  
26 tentative appraisals of all industrial property and natural  
27 resources property and shall notify the affected owner or  
28 operator ~~affected thereby~~ of the amount of the tentative  
29 appraisals: *Provided*, That in the case of ~~oil-producing~~ oil  
30 property, natural ~~gas-producing~~ gas property and managed  
31 timberland, the Tax Commissioner shall complete the  
32 preparation of tentative appraisals and notify the affected

33 owner or operator by December 1 of the assessment year,  
34 and: *Provided, further however*, That no notification shall be  
35 required where the total increase in the aggregate amount of  
36 the tentative appraisals to the affected owner or operator  
37 ~~affected thereby~~ does not exceed \$1,000 and the total  
38 tentative appraisals did not increase by more than ten percent  
39 from the prior year's appraisals. Notification may, at the  
40 reasonable discretion of the Tax Commissioner, be:

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

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

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

49 (2) Any notice required to be provided under this section  
50 to an owner or operator shall also be provided by the Tax  
51 Commissioner to the assessor of the county in which the

52 property is located. The Tax Commissioner shall retain in his  
53 or her office true copies of tentative appraisals and of the  
54 underlying work sheets used to compute the tentative  
55 appraisals, all of which shall be available for inspection by  
56 any owner or operator or his or her duly authorized  
57 representative.

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

1 (a) A taxpayer who is of the opinion that the tentative  
2 appraisal of its industrial property or natural resources  
3 property, except ~~oil-producing~~ oil property, natural  
4 ~~gas-producing~~ gas property and managed timberland, does  
5 not reflect the true and actual value of the property or is  
6 otherwise improperly valued may, after receiving its tentative  
7 appraisal and on or before November 15 of the assessment  
8 year, informally petition the Tax Commissioner requesting a  
9 review of the tentative appraisal. Likewise, an assessor who  
10 is of the opinion that the tentative appraisal of any industrial  
11 property or natural resources property, except ~~oil-producing~~

12 oil property, natural ~~gas-producing~~ gas property and managed  
13 timberland, located in the county does not reflect the true and  
14 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  
17 Tax Commissioner requesting a review of the tentative  
18 appraisal. The Tax Commissioner may require the petition be  
19 made on a written form prescribed by the Tax Commissioner.  
20 At the time a petition is filed by a taxpayer with the Tax  
21 Commissioner, the petitioner shall provide a copy of the  
22 petition to the assessor of the county in which the property is  
23 located. At the time a petition is filed by an assessor with the  
24 Tax Commissioner, the petitioner shall provide a copy of the  
25 petition to the taxpayer involved.

26 (b) At the petitioner's request, the Tax Commissioner or  
27 his or her representative shall meet with the petitioner or the  
28 petitioner's representative to discuss the petition at a time and  
29 place designated at least five working days in advance by the  
30 Tax Commissioner after the petition is filed. If the petitioner

31 is unable to appear and meet with the Tax Commissioner at  
32 the time and place set by the Tax Commissioner, the  
33 petitioner may submit written evidence to support the petition  
34 if it is submitted before the date of the meeting.

35 (c) The Tax Commissioner shall consider and rule on  
36 each informal petition filed under this section on or before  
37 January 15 of the tax year. If the Tax Commissioner agrees  
38 with the petition he or she shall modify the tentative appraisal  
39 accordingly. The Tax Commissioner shall then notify the  
40 petitioner and assessor of the county in which the property is  
41 located in writing of his or her decision and shall include  
42 supporting data that the assessor might need to evaluate the  
43 appraisal.