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H. B. 2638

(By Delegates McGeehan, Folk, J. Nelson and Ihle)
[Introduced February 6, 2015; referred to the
Committee on Roads and Transportation then Finance.]

**FISCAL
NOTE**

A BILL to amend and reenact §11-3-9 of the Code of West Virginia, 1931, as amended, relating to
personal property tax; exempting motor vehicles from personal property tax.

Be it enacted by the Legislature of West Virginia:

That §11-3-9 of the Code of West Virginia, 1931, as amended, be amended and reenacted
to read as follows:

ARTICLE 3. ASSESSMENTS GENERALLY.

§11-3-9. Property exempt from taxation.

(a) All property, real and personal, described in this subsection, and to the extent limited by
this section, is exempt from taxation:

- (1) Property belonging to the United States, other than property permitted by the United States to be taxed under state law;
- (2) Property belonging exclusively to the state;
- (3) Property belonging exclusively to any county, district, city, village or town in this state

1 and used for public purposes;

2 (4) Property located in this state belonging to any city, town, village, county or any other
3 political subdivision of another state and used for public purposes;

4 (5) Property used exclusively for divine worship;

5 (6) Parsonages and the household goods and furniture pertaining thereto;

6 (7) Mortgages, bonds and other evidence of indebtedness in the hands of bona fide owners
7 and holders hereafter issued and sold by churches and religious societies for the purposes of securing
8 money to be used in the erection of church buildings used exclusively for divine worship or for the
9 purpose of paying indebtedness thereon;

10 (8) Cemeteries;

11 (9) Property belonging to, or held in trust for, colleges, seminaries, academies and free
12 schools, if used for educational, literary or scientific purposes, including books, apparatus, annuities
13 and furniture;

14 (10) Property belonging to, or held in trust for, colleges or universities located in West
15 Virginia, or any public or private nonprofit foundation or corporation which receives contributions
16 exclusively for such college or university, if the property or dividends, interest, rents or royalties
17 derived therefrom are used or devoted to educational purposes of such college or university;

18 (11) Public and family libraries;

19 (12) Property used for charitable purposes and not held or leased out for profit;

20 (13) Property used for the public purposes of distributing electricity, water or natural gas or
21 providing sewer service by a duly chartered nonprofit corporation when such property is not held,
22 leased out or used for profit;

1 (14) Property used for area economic development purposes by nonprofit corporations when
2 the property is not leased out for profit;

3 (15) All real estate not exceeding one acre in extent, and the buildings on the real estate, used
4 exclusively by any college or university society as a literary hall, or as a dormitory or clubroom, if
5 not used with a view to profit, including, but not limited to, property owned by a fraternity or sorority
6 organization affiliated with a university or college or property owned by a nonprofit housing
7 corporation or similar entity on behalf of a fraternity or sorority organization affiliated with a
8 university or college, when the property is used as residential accommodations or as a dormitory for
9 members of the organization;

10 (16) All property belonging to benevolent associations not conducted for private profit;

11 (17) Property belonging to any public institution for the education of the deaf, dumb or blind
12 or any hospital not held or leased out for profit;

13 (18) Houses of refuge and mental health facility or orphanage;

14 (19) Homes for children or for the aged, friendless or infirm not conducted for private profit;

15 (20) Fire engines and implements for extinguishing fires, and property used exclusively for
16 the safekeeping thereof, and for the meeting of fire companies;

17 (21) All property on hand to be used in the subsistence of livestock on hand at the
18 commencement of the assessment year;

19 (22) Household goods to the value of \$200, whether or not held or used for profit;

20 (23) Bank deposits and money;

21 (24) Household goods, which for purposes of this section means only personal property and
22 household goods commonly found within the house and items used to care for the house and its

1 surrounding property, when not held or used for profit;

2 (25) Personal effects, which for purposes of this section means only articles and items of
3 personal property commonly worn on or about the human body or carried by a person and normally
4 thought to be associated with the person when not held or used for profit;

5 (26) Dead victuals laid away for family use;

6 (27) All property belonging to the state, any county, district, city, village, town or other
7 political subdivision or any state college or university which is subject to a lease purchase agreement
8 and which provides that, during the term of the lease purchase agreement, title to the leased property
9 rests in the lessee so long as lessee is not in default or shall not have terminated the lease as to the
10 property;

11 (28) Personal property, including vehicles that qualify for a farm use exemption certificate
12 pursuant to section two, article three, chapter seventeen-a of this code and livestock, employed
13 exclusively in agriculture, as defined in article ten, section one of the West Virginia Constitution:
14 *Provided*, That this exemption only applies in the case of such personal property used on a farm or
15 farming operation that annually produces for sale agricultural products, as defined in rules of the Tax
16 Commissioner; ~~and~~

17 (29) Any other property or security exempted by any other provision of law; and

18 (30) For tax years beginning after December 31, 2015, and notwithstanding any other
19 provision of this code, any motor vehicle owned as personal property.

20 (b) Notwithstanding the provisions of subsection (a) of this section, no property is exempt
21 from taxation which has been purchased or procured for the purpose of evading taxation whether
22 temporarily holding the same over the first day of the assessment year or otherwise.

1 (c) Real property which is exempt from taxation by subsection (a) of this section shall be
2 entered upon the assessor's books, together with the true and actual value thereof, but no taxes may
3 be levied upon the property or extended upon the assessor's books.

4 (d) Notwithstanding any other provisions of this section, this section does not exempt from
5 taxation any property owned by, or held in trust for, educational, literary, scientific, religious or other
6 charitable corporations or organizations, including any public or private nonprofit foundation or
7 corporation existing for the support of any college or university located in West Virginia, unless such
8 property, or the dividends, interest, rents or royalties derived therefrom, is used primarily and
9 immediately for the purposes of the corporations or organizations.

10 (e) The Tax Commissioner shall, by issuance of rules, provide each assessor with guidelines
11 to ensure uniform assessment practices statewide to effect the intent of this section.

12 (f) Inasmuch as there is litigation pending regarding application of this section to property
13 held by fraternities and sororities, amendments to this section enacted in the year one thousand nine
14 hundred ninety-eight shall apply to all cases and controversies pending on the date of such
15 enactment.

16 (g) The amendment to subdivision (27), subsection (a) of this section, passed during the two
17 thousand five regular session of the Legislature, shall apply to all applicable lease purchase
18 agreements in existence upon the effective date of the amendment.

NOTE: The purpose of this bill is to exempt motor vehicles from personal property tax.

Strike-throughs indicate language that would be stricken from the present law, and
underscoring indicates new language that would be added.