

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Committee Substitute

for

Senate Joint Resolution 1

BY SENATOR LEONHARDT

[Originating in the Committee on the Judiciary;

reported on February 19, 2016]

1 Proposing an amendment to the Constitution of the State of West Virginia, amending article X
2 thereof, by adding thereto a new section, designated section one-d, relating to authorizing
3 the Legislature to, by general law, allocate a portion of ad valorem property taxes paid by
4 owners of certain new manufacturing facilities and large capital additions to existing
5 manufacturing facilities located in counties in which county commissions elect to fund
6 infrastructure capital improvements, in whole or in part, using property taxes; numbering
7 and designating such proposed amendment; and providing a summarized statement of
8 the purpose of such proposed amendment.

*Resolved by the Legislature of West Virginia, two thirds of the members elected to each
house agreeing thereto:*

1 That the question of ratification or rejection of an amendment to the Constitution of the
2 State of West Virginia be submitted to the voters of the state at the next general election to be
3 held in 2016, which proposed amendment is that article X thereof be amended by adding thereto
4 a new section, designated section one-d, to read as follows:

ARTICLE X. TAXATION AND FINANCE.

§1d. Use of property taxes to finance county economic development.

1 Any other provision of this Constitution notwithstanding, the Legislature may, by general
2 law, authorize county commissions to allocate and spend a portion of property taxes imposed
3 pursuant to section one, article X of this Constitution, but not including taxes attributable to excess
4 levies and levies for bonded indebtedness, which are paid by owners of new manufacturing
5 facilities in their county that cost more than \$50 million, or by owners of new capital additions to
6 existing manufacturing facilities in their county when the capital addition costs more than \$50
7 million. The Legislature may, from time to time, increase these thresholds and may impose
8 restrictions and conditions on the use of property taxes allocated pursuant to this section. The
9 property taxes allocated pursuant to this section may be used to pay for infrastructure capital
10 improvements on a pay-as-you go basis and to pay debt service on infrastructure capital

11 improvement bonds. However, when the property taxes are used to pay debt service on
12 infrastructure capital improvement bonds, the bonds may be issued without a vote of the people
13 for a period of not more than thirty years. The allocation of property tax collections paid by a
14 manufacturing facility described in this section ceases thirty years after the first year of the
15 allocation in the county. For purposes of this section, the term “infrastructure capital improvement
16 project” includes the following public facilities or assets that are owned, supported or established
17 by county government or the state at the request of county government: (1) Water treatment and
18 distribution facilities; (2) wastewater treatment and disposal facilities; (3) sanitary sewers; (4)
19 storm water, drainage and flood control facilities; (5) public primary and secondary school
20 facilities, when owned by the county board of education; (6) public roads, bridges and rights-of-
21 way, when owned by the state; (7) parks and recreational facilities, when owned by the county, a
22 municipality or joint economic development entities; (8) law enforcement, emergency medical,
23 rescue and fire protection facilities; and (9) other infrastructure capital improvement projects as
24 defined by the Legislature.

25 *Resolved further,* That in accordance with the provisions of article eleven, chapter three
26 of the Code of West Virginia, 1931, as amended, such proposed amendment is hereby numbered
27 Amendment No. 1 and designated as the County Economic Development Amendment and the
28 purpose of the proposed amendment is summarized as follows: “To amend the State Constitution
29 to permit the Legislature to allow county commissions to fund county infrastructure projects to
30 promote economic development using property taxes imposed on new manufacturing facilities
31 and capital additions to existing manufacturing facilities when the new facility, or the capital
32 addition, costs more than \$50 million without requiring the Legislature to make local levying body
33 whole for some or all of the revenue foregone during the period of the property taxes are allocated
34 pursuant to this section.”