

WEST VIRGINIA LEGISLATURE

2019 REGULAR SESSION

Introduced

Senate Bill 614

BY SENATOR BLAIR

[Introduced February 14, 2019; Referred
to the Committee on Finance]

1 A BILL to amend and reenact §11-8-6e of the Code of West Virginia, 1931, as amended, relating
 2 generally to the effect on regular levy rate when appraisal results in tax increase; allowing
 3 an increase of not more than 10 percent in the total projected property tax revenues
 4 realized when current levy rates are imposed by the county commission and the
 5 municipalities, before requiring a reduction in the levy rate, or holding a public hearing.

Be it enacted by the Legislature of West Virginia:

ARTICLE 8. LEVIES.

§11-8-6e. Effect on regular levy rate when appraisal results in tax increase; public hearings.

1 (a) Notwithstanding any other provision of law, where any annual appraisal, triennial
 2 appraisal or general valuation of property would produce an assessment that would cause an
 3 increase of ~~one~~ 10 percent or more in the total projected property tax revenues that would be
 4 realized were the then current regular levy rates by the county commission and the municipalities
 5 to be imposed, the rate of levy shall be reduced proportionately as between the county
 6 commission and the municipalities and for all classes of property for the forthcoming tax year so
 7 as to cause such rate of levy to produce no more than ~~one hundred one~~ 110 percent of the
 8 previous year's projected property tax revenues from extending the county commission and
 9 municipality levy rates, unless there has been compliance with subsection (c) of this section.

10 An additional appraisal or valuation due to new construction or improvements to existing
 11 real property, including beginning recovery of natural resources, and newly acquired personal
 12 property shall not be an annual appraisal or general valuation within the meaning of this section,
 13 nor shall the assessed value of such improvements be included in calculating the new tax levy for
 14 purposes of this section. Special levies shall not be included in the reduced levy calculation set
 15 forth in subsection (b) of this section.

16 (b) The reduced rates of levy shall be calculated in the following manner:

17 (1) The total assessed value of each class of property as it is defined by §11-8-5 of this
 18 code for the assessment period just concluded shall be reduced by deducting the total assessed

19 value of newly created properties not assessed in the previous year's tax book for each class of
20 property;

21 (2) The resulting net assessed value of Class I property shall be multiplied by .01; the
22 value of Class II by .02; and the values of Class III and IV, each by .04;

23 (3) Total the current year's property tax revenue resulting from regular levies for each
24 county commission and municipality and multiply the resulting sum by ~~one hundred one~~ 110
25 percent: *Provided*, That the ~~one hundred one~~ 110 percent figure shall be increased by the amount
26 the county's or municipality's increased levy provided for in §11-1C-8(b) of this code;

27 (4) Divide the total regular levy tax revenues, thus increased in subdivision (3) of this
28 subsection, by the total weighted net assessed value as calculated in subdivision (2) of this
29 subsection and multiply the resulting product by 100; the resulting number is the Class I regular
30 levy rate, stated as cents-per-\$100 of assessed value;

31 (5) The Class II rate is two times the Class I rate; Classes III and IV, four times the Class
32 I rate as calculated in the preceding subdivision.

33 (c) The governing body of a county or municipality may, after conducting a public hearing,
34 which may be held at the same time and place as the annual budget hearing, increase the rate
35 above the reduced rate required in this section if any such increase is deemed to be necessary
36 by such governing body: *Provided*, That in no event shall the governing body of a county or
37 municipality increase the rate above the reduced rate required by subsection (b) of this section
38 for any single year in a manner which would cause total property tax revenues accruing to the
39 governing body of the county or municipality, excepting additional revenue attributable to
40 assessed valuations of newly created properties not assessed in the previous year's tax book for
41 each class of property, to exceed by more than ~~ten~~ 15 percent those property tax revenues
42 received by the governing body of the county or municipality for the next preceding year: *Provided*,
43 *however*, That this provision shall not restrict the ability of a county or municipality to enact excess
44 levies as authorized under existing statutory or constitutional provisions: *Provided further*, That

45 this provision does not restrict the ability of a county or municipality to issue bonds and enact
46 sufficient levies to pay for such bonds pursuant to §13-1-1 *et seq.* of this code when such issuance
47 has been approved by an election administered pursuant to that article.

48 Notice of the public hearing and the meeting in which the levy rate shall be on the agenda
49 shall be given at least seven days before the date for each public hearing by the publication of a
50 notice in at least one newspaper of general circulation in such county or municipality: *Provided,*
51 That a Class IV town or village as defined in §8-1-2 of this code, in lieu of the publication notice
52 required by this subsection, may post no less than four notices of each public hearing, which
53 posted notices shall contain the information required by the publication notice and which shall be
54 in available, visible locations including the town hall. The notice shall be at least the size of one-
55 eighth page of a standard size newspaper or one-fourth page of a tabloid-size newspaper and
56 the headline in the advertisement shall be in a type no smaller than twenty-four point. The
57 publication notice shall be placed outside that portion, if any, of the newspaper reserved for legal
58 notices and classified advertisements and shall also be published as a Class II-O legal
59 advertisement in accordance with the provisions of §59-3-1 *et seq.* of this code. The publication
60 area is the county. The notice shall be in the following form and contain the following information,
61 in addition to such other information as the local governing body may elect to include:

62 NOTICE OF PROPOSED TAX INCREASE.

63 The (name of the county or municipality) proposes to increase property tax levies.

64 1. Appraisal/Assessment Increase: Total assessed value of property, excluding additional
65 assessments due to new or improved property, exceeds last year's total assessed value of
66 property by percent.

67 2. Lowered Rate Necessary to Offset Increased Assessment: The tax rate which would
68 levy the same amount of property tax as last year, when multiplied by the new total assessed
69 value of property with the exclusions mentioned above, would be \$..... per \$100 of assessed value
70 for Class I property, \$..... per \$100 of assessed value for Class II property, \$..... per \$100 of

71 assessed value for Class III and \$..... per \$100 of assessed value for Class IV property. These
72 rates will be known as the “lowered tax rates”.

73 3. Effective Rate Increase: The (name of the county or municipality) proposes to adopt a
74 tax rate of \$..... per \$100 of assessed value for Class I property, \$..... per \$100 of assessed value
75 for Class II property, \$..... per \$100 of assessed value for Class III property and \$..... per \$100 of
76 assessed value for Class IV property. The difference between the lowered tax rates and the
77 proposed rates would be \$..... per \$100, or percent for Class I; \$..... per \$100, or percent
78 for Class II; \$..... per \$100, or percent for Class III and \$..... per \$100, or percent for Class
79 IV. These differences will be known as the “effective tax rate increases”.

80 Individual property taxes may, however, increase at a percentage greater than or less than
81 the above percentage.

82 4. Revenue produced last year: \$.....

83 5. Revenue projected under the effective rate increases: \$.....

84 6. Revenue projected from new property or improvements: \$.....

85 7. General areas in which new revenue is to be allocated: A public hearing on the
86 increases will be held on (date and time) at (meeting place). A decision regarding the rate increase
87 will be made on (date and time) at (meeting place).

88 (d) All hearings are open to the public. The governing body shall permit persons desiring
89 to be heard an opportunity to present oral testimony within such reasonable time limits as are
90 determined by the governing body.

91 (e) This section shall be effective as to any regular levy rate imposed by the county
92 commission or a municipality for taxes due and payable on or after July 1, 1991. If any provision
93 of this section is held invalid, the invalidity does not affect other provisions or applications of this
94 section which can be given effect without the invalid provision or its application and to this end
95 the provisions of this section are declared to be severable.

NOTE: The purpose of this bill is to allow an increase of not more than 10 percent in the total projected property tax revenues realized when current levy rates are imposed by the county commission and the municipalities, before requiring a reduction (or roll-back) in the levy rate.

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