

WEST VIRGINIA LEGISLATURE

2019 REGULAR SESSION

Introduced

House Bill 2593

FISCAL
NOTE

BY DELEGATE ROHRBACH

[Introduced January 22, 2019; Referred
to the Committee on Education then Finance.]

1 A BILL to amend and reenact §18-9A-12 of the Code of West Virginia, 1931, as amended, relating
2 to limiting the increase or decrease of state funding to a county board of education to no
3 more than two percent.

Be it enacted by the Legislature of West Virginia:

ARTICLE 9A. PUBLIC SCHOOL SUPPORT.

§18-9A-12. County basic foundation; total basic state aid allowance.

1 (a) The basic foundation program for each county for the fiscal year shall be the sum of
2 the amounts computed in accordance with the provisions of sections four, five, six, seven, eight,
3 nine and 10 of this article. On July 1 each year, the state board shall determine the basic
4 foundation program for each county for that fiscal year. Data used in the computations relating to
5 net and adjusted enrollment, and the number of professional educators, shall be for the second
6 month of the prior school term. Transportation expenditures used in these computations shall be
7 for the most recent year in which data are available. The allocated state aid share of the county's
8 basic foundation program shall be the difference between the cost of its basic foundation program
9 and the county's local share as determined in §18-9A-11 of this code except as provided in §18-
10 9A-12(b) of this code.

11 (b) The allocated state aid share shall be adjusted in the following circumstances in the
12 following manner: *Provided*, That prior to such adjustment, the State Tax Commissioner shall
13 provide the state board, by January 15 of each year, a certified listing of those counties in which
14 such adjustment shall be made pursuant to this subsection, together with the amount of revenue
15 which will not be available to each county board in the ensuing fiscal year as a result of the
16 circumstance:

17 (1) In those instances where the local share as computed under §18-9A-11 of this code is
18 not reflective of local funds available because the county is under a final court order, or a final
19 decision of a board of assessment appeals under §11-3-24b, of this code, to refund or credit
20 property taxes paid in prior years, the allocated state aid share shall be the county's basic

21 foundation program, minus the local share as computed under §18-9A-11 of this code, plus the
22 amount of property tax the county is unable to collect or must refund due to the final court order
23 or final decision of a board of assessment appeals: *Provided*, That said adjustment shall not be
24 made or shall only be made proportionately when the Legislature fails to fund or funds only in part
25 the public school basic foundation support plan state share at a level sufficient to cover the
26 reduction in state share: *Provided, however*, That nothing herein provided shall be construed to
27 require or mandate any level of funding by the Legislature.

28 (2) In those instances where the local share as computed under §18-9A-11 of this code is
29 not reflective of local funds available because the county is collecting tax based upon an assessed
30 value which is less than that determined by the Tax Commissioner in the most recent published
31 survey of property valuations in the state due to an error in the published survey, which error is
32 certified to by the Tax Commissioner, the allocated state aid share shall be the county's basic
33 foundation program, minus the local share as computed under section eleven of this article, plus
34 the amount of property tax the county is unable to collect based on differences in the assessed
35 valuation between those in the most recent published survey of valuation and the corrected
36 assessed value actually levied upon by the county: *Provided*, That said adjustment shall not be
37 made or shall only be made proportionately when the Legislature fails to fund or funds only in part
38 the public school basic foundation support plan state share at a level sufficient to cover the
39 reduction in state share: *Provided, however*, That nothing herein provided shall be construed to
40 require or mandate any level of funding by the Legislature.

41 (3) In instances where a county is unable to collect property taxes from a taxpayer during
42 the pendency of any court proceeding, the allocated state aid share shall be the county's basic
43 foundation program minus the local share as computed under section 11 of this article, plus the
44 amount the county is unable to collect as a result of the pending court proceedings as certified by
45 the Tax Commissioner: *Provided*, That the county is required to reimburse the amount of allocated
46 state aid share attributable to the amount of property tax it later receives upon completion of court

47 proceedings, which shall be paid into the General Revenue Fund of the state: *Provided, however,*
48 That said adjustment shall not be made or shall only be made proportionately when the
49 Legislature fails to fund or funds only in part the public school basic foundation support plan state
50 share at a level sufficient to cover the reduction in state share: *Provided further,* That nothing
51 herein provided shall be construed to require or mandate any level of funding by the Legislature.

52 (c) The allocated state aid share shall be adjusted in any county receiving payments or
53 contributions in lieu of property taxes. In instances where a county receives payments or
54 contributions in lieu of property taxes, the allocated state aid share shall be the county's basic
55 foundation program minus the local share as computed under §18-9A-11 of this code, plus any
56 amounts added pursuant to §18-9A-11(b) of this code minus the payments or contributions in lieu
57 of property taxes which are distributed by the sheriff to the county board of education. In
58 determining the amount of such contribution or payment in lieu of taxes, each county commission
59 shall provide to the State Tax Commissioner, by January 1 of each year, the total amount of such
60 payments or contributions paid to the county and the proportion of the total amount that has been
61 or will be distributed to the county board of education. The State Tax Commissioner then shall
62 provide the state board, by January 15 of each year, a certified listing of those counties in which
63 an adjustment pursuant to this section shall be made, together with the amount of revenue which
64 will be available to each county board in the ensuing fiscal year as a result of contribution or
65 payment in lieu of taxes.

66 (d) Total basic state aid to the county shall be the computed state share of basic foundation
67 support. After such computation is completed, the state board shall immediately certify to each
68 county board the amount of state aid allocated to the county for that fiscal year, subject to any
69 qualifying provisions of this article.

70 (e) The increase or decrease of state funding to any particular county as computed under
71 this section may not exceed two percent of the amount the county received the prior year.

NOTE: The purpose of this bill is to limit the increase or decrease of state school funding to any county to 2 percent of what the funding was the previous year.

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