

# WEST VIRGINIA LEGISLATURE

2020 REGULAR SESSION

Introduced

## Senate Bill 165

FISCAL  
NOTE

BY SENATOR BLAIR

[Introduced January 9, 2020; 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 to the effect on regular levy rate when appraisal results in tax increase; and allowing an  
 3 increase of not more than 10 percent in the total projected property tax revenues realized  
 4 when current levy rates are imposed by the county commission and the municipalities  
 5 before requiring a reduction in levy rate or holding 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 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-one hundred dollars 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 24 point. The publication  
57 notice shall be placed outside that portion, if any, of the newspaper reserved for legal notices and  
58 classified advertisements and shall also be published as a Class II-O legal advertisement in  
59 accordance with the provisions of §59-3-1 *et seq.* of this code. The publication area is the county.  
60 The notice shall be in the following form and contain the following information, in addition to such  
61 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 in levy rate or holding public hearing.

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