

H. B. 3156

(By Delegates Reynolds, Sobonya, Marshall,  
Barill, C. Miller and Morgan)

[Introduced February 16, 2011; referred to the  
Committee on the Judiciary then Finance.]

**FISCAL  
NOTE**

A BILL to amend the Code of West Virginia, 1931, as amended, by  
adding thereto a new section, designated §11-3-1c, relating to  
the method of appraising certain affordable multifamily rental  
housing property for ad valorem property tax purposes.

*Be it enacted by the Legislature of West Virginia:*

That the Code of West Virginia, 1931, as amended, be amended  
by adding thereto a new section, designated §11-3-1c, to read as  
follows:

**ARTICLE 3. ASSESSMENTS GENERALLY.**

**§11-3-1c. Method of appraising affordable multifamily rental  
housing property.**

(a) In determining the true and actual value of improved real  
property containing four or more residential units operated, in  
whole or in part, as affordable rental housing in accordance with  
the provisions of Section 42 Title 26 of the United States Code and  
Sections 221(d)(3), 236, 241(f) or 983, Title 24 of the United  
States Code, for ad valorem property tax purposes, the assessor

1 shall consider: (1) The actual rents received and the impact of  
2 rent restrictions applicable to the property; (2) the expenses  
3 associated with the operation of the property; and (3) the impact  
4 of rent restrictions on transfer of title and other restraints on  
5 alienation of the property: *Provided*, That federal or state income  
6 tax credits allowed with respect to the property may not be treated  
7 as a part of the property or as income attributable to it.

8 (b) For real property which only a portion of the individual  
9 housing units are operated as affordable rental housing, as defined  
10 in Section 42 of the Internal Revenue Code of 1986, as amended,  
11 only that portion of the property is subject to the requirements of  
12 this section.

13 (c) In addition to the powers and duties of the Tax  
14 Commissioner in other provisions of this article and this code, the  
15 Tax Commissioner has the power and duty to:

16 (1) Propose for legislative approval, rules establishing a  
17 method to determine the appraised value of real property operated  
18 as affordable rental housing consistent with the provisions of this  
19 section;

20 (2) Prescribe forms for annual reporting of income and  
21 expenses to be used by the assessors for valuing such affordable  
22 rental housing; and

23 (3) Develop and publish on an annual basis the capitalization  
24 rate to be used by the assessors for valuing such affordable rental  
25 housing.

NOTE: The purpose of this bill is to provide for the method of appraising certain affordable multifamily rental property for property tax assessment purposes

This section is new; therefore, it has been completely underscored.