

Senate Bill No. 45

(By Senator Jenkins)

[Introduced January 12, 2011; referred to the Committee on Government Organization; and then to the Committee on 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

1 the provisions of Section 42 Title 26 of the United States Code and
2 Sections 221(d)(3), 236, 241(f) or 983, Title 24 of the United
3 States Code, for ad valorem property tax purposes, the assessor
4 shall consider: (1) The actual rents received and the impact of
5 rent restrictions applicable to the property; (2) the expenses
6 associated with the operation of the property; and (3) the impact
7 of rent restrictions on transfer of title and other restraints on
8 alienation of the property: *Provided*, That federal or state income
9 tax credits allowed with respect to the property may not be treated
10 as a part of the property or as income attributable to it.

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

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

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

23 (2) Prescribe forms for annual reporting of income and
24 expenses to be used by the assessors for valuing such affordable

1 rental housing; and

2 (3) Develop and publish on an annual basis the capitalization
3 rate to be used by the assessors for valuing such affordable rental
4 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, strike-throughs and underscoring have been omitted.