

1 **Senate Bill No. 18**

2 (By Senators Jenkins and McCabe)

3 \_\_\_\_\_  
4 [Introduced February 13, 2013; referred to the Committee on the  
5 Judiciary; and then to the Committee on Finance.]

6 \_\_\_\_\_  
7 **FISCAL**  
8 **NOTE**

9  
10 A BILL to amend the Code of West Virginia, 1931, as amended, by  
11 adding thereto a new section, designated §11-3-1c, relating to  
12 the method of appraising certain affordable, multifamily  
13 rental housing property for ad valorem property tax purposes;  
14 and granting rule-making authority.

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

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

19 **ARTICLE 3. ASSESSMENTS GENERALLY.**

20 **§11-3-1c. Method of appraising affordable multifamily rental**  
21 **housing property.**

22 (a) In determining the true and actual value of improved real

1 property containing four or more residential units operated, in  
2 whole or in part, as affordable rental housing in accordance with  
3 the provisions of Section 42 Title 26 of the United States Code and  
4 42 U.S.C. §§221(d) (3), 236, 241(f) or 983, for ad valorem property  
5 tax purposes, the assessor shall consider:

6 (1) The actual rents received and the impact of rent  
7 restrictions applicable to the property;

8 (2) The expenses associated with the operation of the  
9 property; and

10 (3) The impact of rent restrictions on transfer of title and  
11 other restraints on alienation of the property. Federal or state  
12 income tax credits allowed with respect to the property may not be  
13 treated as a part of the property or as income attributable to it.

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

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

22 (1) Propose rules for legislative approval in accordance with  
23 the provisions of article three, chapter twenty-nine-a of this code

1 establishing a method to determine the appraised value of real  
2 property operated as affordable rental housing consistent with the  
3 provisions of this section;

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

7 (3) Develop and publish on an annual basis the capitalization  
8 rate to be used by the assessors for valuing such affordable rental  
9 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. The bill also grants rule-making authority.

This section is new; therefore, strike-throughs and underscoring have been omitted.