

H. B. 2503

(By Delegate Longstreth, Caputo, Manchin, Pethtel, Walters and Eldridge)

[Introduced January 29, 2015; referred to the

Committee on Roads and Transportation then Finance.]

**FISCAL
NOTE**

A BILL to amend and reenact §11-1C-5 of the Code of West Virginia, 1931, as amended; and to amend said code by adding thereto a new section, designated §11-1C-5c, all relating to appraisal value of certain motor vehicles for purposes of ad valorem property taxes; providing that the minimum appraised value of a motor vehicle is \$700 for purposes of ad valorem property taxes; and providing that the appraised value of an antique motor vehicle is \$5,000 for purposes of ad valorem property taxes.

Be it enacted by the Legislature of West Virginia:

That section §11-1C-5 of the Code of West Virginia, 1931, as amended, be amended and reenacted; and that said code be amended by adding thereto a new section, designated §11-1C-5c, all to read as follows:

ARTICLE 1C. FAIR AND EQUITABLE PROPERTY VALUATION.

§11-1C-5. Tax commissioner powers and duties.

(a) In addition to the powers and duties of the Tax Commissioner in other provisions of this

1 article and this code, the Tax Commissioner shall have the power and duty to:

2 (1) Perform such duties and exercise such powers as may be necessary to accomplish the
3 purposes of this article;

4 (2) Determine the methods of valuation for both real and personal property in accordance
5 with the following:

6 (A) As to personal property, the Tax Commissioner shall provide a method to appraise each
7 major specie of personal property in the state so that all such items of personal property are valued
8 in the same manner no matter where situated in the state, shall transmit these methods to each county
9 assessor who shall use these methods to value the various species of personal property. The Tax
10 Commissioner shall periodically conduct such studies as are necessary to determine that such
11 methods are being followed. Such method shall be in accordance with the provisions of article five
12 of this chapter: *Provided*, That notwithstanding any other provision of this code to the contrary, all
13 county assessors shall appraise motor vehicles as follows: The State Tax Commissioner shall
14 annually compile a schedule of automobile values based upon the lowest values shown in a
15 nationally accepted used car guide, which ~~said~~ schedule shall be furnished to each assessor and shall
16 be used by ~~the several~~ all county assessors to determine the assessed value for all motor vehicles in
17 an amount equal to sixty percent of ~~said~~ the lowest values or sixty percent of \$700, whichever is
18 higher.

19 (B) As to managed timberland as defined in section two of this article, the Tax Commissioner
20 shall provide a method to appraise such property in the state so that all such property is valued in the
21 same manner no matter where it is situated in the state, which shall be a valuation based on its use
22 and productive potential as managed timberland, which may be accorded special valuation as

1 forestlands as authorized by Section fifty-three, Article six of the Constitution of West Virginia:
2 *Provided*, That timberland that does not qualify for identification as managed timberland shall be
3 valued at market value: *Provided, however*, That the Tax Commissioner may not implement any
4 rules or regulations in title one hundred ten, which relate to valuation or classification of timberland:
5 *Provided further*, That on or before October 1, 1990, the Tax Commissioner shall, in accordance
6 with chapter twenty-nine-a of this code, promulgate new rules relating to the valuation and
7 classification of timberland.

8 (C) As to farmland used, occupied and cultivated by an owner or bona fide tenant, the Tax
9 Commissioner shall provide a method to appraise such property in the state so that all such property
10 is valued in the same manner no matter where it is situated in the state, which valuation shall be
11 arrived at according to the fair and reasonable value of the property for the purpose for which it is
12 actually used regardless of what the value of the property would be if used for some other purpose,
13 in accordance with section one, article three of this chapter and as authorized by subsection B,
14 Section one-b, Article X of the Constitution of West Virginia.

15 (D) As to public utility property, the Tax Commissioner shall prescribe appropriate methods
16 for the appraisal of the various types of property subject to taxation as public utilities and the types
17 of property which are to be included in the operating property of a public utility and thereby not
18 subject to taxation by the county assessor. Only parcels or other property, or portions thereof, which
19 are an integral part of the public utility's function as a utility shall be included as operating property
20 and assessed by the board of public works under provisions of article six of this chapter;

21 (3) Evaluate the performance of each assessor based upon the criteria established by the
22 commission and each county's approved plan and take appropriate measures to require any assessor

1 who does not meet these criteria or adequately carry out the provisions of the plan to correct any
2 deficiencies. Such evaluation shall include the periodic review of the progress of each assessor in
3 conducting the appraisals required in sections seven and nine of this article and in following the
4 approved valuation plan. If the Tax Commissioner determines that an assessor has substantially
5 failed to perform the duties required by said sections, the Tax Commissioner shall take all necessary
6 steps, including the appointment of one or more special assessors in accordance with the provisions
7 of section one, article three of this chapter, or utilize such other authority as the commissioner has
8 over county assessors pursuant to other provisions of this code as may be necessary to complete the
9 tasks and duties imposed by this article: *Provided*, That a writ of mandamus shall be the appropriate
10 remedy if the Tax Commissioner fails to perform his or her statutory duty provided for in section
11 five, article one of this chapter.

12 (4) Submit to the Legislature, on or before February 15, of each year, a preliminary statewide
13 aggregate tax revenue projection and other information which shall assist the Legislature in its
14 deliberations regarding county board of education levy rates pursuant to section six-f, article eight
15 of this chapter, which information shall include any amount of reduction required by said section six-
16 f;

17 (5) Maintain the valuations each year by making or causing to be made such surveys,
18 examinations, audits and investigations of the value of the several classes of property in each county
19 which should be listed and taxed under the several classifications; and

20 (6) Establish by uniform rules a procedure for the sale of computer generated material and
21 appraisal manuals. Any funds received as a result of the sale of such reproductions shall be
22 deposited to the appropriate account from which the payment for reproduction is made.

1 (b) The Tax Commissioner may adopt any regulation adopted prior to January 1, 1990,
2 pursuant to article one-a of this chapter, which adoption shall not constitute an implementation of
3 the statewide mass reappraisal of property. Such adoption, including context modifications made
4 necessary by the enactment of this article, shall occur on or before July 1, 1991, through inclusion
5 in the plan required by section ten of this article or inclusion in the minute record of the valuation
6 commission. Upon the adoption of any such regulations, any modification or repeal of such
7 regulation shall be in accordance with the provisions of article three, chapter twenty-nine-a of this
8 code.

9 **§11-1C-5c. Antique motor vehicle valuation for personal property tax purposes.**

10 Notwithstanding any other provision of this code to the contrary, any vehicle that is registered
11 as an antique motor vehicle as defined in section three-a, article ten, chapter seventeen-a of this code
12 and that is not used for general transportation shall be assigned an appraised value of \$5,000 for
13 purposes of ad valorem property taxes.

NOTE: The purpose of this bill is to provide that the minimum appraised value of a motor vehicle is \$700 and that the appraised value of an antique motor vehicle is \$5000 for purposes of ad valorem property taxes.

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

11-1C-5c is new; therefore it has been completely underscored.