

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Introduced

House Bill 2895

By Delegates Amos, Hornby, Browning

[Introduced February 24, 2025; referred to the
Committee on Finance]

1 A BILL to amend and reenact §11-1C-1a of the Code of West Virginia, 1931, as amended, relating
2 to requiring that the assessed value of any item of tangible machinery and equipment
3 personal property used in business activity, tangible inventory personal property directly
4 used in business activity and personal motor vehicles at \$0.

Be it enacted by the Legislature of West Virginia:

ARTICLE 1C. FAIR AND EQUITABLE PROPERTY VALUATION.

**§11-1C-1a. Further legislative findings and declarations; effect of declarations and
clarification of chattel interests in real or tangible personal property.**

1 (a) The Legislature hereby finds that:

2 (1) The voters of this state, in the general election held in the year 1984, ratified
3 amendment five to the Constitution of West Virginia which essentially provides that once the first
4 statewide reappraisal of property pursuant to section one-b, article ten of the Constitution is
5 implemented and first employed to fix values for ad valorem property tax purposes, no intangible
6 personal property shall be subject to ad valorem property taxation except as provided by general
7 law enacted after ratification of amendment five;

8 (2) In ratifying amendment five, the voters intended for intangible personal property to
9 become exempt from ad valorem property tax at some point after ratification, except as provided in
10 general legislation enacted subsequent to ratification of amendment five;

11 (3) Due to numerous problems, actual or perceived, with the results of the first statewide
12 reappraisal under section one-b, article ten of the Constitution, and the public's lack of confidence
13 in those results, the first statewide reappraisal was never implemented and results were never
14 employed to fix values for ad valorem property tax purposes;

15 (4) The Legislature responded to these problems, actual or perceived, by enacting this
16 article which, as its primary purpose, resulted in the making of the second statewide reappraisal of
17 property for ad valorem property tax purposes, which now results in all property being assessed
18 and taxed at sixty percent of its market value, except as otherwise provided by general law; and

(5) The intent and objective of the voters in causing the first statewide reappraisal to be made under section one-b, article ten of the Constitution, has now been achieved, although not in the manner originally intended by the voters when they ratified amendment five, and that the will and objective of the people in ratifying amendment five will unintentionally be circumvented unless the Legislature acts to prevent such a result.

(b) The Legislature, therefore, does hereby declare that:

(1) It has the power and authority under the Constitution and these circumstances to implement amendment five;

(2) The provisions of amendment five shall be implemented beginning tax year one thousand nine hundred ninety-eight and thereafter, notwithstanding any other provision in this article other than section one-b;

(3) Chattel interests in real or tangible personal property, not to include any item of tangible machinery, equipment personal property used in business activity, tangible inventory personal property directly used in business activity, or personal motor vehicles. are tangible property for ad valorem property tax purposes, which shall be assessed and taxed in the levy classification in which tangible personal property is taxed for ad valorem property tax purposes, notwithstanding any other provision in this chapter; and

(4) The property of banks and savings and loans shall be assessed and taxed like that of other corporations beginning tax year 1998.

(c) The value of any item of tangible machinery and equipment personal property used in business activity, and tangible inventory personal property directly used in business activity and all personal motor vehicles shall be set at \$0, effective from July 1, 2025.

NOTE: The purpose of this bill is to require that that the assessed value of any item of tangible machinery and equipment personal property used in business activity, tangible inventory personal property directly used in business activity and personal motor vehicles at \$0.

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