

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Introduced

House Bill 3451

**FISCAL
NOTE**

By Delegates Funkhouser, Holstein, Ridenour,
Jennings, Marple, Phillips, Canterbury, and Gearheart

[Introduced March 17, 2025; referred to the
Committee on Finance]

1 A BILL to amend and reenact §11-6B-3 and §11-6B-7 of the Code of West Virginia, 1931, as
2 amended, and to repeal §11-8-6e relating to taxation; providing for a phased-in increase in
3 the homestead exemption; providing change to exemption contingent on passage of
4 constitutional amendment; removing a cap on the property tax books, and repealing
5 limitation on levy rates resulting in property tax increase.

Be it enacted by the Legislature of West Virginia:

ARTICLE 6B. HOMESTEAD PROPERTY TAX EXEMPTION.

§11-6B-3. ~~Twenty thousand dollar~~ Phase in of increasing homestead exemption allowed.

1 (a) *General.* – Beginning January 1, 2027, an exemption from ad valorem property taxes
2 shall be allowed for ~~the first \$20,000~~ not less than \$25,000 of assessed value of a homestead that
3 is used and occupied by the owner thereof exclusively for residential purposes, when such owner
4 is ~~sixty-five~~ 65 years of age or older or is certified as being permanently and totally disabled
5 provided the owner has been or will be a resident of the State of West Virginia for the two
6 consecutive calendar years preceding the tax year to which the homestead exemption relates.
7 Beginning January 1, 2028, the amount of the exemption of assessed value of a homestead as
8 provided in this section shall increase to \$30,000, beginning January 1, 2029, the amount of the
9 exemption of assessed value of a homestead as provided in this section shall increase to \$35,000,
10 and beginning January 1, 2030, the exemption of assessed value of a homestead as provided in
11 this section shall increase to \$40,000: *Provided*, That an owner who receives a similar exemption
12 for a homestead in another state is ineligible for the exemption provided by this section. The
13 owner's application for exemption shall be accompanied by a sworn affidavit stating that such
14 owner is not receiving a similar exemption in another state: *Provided, however*, That when a
15 resident of West Virginia establishes residency in another state or country and subsequently
16 returns and reestablishes residency in West Virginia within a period of five years, such resident
17 may be allowed a homestead exemption without satisfying the requirement of two years
18 consecutive residency if such person was a resident of this state for two calendar years out of the

ten calendar years immediately preceding the tax year for which the homestead exemption is sought. Proof of residency includes, but is not limited to, the owner's voter's registration card issued in this state or a motor vehicle registration card issued in this state. Additionally, when a person is a resident of this state at the time such person enters upon active duty in the military service of this country and throughout such service maintains this state as his or her state of residence, and upon retirement from the military service, or earlier separation due to a permanent and total physical or mental disability, such person returns to this state and purchases a homestead, such person is deemed to satisfy the residency test required by this section and shall be allowed a homestead exemption under this section if such person is otherwise eligible for a homestead exemption under this article; and the Tax Commissioner may specify, by regulation promulgated under chapter twenty-nine-a of this code, what constitutes acceptable proof of these facts. Only one exemption shall be allowed for each homestead used and occupied exclusively for residential purposes by the owner thereof, regardless of the number of qualified owners residing therein.

(b) *Attachment of exemption.* -- This exemption shall attach to the homestead occupied by the qualified owner on the July first assessment date and shall be applicable to taxes for the following tax year. An exemption shall not be transferred to another homestead until the following July first. If the homestead of an owner qualified under this article is transferred by deed, will or otherwise, the ~~\$20,000~~ exemption as provided in subsection (a) of this section shall be removed from the property on the next July first assessment date unless the new owner qualifies for the exemption.

(c) *Construction.* -- The residency requirement specified in subsection (a) is enacted pursuant to the Legislature's authority to prescribe by general law requirements, limitations and conditions for the homestead exemption, as set forth in section one-b, article ten of the Constitution of this state. Should the Supreme Court of Appeals or a federal court of competent jurisdiction determine that this residency requirement violates federal law in a decision that

45 becomes final, this section shall then be construed and applied, beginning with the July first
46 assessment day immediately following the date the decision became final, as if the residency
47 requirement had not been enacted, thereby preserving the availability of the homestead
48 exemption and the fiscal integrity of local government levying bodies.

49 (d) Effective date --The changes made to this section during the 2025 Regular Session of
50 the Legislature shall become effective only upon the ratification of the constitutional amendment
51 proposed in Senate Joint Resolution, which will be submitted to the voters following the adoption
52 of that resolution by the Legislature during the 2025 Regular Legislative Session, or any other
53 amendment to the Constitution of West Virginia permitting a homestead property exemption.

§11-6B-7. Property tax books.

1 (a) *Property book entry.* -- The exemption of the ~~first \$20,000 of~~ assessed value as set forth
2 in §11-6B-3 of this code shall be shown on the property books as a deduction from the total
3 assessed value of the homestead.

4 (b) *Levy; statement to homestead owner.* -- When the ~~\$20,000~~ exemption as set forth in
5 §11-6B-3 of this code is greater than the total assessed value of the eligible homestead, no taxes
6 shall be levied. The sheriff shall issue a statement to the owner showing that no taxes are due.

ARTICLE 8. LEVIES.

§11-8-6e. Effect on regular levy rate when appraisal results in tax increase; public hearings.

1 [Repealed.]

NOTE: The purpose of this bill is to provide for a phased in increase in the homestead exemption; provide that change to exemption contingent on passage of constitutional amendment; remove cap on property tax books, and repeal limitation on levy rates when appraisal results in tax increase.

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