

# **WEST VIRGINIA LEGISLATURE**

## **2025 REGULAR SESSION**

**Introduced**

**Senate Bill 96**

**FISCAL  
NOTE**

By Senator Rucker

[Introduced February 12, 2025; referred

to the Committee on Finance]

1 A BILL to amend and reenact §11-3-9 of the Code of West Virginia, 1931, as amended, relating to  
2 exempting from ad valorem property tax all property used for divine worship, including  
3 parts of those properties that are used for educational and other charitable purposes.

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

**ARTICLE 3. ASSESSMENTS GENERALLY.**

**§11-3-9. Property exempt from taxation.**

1 (a) All property, real and personal, described in this subsection, and to the extent limited by  
2 this section, is exempt from taxation:

3 (1) Property belonging to the United States, other than property permitted by the United  
4 States to be taxed under state law;

5 (2) Property belonging exclusively to the state;

6 (3) Property belonging exclusively to any county, district, city, village, or town in this state  
7 and used for public purposes;

8 (4) Property located in this state belonging to any city, town, village, county, or any other  
9 political subdivision of another state and used for public purposes;

10 (5) ~~Property used exclusively for divine worship, or used exclusively for divine worship and  
11 the operation of a pre K school, primary school, middle school, secondary school, daycare center,  
12 or church camp for children, which school, daycare center, or church camp is operated by the  
13 church which owns the property or is operated by another not-for-profit organization or entity~~  
14 Property used for divine worship, including:

15 (A) Educational activities;

16 (B) Other activities, the purposes of supporting the community, and which are non-profit;

17 (C) Where a portion of the property is used exclusively for divine worship and the  
18 remainder of the property is used for other purposes which are primary and immediate, and are  
19 educational, literary, scientific or charitable in nature, the property will be exempt under this  
20 section;

21 (6) Parsonages and the household goods and furniture pertaining thereto;  
22 (7) Mortgages, bonds, and other evidence of indebtedness in the hands of bona fide  
23 owners and holders hereafter issued and sold by churches and religious societies for the purposes  
24 of securing money to be used in the erection of church buildings used exclusively for divine  
25 worship or for the purpose of paying indebtedness thereon;

## 26 (8) Cemeteries;

27 (9) Property belonging to, or held in trust for, colleges, seminaries, academies, and free  
28 schools, if used for educational, literary, or scientific purposes, including books, apparatus,  
29 annuities, and furniture;

30 (10) Property belonging to, or held in trust for, colleges or universities located in West  
31 Virginia, or any public or private nonprofit foundation or corporation which receives contributions  
32 exclusively for such college or university, if the property or dividends, interest, rents, or royalties  
33 derived therefrom are used or devoted to educational purposes of such college or university;

### 34 (11) Public and family libraries;

35 (12) Property used for charitable purposes and not held or leased out for profit;

(13) Property used for the public purposes of distributing electricity, water or natural gas or providing sewer service by a duly chartered nonprofit corporation when such property is not held, leased out, or used for profit;

39 (14) Property used for area economic development purposes by nonprofit corporations  
40 when the property is not leased out for profit;

41 (15) All real estate not exceeding one acre in extent, and the buildings on the real estate,  
42 used exclusively by any college or university society as a literary hall, or as a dormitory or  
43 clubroom, if not used with a view to profit, including, but not limited to, property owned by a  
44 fraternity or sorority organization affiliated with a university or college or property owned by a  
45 nonprofit housing corporation or similar entity on behalf of a fraternity or sorority organization  
46 affiliated with a university or college, when the property is used as residential accommodations or

47 as a dormitory for members of the organization;

48 (16) All property belonging to benevolent associations not conducted for private profit;

49 (17) Property belonging to any public institution for the education of the deaf, intellectually

50 disabled, or blind or any hospital not held or leased out for profit;

51 (18) Houses of refuge and mental health facility or orphanage;

52 (19) Homes for children or for the aged, friendless, or infirm not conducted for private profit;

53 (20) Fire engines and implements for extinguishing fires, and property used exclusively for

54 the safekeeping thereof, and for the meeting of fire companies;

55 (21) All property on hand to be used in the subsistence of livestock on hand at the

56 commencement of the assessment year;

57 (22) Household goods to the value of \$200, whether or not held or used for profit;

58 (23) Bank deposits and money;

59 (24) Household goods, which for purposes of this section means only personal property

60 and household goods commonly found within the house and items used to care for the house and

61 its surrounding property, when not held or used for profit;

62 (25) Personal effects, which for purposes of this section means only articles and items of

63 personal property commonly worn on or about the human body or carried by a person and

64 normally thought to be associated with the person when not held or used for profit;

65 (26) Dead victuals laid away for family use;

66 (27) All property belonging to the state, any county, district, city, village, town, or other

67 political subdivision or any state college or university which is subject to a lease purchase

68 agreement, and which provides that, during the term of the lease purchase agreement, title to the

69 leased property rests in the lessee so long as lessee is not in default or shall not have terminated

70 the lease as to the property;

71 (28) Personal property, including vehicles that qualify for a farm use exemption certificate

72 pursuant to §17A-3-2 of this code and livestock, employed exclusively in agriculture, as defined in

73 article X, section one of the West Virginia Constitution: *Provided*, That this exemption only applies  
74 in the case of such personal property used on a farm or farming operation that annually produces  
75 for sale agricultural products, as defined in rules of the Tax Commissioner;

76 (29) Real property owned by a nonprofit organization whose primary purpose is youth  
77 development by means of adventure, educational, or recreational activities for young people,  
78 which real property contains a facility built with the expenditure of not less than \$100 million that is  
79 capable of supporting additional activities within the region or the state and which is leased or used  
80 to generate revenue for the nonprofit organization whether or not the property is used by the  
81 nonprofit organization for its nonprofit purpose, subject to the requirements, limitations, and  
82 conditions set forth in §11-3-9(h) of this code; and

83 (30) Any other property or security exempted by any other provision of law.

84 (b) Notwithstanding the provisions of §11-3-9(a) of this code, no property is exempt from  
85 taxation which has been purchased or procured for the purpose of evading taxation whether  
86 temporarily holding the same over the first day of the assessment year or otherwise.

87 (c) Real property which is exempt from taxation by §11-3-9(a) of this code shall be entered  
88 upon the assessor's books, together with the true and actual value thereof, but no taxes may be  
89 levied upon the property or extended upon the assessor's books.

90 (d) Notwithstanding any other provisions of this section, this section does not exempt from  
91 taxation any property owned by, or held in trust for, educational, literary, scientific, religious, or  
92 other charitable corporations or organizations, including any public or private nonprofit foundation  
93 or corporation existing for the support of any college or university located in West Virginia, unless  
94 such property, or the dividends, interest, rents, or royalties derived therefrom, is used primarily and  
95 immediately for the purposes of the corporations or organizations.

96 (e) The Tax Commissioner shall, by issuance of rules, provide each assessor with  
97 guidelines to ensure uniform assessment practices statewide to affect the intent of this section.

98 (f) Inasmuch as there is litigation pending regarding application of this section to property

99 held by fraternities and sororities, amendments to this section enacted in the year 1998 shall apply  
100 to all cases and controversies pending on the date of such enactment.

101 (g) The amendment to §11-3-9(a)(27) of this code, passed during the 2005 regular session  
102 of the Legislature, shall apply to all applicable lease purchase agreements in existence upon the  
103 effective date of the amendment.

104 (h) Nonprofit youth organization exemption. — Limitations, conditions, collection, and  
105 administration of one and one quarter percent fee, limitations, and distribution of moneys.

106 (1) The exemption from ad valorem taxation provided pursuant to the provisions of §11-3-  
107 9(a)(29) of this code does not apply to a property owned by a nonprofit organization otherwise  
108 qualifying for the exemption but which property or facilities are used for profit or outside the  
109 primary purpose of the owner which result in unrelated business taxable income as defined by  
110 Section 512 of the Internal Revenue Code of 1986, as amended, unless the income is generated  
111 by an activity upon which the one and one quarter percent fee authorized by §11-3-9(h)(2) of this  
112 code is applied as provided in §11-3-9(h)(3) of this code.

113 (2) The owner of real property exempt from ad valorem taxation under §11-3-9(a)(29) of  
114 this code shall pay an amount equal to one and one quarter percent of the gross revenues the  
115 owner receives in accordance with this subsection. For purposes of this subsection, "gross  
116 revenues" means the gross amount received by the owner as payment for use of the property or  
117 the facilities thereon.

118 (3) Gross revenues derived from the following facilities, uses, activities, and operations are  
119 subject to a fee of one and one quarter percent of such gross revenues:

120 (A) Gross revenues derived from the use of lodging and campground facilities by persons  
121 participating in meetings and multiday spectator sports or multiday recreational, celebratory, or  
122 ceremonial events held onsite where onsite lodging or camping is offered as part of the program.  
123 For purposes of this section the term "meeting" means, and is limited to, a gathering, assembly, or  
124 conference of two or more persons who have deliberately convened at a single specific location at

125 a single specified time and date for a common specific purpose.

126 (B) Gross revenues derived from any retail store located at the facility that is open only to  
127 those persons who are attending meetings, spectator sports, recreational, celebratory, or  
128 ceremonial events held onsite at the facility.

129 (C) Gross revenues derived from operations of gift shops at a welcome or information  
130 center located adjacent to a public highway operated by the nonprofit organization which is open  
131 to the general public.

132 (D) Gross revenues derived from the leasing of zip-lines, canopy tours, wheeled sports,  
133 and climbing facilities used by the general public on a for-profit basis: (i) Under a written  
134 agreement with a licensed commercial outfitter operating a business utilizing zip-lines, canopy  
135 tours, wheeled sports, or climbing areas of a similar nature in the same or an adjacent county  
136 where the facilities are located; and (ii) when the property or facilities are used as part of a training  
137 or advanced experience offered by the licensed commercial outfitter.

138 (E) Gross revenues derived from the use or operation of zip-lines, canopy tours, wheeled  
139 sports facilities, or activities, climbing facilities or activities and the use or operation of other  
140 sporting facilities on the exempt property that are leased on a for-profit basis for spectator events,  
141 such as concerts, spectator sporting events, or exhibitions or similar mass gathering events.

142 (F) Gross revenues derived from leases or agreements for use of the property for meetings  
143 and multiday spectator sports or events or multiday recreational, celebratory, or ceremonial  
144 events, held onsite.

145 (4) Notwithstanding any other provision of this section to the contrary, programs or  
146 activities occurring on the property or its facilities held in conjunction with a government  
147 organization or sponsored by other nonprofit organizations serving youth, veterans, military  
148 services, public service agencies including, fire, police, emergency, and search and rescue  
149 services, government agencies, schools and universities, health care providers, and similar  
150 organizations or groups which are designed to provide opportunities for learning or training in the

151 areas of leadership, character education, science, technology, engineering, arts, and mathematics  
152 (STEAM) programs, physical challenges, sustainability, conservation, and outdoor learning shall  
153 be considered a charitable or nonprofit use for the purposes of this section and not subject to the  
154 one and one quarter percent fee.

155 (5) Notwithstanding any other provision of this section to the contrary, activities open to the  
156 public through individual visitor passes allowing tours and access to the property and its facilities  
157 for the purpose of viewing or participating in demonstrations, programs, and facilities providing  
158 information and experiences consistent with the owner's nonprofit purposes where zip-lines,  
159 canopy tours, wheeled sports, or climbing facilities are merely components of the demonstrations,  
160 programs, and facilities used shall be considered a charitable or nonprofit use for the purposes of  
161 this section and not subject to the one and one quarter percent fee: *Provided*, That such individual  
162 visitor passes may not include the rental or use of onsite overnight lodging or camping facilities.

163 (6) Administration. —

164 (A) The sheriff of the county wherein the majority of the acreage of the property is located  
165 as specified in the deed to such property, shall collect, on a monthly basis, all moneys derived from  
166 the fee of one and one quarter percent of the gross revenues imposed under this subsection.

167 (B) The sheriff of the county wherein the majority of the acreage of the property is located  
168 as specified in the deed to such property, shall prescribe such forms and schedules as may be  
169 necessary for the efficient, accurate, and expeditious payment and reporting of the one and one  
170 quarter percent fee specified in this subsection on gross revenues.

171 (C) The sheriff of the county wherein the majority of the acreage of the property is located  
172 as specified in the deed to such property, shall administer the fee imposed under this subsection,  
173 including refunds and adjustments.

174 (D) Payment, administration, and compliance of fee payers and administrators shall be  
175 subject to audit by the Office of Chief Inspector.

176 (E) All moneys so collected, net of refunds and adjustments, shall be paid into a special

177 account in the State Treasury, which is hereby created, and the amount thereof shall be distributed  
178 and paid annually, by the State Treasurer, on October 1 of each year, into the funds and to the  
179 distributees specified in of this code in the amounts specified therein.

180 (7) Distribution. —

181 (A) Twenty-five percent of moneys so collected, net of refunds and adjustments, shall be  
182 paid annually to the Tourism Promotion Fund established pursuant to §5B-2-12 of this code.

183 (B) Twenty-five percent of moneys so collected, net of refunds and adjustments, shall be  
184 paid annually to the sheriff of the county where the property is located which, but for the exemption  
185 provided in §11-3-9(a)(29) of this code, would be entitled to receive ad valorem taxes on the  
186 property. The sheriff shall treat all such payments in the same manner as payments in lieu of taxes,  
187 and such payments are subject to the adjustment mandated under §18-9A-12 of this code. For  
188 properties located in more than one county, the amount paid to the sheriff of the county shall be in  
189 proportion to the total number of acres located in each county at the close of the fiscal year, as  
190 specified in the deed to such property.

191 (C) Fifty percent of moneys so collected, net of refunds and adjustments, shall be divided  
192 equally and paid annually into separate accounts established and maintained by the sheriffs of the  
193 county or counties wherein the property is located and the sheriffs of any other county that is within  
194 the jurisdiction of the same economic development authority as the county or counties wherein the  
195 property is located to be used solely for the establishment and delivery of a science, technology,  
196 engineering, art, and math (STEAM) program in conjunction with the owner of the exempt  
197 property. The funds shall be divided equally for use in each county and the programs must be  
198 approved by the respective county superintendents of schools. Expenditures from the accounts  
199 shall be authorized by the county superintendent of schools.

200 (8) If lodging is furnished as part of a retreat, meeting, or multiday spectator sport or event  
201 being held onsite wherein onsite lodging or camping is offered as part of the program, any  
202 applicable hotel occupancy tax and state and local consumers sales and service tax and use tax

203 shall be paid based upon the actual location of such lodging.

204 (9) If merchants are allowed to do business on the property, the owner or lessee of the  
205 property shall offer space to local merchants on terms at least as favorable as are offered to other  
206 merchants.

207 (10) For the purposes of this subsection, owner includes the owner holding record title to  
208 the property and its affiliates to the extent they are commonly owned, controlled or have the power  
209 to appoint the governing body of the affiliate.

210 (11) The Tourism Commission shall include in its annual report submitted to the Governor  
211 and the Legislature a summary of funds paid into the Tourism Promotion Fund and  
212 recommendations pertaining to the administration of this section.

213 (12) This subsection may not be construed to prohibit the owner of property otherwise  
214 subject to this section from having portions of the property severed from the remainder of the  
215 property, assessed and taxed as if nonexempt and thereafter conducting business on such  
216 property the same as any other nonexempt property: *Provided*, That the area of property to be  
217 severed shall be approved by the county commission wherein the property lies so as to include in  
218 the severance all property substantially supporting the for-profit or business activity giving rise to  
219 the specific purpose of the severance and excluding all property entitled to the continued benefits  
220 of this act.

221 (i) To assure the implementation of §11-3-9(h) of this code does not harm local and  
222 regionally located businesses by use of the tax-exempt facility in a manner that cause unfair  
223 competition and unreasonable loss of revenue to those businesses, studies shall be periodically  
224 conducted to assure that further legislation is in order regarding the uses of the tax-exempt facility.  
225 The county commission of any county where such a property is located shall report to the Joint  
226 Committee on Government and Finance by the first day of January every five years after the  
227 effective date of this section. The report shall include information on any unfair business  
228 competition resulting from the establishment of the nonprofit status, and include a report of the

229 costs and benefits to its county of the tax exemption and associated fee, including an audit of that  
230 county's use of the net revenues. The West Virginia University Bureau of Business and Economic  
231 Research in coordination of the Center for Business and Economic Research at Marshall  
232 University, by January 1, 2020, shall undertake a study and report to the committee, the economic  
233 impact of this tax exemption and fee to the county and that region of the state, and make any  
234 recommendations regarding the benefits and disadvantages for continuing the provision of this tax  
235 exemption and fee, included, but not limited to, the impacts to other small and large businesses in  
236 the county, the costs to the county has incurred as a result of use of the facility, and any other  
237 relevant data that the universities may deem relevant.

NOTE: The purpose of this bill is to exempt from ad valorem property tax all property used  
for divine worship, including parts of those properties that are used for educational and  
other charitable purposes.

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