

MUNICIPAL HOME RULE
PROGRAM

City/Town of Huntington

2020
PROGRESS
REPORT



West Virginia
Municipal Home Rule Board
P. O. Box 11360
Charleston, WV 25339-1360
MunicipalHomeRule@wv.gov
304.558.3356

West Virginia State Code §8-1-5a (m) provides:

“Commencing December 1, 2015, and each year thereafter, each participating municipality shall give a progress report to the Municipal Home Rule Board and commencing January 1, 2016, and each year thereafter, the Municipal Home Rule Board shall give a summary report of all the participating municipalities to the Joint Committee on Government and Finance.”

The Municipal Home Rule Board has developed this standard format for Home Rule Program participating municipalities to prepare and submit their respective Annual Progress Reports. The intent of this standard format is to gather and compile information in a consistent, easily understood, and efficient manner that will be used to develop a concise and practical summary report to the Joint Committee on Government and Finance.

Annual Progress Reports must be submitted electronically as an individual file in PDF format no later than the close of business on the first business day of December, by emailing to WV Municipal Home Rule Board at MunicipalHomeRule@wv.gov.

A. General Information		
Name of Municipality:		
Certifying Official: Steve Williams	Title: Mayor	
Contact Person: Kathy Moore	Title: Finance Director	
Address: P.O. Box 1659		
City, State, Zip: Huntington, WV 25717		
Telephone Number: 304-696-5540 Ext. 2305	Fax Number:	
E-Mail Address: moorek@huntingtonwv.gov		
2010 Census Population:		
B. Municipal Classification		
<input type="checkbox"/> Class I XXX Class II <input type="checkbox"/> Class III <input type="checkbox"/> Class IV		
C. Attest		
I hereby confirm that I am the authorized official for this municipality and certify that the information submitted herein and attached hereto is true and accurate and that this report addresses each and every initiative included in the original Home Rule Pilot Program Plan Application for this municipality and any subsequent amendments, if applicable.		
Mayor Steve Williams		
Type Name of Certifying Official	Signature of Certifying Official	Date

Please use this page to report progress on each **non-tax related initiative** included in your Home Rule Application and Amendment(s). Each non-tax related initiative must be listed on a separate page.

Initiative: Fire Damage Insurance Proceeds
Was this non-tax initiative a part of your original plan application <input type="checkbox"/> or a plan amendment <input type="checkbox"/> ?
Has the ordinance(s) needed to implement this initiative been enacted? XX Yes <input type="checkbox"/> No
If yes, when was the ordinance enacted? 2008
If no, please describe challenges faced in enacting the related ordinance(s).
<p>SUCCESES – In the space below, please provide a brief narrative which highlights successes realized through the implementation of this initiative and any metrics used to track performance.</p> <p>The City of Huntington’s original application for Home Rule contained a provision requiring insurance companies to set aside a portion of insurance proceeds for demolition. In 2010, the WV Legislature addressed by the Home Rule Pilot Program and on April 26, 2010, Huntington City Council repealed the Fire Insurance Proceeds ordinance.</p> <p>On June 16, 2010, Governor Manchin signed the Fire Insurance Proceeds Bill into law. Since inception – every instance within the city limits where a fire has occurred on insured properties, the owners took responsibility for demolition of the structure(s) without intervention by the City.</p>
<p>LESSONS LEARNED – In the space below, please provide a brief narrative highlighting lessons learned during implementation of this revenue initiative that would benefit other municipalities.</p> <p>In this instance, this is an issue that has state wide ramifications, therefore addressing it through our state legislature was the best way to have a bigger impact.</p>

Please use this page to report progress on each **non-tax related initiative** included in your Home Rule Application and Amendment(s). Each non-tax related initiative must be listed on a separate page.

Initiative: Increased Capacity To Collect City Fees/Taxes
Was this non-tax initiative a part of your original plan application <input checked="" type="checkbox"/> or a plan amendment <input type="checkbox"/> ?
Has the ordinance(s) needed to implement this initiative been enacted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, when was the ordinance enacted? August 24, 2009
If no, please describe challenges faced in enacting the related ordinance(s).
<p>SUCSESSES – In the space below, please provide a brief narrative which highlights successes realized through the implementation of this initiative and any metrics used to track performance.</p> <p>Art. 773.12-14, which requires all past due municipal and refuse fees to be paid before a property is transferred, and Art.773.15, which permits the City to place statutory liens on past-due fees without suit, work in tandem to bring in revenue that would have previously gone uncollected.</p> <p>The costs involved are low, typically court costs to place and release a lien (\$22.00 per lien), cost of certified mailing and internal labor to respond to requests. Beginning in the first quarter of 2016, the City began the process to file liens on all properties that were over 30-days delinquent and had account balances over \$100.00 on a quarterly basis. This increases the internal workload but casts a much broader net to capture delinquent accounts in a timelier manner.</p> <p>Normally, for Art.773.12-14, closing attorneys contact the City for payoff amounts. Art.773.15 is triggered both at the sale of a property and during any refinance. At times, there will be some negotiation of the amount owed. Thus far in calendar year 2020, there have been 678 requests for payoff as a result of this ordinance. Of those, 69% either had zero balances at the time of transfer, 23% paid in full at closing, 1% paid a reduced rate at closing, and 7% either did not transfer or are unresolved. At least 1% were foreclosures or tax sale properties.</p> <p>The City has collected under Art.77.12-14 and under 773.15.</p>
<p>LESSONS LEARNED – In the space below, please provide a brief narrative highlighting lessons learned during implementation of this revenue initiative that would benefit other municipalities.</p> <p>The downsides of these ordinances are limited. The cost is minimal compared to the return. It is important to maintain accurate record of addresses for issuance of liens. If a property has a balance owed with no lien filed, the chances of it transferring without the City’s knowledge is greater. Therefore, education of attorneys and title companies is imperative.</p>

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Initiative: Land Bank Fast Track Authority
Was this non-tax initiative a part of your original plan application <input checked="" type="checkbox"/> or a plan amendment <input type="checkbox"/> ?
Has the ordinance(s) needed to implement this initiative been enacted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, when was the ordinance enacted? August 24, 2009
If no, please describe challenges faced in enacting the related ordinance(s).
<p>SUCSESSES – In the space below, please provide a brief narrative which highlights successes realized through the implementation of this initiative and any metrics used to track performance.</p> <p>On January 22, 2018, the City of Huntington amended its land reuse agency ordinance under the authority of the 2014 West Virginia statute, W.Va. Code Sec. 31-18e-1, et seq., that effectively removes the jurisdiction over land reuse agencies from control of the Home Rule Board. The new City of Huntington ordinance creates a separate land reuse agency and removes the responsibility and authority from the Huntington Urban Renewal Authority (“HURA”). Pursuant to the Home Rule Board’s authorization, HURA had been acting separately as the City’s land reuse agency. A lawsuit was filed in 2017 challenging the authority of HURA to act as the land reuse agency. As a result, the separate statutory land reuse agency was created, and all assets are being transferred from HURA to this agency. The lawsuit was settled without a ruling by the Court. Because the operation of the land reuse agency is now statutorily authorized, the City agency will no longer be a part of its home rule program. Because of Huntington’s continued work and advances in Land Reuse Agencies, to date, there are five new Land Banks that have been created in the state. This year, Huntington has put twenty-one vacant and dilapidated properties back into productive use creating a path for redevelopment in areas that have been hit hard due to declining population and aging housing stock.</p>
<p>LESSONS LEARNED – In the space below, please provide a brief narrative highlighting lessons learned during implementation of this revenue initiative that would benefit other municipalities.</p> <p>The land bank program created under the Home Rule Board proved to be such a success that the Legislature deemed it appropriate to enact a statute allowing for all municipalities to create a land bank program. The City of Huntington deemed it appropriate to enact an ordinance consistent with the new statutory scheme as a “safe harbor” for the continued operation of the land reuse agency. With the continued success of Land Reuse Agencies, lawmakers extended and expanded municipalities Right of First Refusal authority, making it harder for speculators to use the county tax sale as a money making opportunity. Often leaving the city to handle vacant and dilapidated property that spiral out of control and circulate through the sale.</p>

Please use this page to report progress on each **tax related initiative** included in your Home Rule Application. Each tax related initiative must be listed on a separate page.

Initiative: Municipal Occupation Tax/Municipal Sales – Use Tax																			
Was this tax initiative a part of your original plan application <input type="checkbox"/> or a plan amendment XX or N/A <input type="checkbox"/>																			
Has the ordinance(s) needed to implement this initiative been enacted? XX Yes <input type="checkbox"/> No																			
If yes, when was the ordinance enacted? August 9, 2010																			
If no, please describe challenges faced in enacting the related ordinance(s). Plan Amendment on March 2011 – Approval by Home Rule Board. Municipal Sales-Use Tax enacted April 4,2011																			
<p>REVENUES – In the space below, please provide a brief narrative highlighting revenue amounts and revenue categories realized; revenue amounts and revenue categories reduced; net revenue gain; and, any metrics used to track performance.</p> <p>The City implemented a One Percent (1.0%) Municipal Retail Sales, Service and Use Tax on January 1, 2012. To date the tax has allowed the City to eliminate the B&O tax on Manufacturing and lower by half the B&O tax on Retail and Service businesses. The implementation was smooth and there have been no problems with the implementation. All zip code files were provided to the State Tax Department by the City and the collection of the tax is the responsibility of the State Tax Department. Local retailers have cooperated and the additional burden has been minimal, as the Tax Department forms provide for both the local sales tax and state sales tax on one form.</p> <table border="1"> <thead> <tr> <th></th> <th><u>FY 2012</u></th> <th><u>FY 2020</u></th> <th><u>Difference</u></th> </tr> </thead> <tbody> <tr> <td>B&O</td> <td>16,112,357</td> <td>14,006,326</td> <td>(2,106,031)</td> </tr> <tr> <td>Sales</td> <td><u>2,225,745</u></td> <td><u>6,993,494</u></td> <td><u>4,767,749</u></td> </tr> <tr> <td>Total</td> <td>18,338,102</td> <td>20,999,820</td> <td>2,661,718</td> </tr> </tbody> </table> <p>The B&O Tax has decreased, as planned, on average by \$2.1 million and sales tax has off-set the decrease, as well as provided a net revenue increase of approximately \$2.6 million. However projecting ahead, we anticipate B&O Tax will continue to decline due to the loss of manufacturing businesses and sales tax is not projected to increase to compensate for the loss.</p>					<u>FY 2012</u>	<u>FY 2020</u>	<u>Difference</u>	B&O	16,112,357	14,006,326	(2,106,031)	Sales	<u>2,225,745</u>	<u>6,993,494</u>	<u>4,767,749</u>	Total	18,338,102	20,999,820	2,661,718
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<p>SUCCESES – In the space below, please provide a brief narrative highlighting projects, improvements, programming, etc. realized through the implementation of this revenue initiative and any metrics used to track performance.</p> <p>The City’s tax structure is now fairer, with less burden on businesses.</p>																			
<p>LESSONS LEARNED – In the space below, please provide a brief narrative highlighting lessons learned during implementation of this revenue initiative that would benefit other municipalities.</p> <p>Continuing to examine the revenue trends is paramount to the sustainability of the City’s budget. One goal of reducing B&O Taxes was to encourage more economic development. Additionally, auditing businesses located on the edges of city limits is important to ensure they are charging the additional 1% sales tax.</p>																			

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Initiative: Alternative Enforcement of External Sanitation & Common Nuisances
Was this non-tax initiative a part of your original plan application <input type="checkbox"/> or a plan amendment XX ?
Has the ordinance(s) needed to implement this initiative been enacted? XX Yes <input type="checkbox"/> No
If yes, when was the ordinance enacted? Adopted May 23, 2013
If no, please describe challenges faced in enacting the related ordinance(s).
<p>SUCSESSES – In the space below, please provide a brief narrative which highlights successes realized through the implementation of this initiative and any metrics used to track performance.</p> <p>This initiative worked exactly as it was envisioned. During the initial six months after passage, a large number of citations were written which prompted residents to adhere to city codes and clean up their properties. Now the focus has shifted to a warning system with the goal being compliance. Citations continue to be written, but to repeat offenders and residents not complying. Additionally, to make sure contractors and utility companies obtain their necessary permits, a Right-of-Way Inspector was hired, working Tuesday thru Saturdays to monitor construction and permits. While this initiative is not a significant revenue source, it is an excellent tool for compliance.</p>
<p>LESSONS LEARNED – In the space below, please provide a brief narrative highlighting lessons learned during implementation of this revenue initiative that would benefit other municipalities.</p> <p>The focus change to a warning system was just as effective for compliance and reduced the number of court appearances by inspectors, thus utilizing their time more efficiently.</p>

