



City Council:

John Rockhold
Sharon Lynch
Nancy Wilcox
Roger Brown
Kimberly Coram
JR Carpenter
Mike Reynolds
John Kelly
James Reed

Home Rule Pilot Program



PARKERSBURG CITY OF

Mayor Robert D. Newell

Finance Director: Ashley Flowers
Development Director: Rickie Yeager



Revised May 2014

Mayor Robert D. Newell



CITY OF PARKERSBURG
ONE GOVERNMENT SQUARE
P.O. BOX 1627
PARKERSBURG, WV 26102

West Virginia Home Rule Pilot Program
West Virginia Department of Commerce
State Capital Complex
Building 6, Room 525
Charleston, WV 25303

May 21, 2014

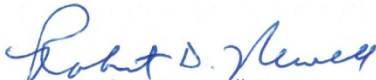
Dear Members of the Home Rule Pilot Program Committee,

First, I'd like to thank you on behalf of the citizens, businesses, and Administration and Council of Parkersburg, for your consideration of the City's application for the West Virginia Home Rule Pilot Program. Municipal governments play a very large role in the lives of the citizens in the State of West Virginia. This program provides an exciting opportunity and empowerment to help vitalize the efforts of Municipalities to responsibly enrich the lives of those who are a part of our community. We have taken into great consideration when approaching our home rule application the great possibilities, at the city government level, of producing a positive change for everyone.

Parkersburg is the third largest city in West Virginia, but ranks a distant 12th in the amount of taxes and fees per resident. Despite many obstacles, the City strives promote growth within our City and State and enable both citizens and businesses to prosper and improve the quality of life. Parkersburg is the only full service government in the region providing daily essential services including a paid professional fire department, trash pick-up, and a recycling center, in addition to the many other typical services offered by municipalities. The City serves as the business, government, and healthcare center for the entire region and is currently working on becoming the next port authority in our state. We are well positioned to experience growth in areas such as housing projects, hotels, new businesses, and additional growth in other areas. Additions such as automobile dealers, financial services, and other new construction shows as a sign that Parkersburg has the potential to experience economic development, and the Home Rule Pilot Program, as well as incentives passed by City Council, will give us the opportunity to seize this moment, and promote growth for businesses, employment, and residents.

In the following pages of our application, you will learn more in depth, our efforts and goals to move forward and bring economic opportunities to Parkersburg and improve the quality of life. We thank you for giving local governments in the State new and exciting ways to move forward, and grow. If I can provide any additional information or acuity about the City's application or visions, please do not hesitate to contact me.

Sincerely,


Mayor Robert D. Newell

Municipal Home Rule Pilot Program Phase II

APPLICATION CHECKLIST

SECTION I: APPLICANT INFORMATION	
Page No.	
4	General Information
4	Municipal Classification
4	Specific Issue(s) to be Addressed
4	Issue(s) Category: Tax/Organization/Administrative/Personnel/Other

SECTION II: NARRATIVE	
Page No.	
6-14	Specific state laws, policies, acts, resolutions, rules or regulations that are preventing the municipality to carry out duties in the most cost effective, efficient, and timely manner.
6-14	Specific problem(s) created by the laws, policies, acts, resolutions, rules or regulations.
6-14	Proposed solution(s) to the perceived problem(s), including all proposed changes to law, policies, acts, resolutions, rules or regulations. Categorize and include: 1) Proposed solution(s) in one of the five areas (tax/administrative/organization/ personnel/other) 2) If revenue related, estimate(s) for proposed solution(s) and how the fiscal impact was determined. Example: Estimated reduction of administrative time and costs = X. Please attach the worksheet or formula used to determine "X" amount.

SECTION III: AFFIDAVITS	
Page No.	
21	Hearing Mandate Verification
24	Publication Mandate Verification
19	Ordinance Authorizing Submission of Plan
15	Fiscal Impact Worksheets/Formulas (if revenue related)
25	Attorney Opinion (application complies with statutory requirements)
26	State of West Virginia Fees Statement (none outstanding)

TABLE OF CONTENTS

HOME RULE APPLICATION.....4

EXECUTIVE SUMMARY.....5

NARRATIVE.....6

1. Redemption and/or Collection of Demolition Liens.....7

 a. First Right to Purchase Property (Tax Lien)8

 b. Payment of Demolition Lien Before Securing a Certificate of Sale.....9

 c. Payment of Demolition Lien before Securing a Deed.....8

2. Streamline Development Review Process.....10

3. Impose Municipal Sales Tax.....12

FINANCIAL EXHIBITS 1, 2, 3.....15

ORDINANCES.....19

HEARING MANDATE VERIFICATION.....21

PUBLIC MANDATE VERIFICATION.....24

ATTORNEYS OPINION25

WV TAX DEPT STATEMENT OF GOOD STANDING26

SECTION I: APPLICATION INFORMATION

A. General Information

Name of Municipality: City of Parkersburg
Certifying Official: Robert D. Newell Title: Mayor
Contact Persons: Ashley Flowers Title: Finance Director
Rickie Yeager Title: Development Director
Address: One Government Square, P.O. BOX 1627
City, State, Zip: Parkersburg, West Virginia, 26101
Telephone Number: 304.424.8569 / 304.424.8415 Fax: 304.424.8464
Email Address: aflowers@parkersburg-wv.com/rmyeager@parkersburg-wv.com
2010 Census Population: 31,492

B. Municipal Classification

Please identify municipal class/metro government: (check one)

Class 1 Class II Class III Metro-Government

C. Category of Issues to Addressed

Please identify areas to be addresses through Home Rule: (check all that apply)

Taxing Organization Administrative Personnel

Please see Section II: Narrative for more information about the issues to be addressed

EXECUTIVE SUMMARY

Situated at the confluence of the Ohio and Little Kanawha Rivers, the City of Parkersburg is centrally located at the intersection of Interstate 77 and U.S. Route 50. Home to approximately 31,000 residents, Parkersburg is the third largest municipality in the State of West Virginia and the major employment center in the greater Mid-Ohio Valley. As the economic engine for the region, the City is committed to providing area residents and businesses with the best services and quality of life possible. This includes maintaining, among other things, a professional police force, well trained paid fire department, 250 miles of streets, waste and refuse operations, recycling center, parks and other recreational amenities.

Despite a decline in population in the last 30 years and a recent economic recession, the City has managed its transition from an industrial economy to a post-industrial city well. CNN Money Magazine recognized the City's efforts by naming it one of the Best Shrinking Cities to live in 2011. However, for the progress and efficiencies made over the years to be sustainable, the City needs to have more flexibility with respect to its taxing, organization and administrative authority. Therefore the City is submitting an application and written plan to the West Virginia Home Rule Pilot Program. The City is requesting that it be authorized by the Home Rule Board to do the following, should it choose to do so:

1. *Redemption and/or collection of demolition liens* at county tax sale.
2. *Streamline the development review process* by consolidating the powers and duties prescribed to the Board of Zoning Appeals and Municipal Planning Commission into one entity.
3. *Impose a municipal sales tax* and reduce Business & Occupation Taxes in specific sectors. This will allow the City to meet future financial obligations, such as the City's Police and Fire Pensions, while encouraging economic growth and development in the community.

The proposals outlined above are described in greater detail in Section II: Narrative. Approval of this plan will ensure that the City of Parkersburg continues to make strides in improving services, economic opportunities and the quality of life for residents and businesses in the community.

NARRATIVE

1. Redemption and/or Collection of Demolition Lien

Proposed Solution Area(s): Administrative

Specific state laws, policy rule or regulation in question: West State Code §11A-3-14 and §11A-3-52 (Sale of Tax liens)

Current state laws covering the sale of property with delinquent taxes restrict the City of Parkersburg's ability to collect demolition liens. The City is experiencing an increase in the amount of blighted properties within the City limits. Many of these structures are dilapidated and uninhabitable. The presence of these blighted properties creates a negative impact on neighborhoods within the City. The City receives numerous complaints from residents about dilapidated houses. Many of these dilapidated houses create imminent danger to City residents.

In addition, these blighted structures are generating little or no tax revenue, providing no jobs, depressing the value of surrounding properties, discouraging new investments and creating an economic burden on the City. The presence of these dilapidated houses discourages potential home buyers from moving into the City, and encourages current homeowners to move out of the City. Moreover, the presence of the dilapidated buildings across the City hampers the City's economic development efforts. The City's demolition program is aimed at improving the real property and the value of surrounding properties. The City is currently expanding by creating opportunities that attract new businesses and residents to the City. Economic growth is paramount to the goal of the City, and the City's demolition program is geared towards achieving better economic growth.

The City uses several criteria for condemning properties for demolition. If the property presents imminent danger of structural failure or the cost of repair exceeds the fair market value of the property, and it is unfeasible to repair the property, it is subject to demolition. The City's demolition program follows and is in accord with State Code. Pursuant to W. Va. Code §8-12-13, the City adopted the State Building Code as promulgated by W. Va. Code §29-3-5b as the City's Building Code. In accordance with W. Va. Code §29-3-5b, the City adopted the International Property Maintenance Code (IPMC). IPMC §110 states that Code Officials shall order the owner of any premises upon which is located any structure, which in the Code Official's judgment after review is so deteriorated or dilapidated or has become so out of repair as to be dangerous, unsafe, insanitary or otherwise unfit for human habitation or occupancy such that it is unreasonable to repair the structure, to demolish and removed such structure....or where there has been a cessation of normal construction of any structure for a

period of more than two (2) years, the Code Official shall order the owner to demolish and remove such structure. IPMC §110.3 further provides that if the owner of the premises fails to comply with a demolition order within the time prescribed, the Code Official shall cause the structure to be demolished and removed, and the cost of such demolition and removal shall be charged against the real estate upon which the structure is located and shall be a lien upon such real estate.

In accordance with IPMC Code, the City has taken action and has a program to demolish dilapidated structures within the community. These demolitions are conducted, if and when owners fail to comply with the demolition order, by the City. The demolition costs then incurred by the City is charged against the real estate upon which the structure was located and becomes a lien upon such real estate. Many of these demolished properties end up at the county tax sale because the homeowners are delinquent on their property taxes. These properties, had they not been improved by the demolition conducted by the city, would conceivably go unredeemed or not purchased at the county tax sale. However, due in large part to the demolition conducted by the City, this once undesirable property is now attractive and purchased free and clear of all liens at the tax sale. In such instances the buyer benefits without cost, from the use of public funds used to improve the property through the demolition of a dilapidated, uninhabitable building; the City's demolition lien is effectively extinguished; and the City is unable to collect any of the monies it utilized in improving the property. Largely due to the loss of its demotion liens in such cases, the City has collected less than 10 percent of its total demolition costs.

Since 1986, the City has spent approximately \$964,955 in demolishing blighted properties. Of that, the City has collected just over \$84,000. This is not sustainable when sources of funding to raze derelict buildings, including General Fund and Community Development Block Grant (CDBG) funds, have decreased. The City's collection efforts have been severely hampered by the County Tax Sale Process.

a. First Right to Purchase Property (Tax Lien)

Specific Problem

Before a county tax sale can be held, the Sherriff's Office must publish the list of delinquent tax properties and give notice prior to the sale date fixed in the notice as a Class III-0 legal advertisement in per W. Va. Code §11A-3-2. The notice must contain a list of the properties, including the person charged with the taxes, quantity of land, local description and total amount of taxes, interest and charges due to date of sale. Furthermore, a property listed in the publication can be redeemed if all payments for delinquent real estate taxes are received by the Sheriff's Office within fourteen business days prior to the date of the sale (W. Va. §11A-3-4). If the City

were interested in purchasing a property on which it had a demolition lien, for the purpose of neighborhood revitalization, it would be required to bid on the property. If there were multiple entities interested in the property, the sale would go to the highest bidder. It is not difficult to imagine a scenario where the City would be out bid by another entity. In this scenario, the City would not gain title to the property and at the same time lose its lien and therefore its ability to recover its costs.

Proposed Solution

When preparing a list of properties for a county tax sale, the City requests that it be given the first opportunity to purchase the property for taxes owed if it had a demolition lien on said property. This would allow the deed, if the property is not redeemed, to be issued to the City, where it then could be transferred to the Urban Renewal Authority (URA) of the City of Parkersburg for neighborhood revitalization or sale. If the property were later to be sold by the City it would be sold for a negotiated price, approximately fair market value, even if it is less than the lien. Having the first opportunity to purchase the property would require the Sherriff's Office to contact the City's URA representative prior to placing the legal advertisement in the paper. The time necessary for the City to review said property would not be more than 14 days. This is consistent with the amount of time given for property owners to redeem property prior to its sale (W. Va. §11A-3-4)

b. Payment of Demolition Lien Before Securing a Certificate of Sale

Specific Problem

Presently, the City is limited by W.Va. Code §11A-3-14 and other laws related to the purchase of property by tax sale. W.Va. Code §11A-3-14(a) provides that if the highest bidder present at the sale bids and pays at least the amount of taxes, interest and charges for which the tax lien on any real estate is offered for sale, the sheriff shall issue to him or her a certificate of sale for the purchase money...except the sheriff shall require payment of any subsequent taxes due at the time of the sale before a Certificate of Sale is issued. The Sheriff is required to issue a Certificate of Sale to the highest bidder who pays at least the amount of taxes, interest and charges for which the tax lien on the real estate is offered for sale. This washes away the demolition lien on the property because the purchaser is not required to satisfy the demolition lien. As such, the purchaser benefits and is unjustly enriched from the use of public funds that were used to demolition and clean up the dilapidated property. This practice has led to the City losing millions of dollars of taxpayers' monies.

Proposed Solution

The statute provides that the Sheriff can refuse to issue a Certificate of Sale if there are subsequent year's taxes due at the time of the sale. In accordance with W.Va. Code §11A-3-14, the City proposes that its demolition liens be collected at the tax sale auction together with the delinquent property taxes. The Sheriff shall require payment of any demolition lien due at the time of the sale and before the Certificate of Sale is issued. As such, the highest bidder present at the sale must bid and pay the amount of taxes, interest and charges for which the tax lien on any real estate is offer for sale and in addition pay the City's demolition lien before the Sheriff can issue a Certificate of Sale of the purchase money.

c. Payment of Demolition Lien before Securing a Deed

Specific Problem

Current State Law requires that a purchaser of real property at the tax sale must meet certain criteria before the purchaser can secure the deed to the property. The time period is specified in W.Va. Code §11A-3-5 and §11A-3-19. W.Va. Code §11A-3-5 states that the tax lien on each unredeemed tract or lot, or each unredeemed part thereof or undivided interest therein shall be sold by the Sheriff...on any working day after the fourteenth day of October and before the twenty-third day of November. W.Va. Code §11A-3-19 states that at any time after October 31 of the year following the Sheriff's Sale, and on or before December 31 of the same year, the purchaser at a Sheriff's Tax Sale can secure a deed after the 1st of March of the following year pursuant to W.Va. Code §11A-3-27. Put together, the waiting period for a purchaser to secure a deed is about 18 months. During this 18 month period, the record owner also has a right to redeem the property. Any property on which there is no sufficient bid for taxes, interest and charges due, are certified to the auditor pursuant to W.Va. Code §11-3-8 and are subject to sale by the Deputy Commissioner of Delinquent and Non-entered Lands under W.Va. Code §11A-3-42.

Proposed Solution

W. Va. Code §11A-3-27 (Sheriff's Sale) and W.Va. Code §11A-3-52 (Deputy Commissioner of Delinquent and Non-entered Lands) respectively state what purchasers must do before securing a deed, for either the Sheriff's Sale or the Deputy Commissioner's sale for property "Sold to the State". For example, according to W.Va. Code §11A-3-52 (a) within forty five days following the approval of the sale by the Deputy Commissioner, the purchaser, his heirs or assigns, shall meet certain requirements including the deposit, or offer to deposit, with the Deputy Commissioner a sum sufficient to cover the costs of preparing and serving

notices. The City proposes that it be permitted to include a provision that requires the satisfaction of City Demolition Liens before the purchaser can secure this deed from the Deputy Commissioner or in the event that the purchaser(s) is unwilling to satisfy the demolition lien, that the purchaser lose all the benefits of the purchase. A similar provision would be included as a prerequisite to delivery of a deed from the Sheriff.

This proposal will ensure that the City can recover taxpayers' monies and public funds used in the demolition of blighted properties within the City. Recovering the cost of demolition is critical to the future of the City's Demolition Program. The City must be able to recoup a significant portion of its demolition cost in order to continue and expand the program. This proposal will vastly increase the City's collection rate on demolition liens, and enable the City to expand the program and thereby improve the City and its neighborhoods.

2. Streamline the Development Review Process

Proposed Solution Area(s): Organization

Specific state laws, policy rule or regulation in question: West Virginia Code, Chapter 8A, Land Use Planning

Specific Problem

In the State of West Virginia, units of local government are charged with developing land use regulations that promote orderly development within its jurisdiction. This responsibility, as stated under W.Va. Code §8A-2-1(a) is now given to the City's Municipal Planning Commission. In addition to developing land use regulations that promote the health, safety and general well-being of Parkersburg residents and businesses, the Municipal Planning Commission is required to update the City's comprehensive master plan for the community every 10 years (W.Va. Code §8A-3-11(a)). At issue is the manner in which these land use regulations are developed, reviewed and interpreted.

Currently, West Virginia State Code precludes the Municipal Planning Commission from considering and ruling in all zoning related issues. Instead, this responsibility is given to the Board of Zoning Appeals per W.Va. Code §8A-8-1. In addition to creating another regulatory hurdle, which can cost an applicant time and money, the Board of Zoning Appeal has not traditionally participated in the master planning process. Furthermore, it has also become increasingly difficult to find volunteers to participate on City advisory boards and commissions. In addition, it has become difficult at times to get a quorum to conduct official business. The City of Parkersburg contends that having one entity responsible for developing, reviewing and interpreting land use development policy and ordinances would not only streamline the

development review process for applicants, but make government work more effectively and efficiently.

Proposed Solution

To streamline the development review process and ensure the City's comprehensive master plan is implemented effectively, it is proposed that the City of Parkersburg be given the authority to combine the duties prescribed to the Board of Zoning Appeals with that of the Municipal Planning Commission into one entity if so desired. The following describes how land development review procedures and zoning appeals would be facilitated in one, consolidated body, known as the Municipal Planning and Zoning Appeals Commission (MPZAC)

A consolidated MPZAC would have all the powers and duties afforded to Municipal Planning Commissions (W.Va. Code §8A-2-11) and the Board of Zoning Appeals (W.Va. Code §8A-8-9). More specifically, the MPZAC would be responsible for reviewing all land development proposals, such as Minor and Major Subdivisions, Annexation, Thoroughfare Abandonment, and Rezoning Applications, as well as variance and conditional use permit applications. In the event an individual's appeal is not upheld by the MPZAC, the individual shall have the right to take the Commission's decision to Circuit Court. In no way would an individual's writ of certiorari, per W.Va. Code §8A-9-1, be infringed upon by consolidating the responsibilities afforded to the Board of Zoning Appeals with that of the Municipal Planning Commission.

To ensure sufficient representation, a consolidated MPZAC would have no less than five, but no more than fifteen members comprised of residents living in the community. The City would seek qualified persons with knowledge and/or experience in matters pertaining to the development of the municipality, as is required per W.Va. Code §8A-2-3. Areas of expertise include, but would not be limited to business, industry, labor, government and other relevant disciplines and include interested residents, as well as a variety of knowledgeable professionals with experience in land use planning and development. All appointments to the Commission shall be made by the Mayor and confirmed by City Council. In the beginning, members of the MPZAC would have staggered terms. As initial members were replaced, new members would then serve a three year term. To ensure the Commission functions independently, no elected officials, member of City Council or representative from the Administration shall have a vote on the Commission.

3. Impose 1% Municipal Sales Tax

Category of issue to be addressed: *Taxing*

Specific state laws, policy rule or regulation in question: West Virginia Code § 8-13-1 and West Virginia Code § 8-13C-1 et seq.

Specific Problem

Currently there are no provisions in WV Code to allow cities to use a municipal sales/use tax, with the exception of Senate Bill 701, which was passed in 2004, and which is so restrictive that many municipalities are unable to utilize them. This bill allows municipalities to impose a 1% sales tax provided they repeal their business and occupation tax in its entirety. The City of Parkersburg, as well as many other cities, relies heavily on its B&O taxes as a primary source of revenue. The amount of sales tax that would be generated from the 1% sales and use tax alone would be significantly less than that received from B&O taxes. The City could not, therefore, afford to repeal the B&O tax, and is in need of alternative revenues sources. Currently, with B&O Taxes, 100 percent of the tax is paid by the local businesses. However, a municipal sales tax allows for a wider tax base, based on contributions from users inside the city as well as visitors from outside, instead of just the local businesses themselves. The City's present B&O tax structure has often led to businesses choosing to locate outside of the city limits, which is detrimental to the City's economy. The City of Parkersburg, along with many others, is continuing to see a strain on its operating budget without the means to fairly and effectively gain additional revenue.

West Virginia law limits both the types and rates of taxes which may be imposed currently by a municipality. The primary business tax imposed by the City is the business and occupation tax. The City may impose its business and occupation tax according to state law which specifies the classifications of businesses and the rates that may be levied. In 1987, the State repealed its business and occupations taxes in response to the 1984 report of the West Virginia Tax Study Commission. There are currently no suitable alternative taxes available to municipalities to collect additional revenues.

The proposal made by Parkersburg is to remove the restrictions on the conjunctive use of the B&O and municipal sales/use taxes. This is to create a fairer way to raise revenue for the City to fund necessary liabilities and support the needs of its citizens. Additionally, the revenue would be used to reduce the current B&O taxes paid by businesses within the City, thereby promoting growth for businesses and the economy.

Proposed Solution

The City requests the authority to implement the 1% municipal sales tax in the City of Parkersburg, in accordance with West Virginia Legislature Senate Bill 435, which specifically grants limited taxing authority to municipalities participating in the Home Rule Pilot Program. This allows us to reduce B&O taxes, as required by West Virginia Code § 8-1-5a(k)(6), which reduces part of the tax burden placed on local business, promoting a business friendly atmosphere which would promote future growth opportunities for the City and in the City of Parkersburg.

To offset the municipal sales tax, the City proposes the following reductions in B&O Taxes:

- 1) Eliminate the B&O Tax on Manufacturing. The current rate is .20 and would be eliminated/reduced to 0.
- 2) Reduce the B&O Tax on Retail/Restaurants by 30%. The current rate is .40, and would be reduced to .28.
- 3) Eliminate the B&O Tax on Electric, Light, & Power. The current rate is 2.80 and would be eliminated/reduced to 0.
- 4) Eliminate the B&O Tax on Public Utilities – Natural Gas. The current rate is 2.35 and would be eliminated/reduced to 0.

The elimination of the B&O taxes will save City residents and businesses over 1.2 million dollars, as is detailed below. The annual reduction in revenue by eliminating the B&O tax on Manufacturing is approximately \$54,510. The City is projecting an estimated reduction in revenue of \$853,548 by reducing the B&O tax on Retail by 30%. Additionally, the City is projecting an annual reduction \$1,234,431 by eliminating the B&O taxes on Electric, Light & Power and Public Utilities – Natural Gas. Eliminating the B&O Tax on the last two items listed (Electric, Light & Power and Public Utilities – Natural Gas) would allow the savings to be directly passed to the residents of the City. This is a tax that is usually directly charged to the consumers by the utility and is listed at the bottom of their utility bills as a Municipal Surcharge and is done in order for the utility company to recover the charges from the residents. The total projected reduction in Business and Occupation tax revenue is \$2,142,489. **Exhibit 1** (attached) shows the actual collections of taxes under each classification for the three year period of 2011-2013. It also shows the average annual revenue for each classification. **Exhibit 2** (attached) demonstrates the new rates and the reduction of revenues in B&O we are proposing.

These tax changes can help make the City more attractive to businesses than in the past and allow the City to meet revenue needs to both fund long term liabilities such as pensions, healthcare costs and with the City's infrastructure needs, downtown and economic development and increased costs of the services it provides. By imposing the municipal sales tax, the estimated annual revenues to be generated from a 1% sales tax is 4,744,871, as illustrated in **Exhibit 3**. The estimated 5% State charged administrative fee would decrease those revenues by an estimated \$237,244.

Feasibility

The sales and use taxes will as required by state law, be administered, collected, and enforced by the State Tax Department. The State and City sales tax base will be nearly identical with some limited exceptions. Any transaction that is exempt from State sales tax will also be exempt from City sales tax. More specifically, a municipal sales tax will not apply to Motor Vehicles under WV Code § 11-15-3c; Motor Fuels; Purchases/uses of property/services that State law exempts from taxation (Such as unprepared foods); and any transaction preempted by federal law.

The proposed total sales tax of 7% (6% state, 1% local) will allow the City to remain competitive with businesses across the river in Ohio due to their tax rate currently being more than the 7%. In addition, as the new 1% sales tax would be monitored and administered by the State, it is believed that collections will be more accurate and complete than the City's present B&O tax collection procedure which is based largely on the self-reporting of individual businesses. The feasibility of the WV State Tax Department implementing and collecting sales tax has been demonstrated by the success of both the state sales tax and the local sales tax implemented by those cities currently participating in the Home Rule Pilot Program. This method of collection has proven to be both effective and reliable.

The City must, however, carefully plan the proposed reduction of the B&O rates with the timing of when the City will begin to receive its sales tax revenue allocations from the State. This must be done in order to remain fiscally sound and maintain a balanced budget in its General Revenue Fund.

FINANCIAL EXHIBITS

Exhibit 1

B&O Collections Report					
Actual B&O Collections - January 1, 2011 thru December 31, 2013					
	1/1/2011 - 12/31/2011	1/1/2012 - 12/31/2012	01/01/2013 - 12/31/2013	Total Collections - 3 Years	Average Annual Collections
Manufacturing	45,986	63,042	54,501	163,529	54,510
Retailers/Restaraunts	2,210,654	3,191,018	3,133,811	8,535,483	2,845,161
Wholesalers	230,939	392,563	348,827	972,329	324,110
Elec/Power All Other Sales	805,360	993,955	993,969	2,793,284	931,095
Public Utility - Natural Gas	243,293	316,747	349,968	910,008	303,336
Contracting	632,544	844,768	609,847	2,087,159	695,720
Amusement Business	14,041	24,348	21,294	59,683	19,894
Services	2,616,431	3,297,158	3,009,392	8,922,981	2,974,327
Rents & Royalties	344,232	504,046	605,645	1,453,923	484,641
Banking & Other Financial	546,203	683,030	652,964	1,882,197	627,399
TOTAL	7,689,683	10,310,675	9,780,218	27,780,576	9,260,192

Exhibit 2

Estimated Municipal Sales Tax Fiscal Impact						
Tax Class	Current Rate (per \$100)	Average 3 Yr B&O Taxes Collected	Proposed Rate (per \$100)	Estimated Revenues New B&O Rates	Net Increase (Decrease)	Decrease %
Limestone or Sandstone	0.80	0	0.80	0	0	0.00%
Sand, gravel or other product not quarried or mined	1.60	0	1.60	0	0	0.00%
Timber	1.20	0	1.20	0	0	0.00%
Other Natural Resource Products	1.60	0	1.60	0	0	0.00%
Manufactured Products	0.20	54,510	-	0	(54,510)	100.00%
Retailers, Restaraunts	0.40	2,845,161	0.28	1,991,613	(853,548)	30.00%
Wholesalers	0.15	324,110	0.15	324,110	0	0.00%
Electric, Light & Power	3.60	0	3.60	0	0	0.00%
Electric Light & Power all other sales	2.80	931,095	-	0	(931,095)	100.00%
Public Utilities - Natural Gas	2.35	303,336	-	0	(303,336)	100.00%
Contracting	2.00	695,720	2.00	695,720	0	0.00%
Amusement	0.50	19,894	0.50	19,894	0	0.00%
Services	0.90	2,974,327	0.90	2,974,327	0	0.00%
Rents & Royalties	0.80	484,641	0.80	484,641	0	0.00%
Small Loan & Ind. Loan Business	1.00	0	1.00	0	0	0.00%
Banking & Other Financial Business	1.00	627,399	1.00	627,399	0	0.00%
Total		9,260,192		7,117,703	(2,142,489)	20.63%


Exhibit 3

Projection of Annual Revenues
Local 1% Retail Sales Tax

Average Total Retail Sales Taxes Collected Over 5 Years: 2013 - \$2,845,161.00 divided by .4=	\$711,290,250.00
Revenue – 1% Sales Tax Before Reductions for Exempt Sales:	\$7,112,902.00
Deduction for Estimate Exempt Sales including: Motor Vehicles under WV Code 11-15-3c; Motor Fuels; Purchases/uses of property/services that State law exempts from taxation (Such as unprepared foods); and any transactions preempted by federal law	(\$2,368,031.00)
Estimated Annual 1% Sales Tax Revenues	\$4,744,871.00

**Estimate does not include taxable services.

AN ORDINANCE AUTHORIZING THE
MAYOR OF THE CITY OF PARKERSBURG
TO SUBMIT A HOME RULE
APPLICATION AND PLAN TO THE WEST VIRGINIA
MUNICIPAL HOME RULE BOARD



BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PARKERSBURG that Mayor Robert D. Newell be and he is hereby authorized to submit the City of Parkersburg Home Rule Application and Plan to the West Virginia Municipal Home Rule Board for consideration of the City of Parkersburg's entry and acceptance into the Home Rule Program.

A copy of the City's Application and Plan is attached hereto and made a part hereof.

Councilmen Rockhold, Coram, Kelly, Carpenter
Lynch, and Reynolds

Sponsored by:

0-1473

Ord. authorizing Mayor Robert
Newell to submit a Home Rule
Application and Plan to the WV
Home Rule Board.

Adopted first reading May 6, 2014

after public hearing:

Adopted final reading May 20, 2014


Robert D. Newell, Mayor

HEARING MANDATE VERIFICATION

AGENDA FOR THE REGULAR MEETING OF
PARKERSBURG CITY COUNCIL FOR TUESDAY,
MAY 6, 2014, SECOND FLOOR
COUNCIL CHAMBERS, MUNICIPAL BUILDING

PRAYER AND PLEDGE OF ALLEGIANCE

- I. CALL TO ORDER – Council President, John Rockhold
- II. ROLL CALL
- III. MINUTES – meeting held April 15, 2014
- IV. REPORTS FROM STANDING OR SPECIAL COMMITTEES
 - A. City Clerk announces that the codified ordinances have been updated with 2014 replacement pages, and copies are available. Ordinance to follow in 90 days.
- V. MESSAGE FROM THE EXECUTIVE
- VI. PUBLIC FORUM
- VII. RESOLUTION
 1. Resolution authorizing the City of Parkersburg to enter into an agreement with the Library Board of the Parkersburg and Wood County Public Library to construct a new library, with a 50 year lease, at Blizzard Drive Park. (Sponsored by the Finance Committee of City Council.)

PUBLIC HEARING

VIII. ORDINANCE, FIRST READING:

2. An ordinance authorizing the Mayor of the City of Parkersburg to submit a Home Rule Application and Plan to the West Virginia Municipal Home Rule Board. (Sponsored by Councilmen Rockhold, Coram, Carpenter, Reynolds, Kelly, Lynch)

PUBLIC HEARING

IX. MISCELLANEOUS

3. Annual reports for the Policemen's Pension and Relief Fund; and the Firemen's Pension and Relief Fund. (will be distributed at Council meeting – waiting on one figure from the investment company)

X. ADJOURNMENT

AGENDA FOR THE REGULAR MEETING OF
PARKERSBURG CITY COUNCIL FOR TUESDAY,
MAY 20, 2014, 7:30 PM, SECOND FLOOR
COUNCIL CHAMBERS, MUNICIPAL BUILDING

PRAYER AND PLEDGE OF ALLEGIANCE

- I. CALL TO ORDER - Council President, John Rockhold
- II. ROLL CALL
- III. MINUTES – meeting held May 6, 2014
- IV. REPORTS FROM STANDING OR SPECIAL COMMITTEES
- V. MESSAGE FROM THE EXECUTIVE
- VI. PUBLIC FORUM
- VII. RESOLUTION
 1. Resolution authorizing Mayor Robert Newell to execute an application for an Emergency Shelter Grant for \$18,500.00 for Family Crisis Intervention. (Sponsored by Councilmen Reed, Rockhold, and Lynch)
 2. Resolution authorizing Mayor Robert Newell to execute an agreement with the Blennerhassett Island Historical State Park and Museum for parking at and about the Museum. (Sponsored by Councilmen Reed, Rockhold, Brown, Kelly, Carpenter, and Lynch)
 - 2a. Resolution authorizing Mayor Robert Newell to submit a grant request in the amount of \$3,000.00 for recycling. (Sponsored by Councilmen Rockhold, Reynolds and Reed)
- VIII. ORDINANCE, FINAL READING:
 3. An ordinance authorizing the Mayor of the City of Parkersburg to submit a Home Rule Application and Plan to the West Virginia Municipal Home Rule Board. (Sponsored by Councilmen Rockhold, Coram, Carpenter, Reynolds, Kelly, Lynch)
- X. ADJOURNMENT

Mayor Robert D. Newell



CITY OF PARKERSBURG
ONE GOVERNMENT SQUARE
P.O. BOX 1627
PARKERSBURG, WV 26102

OFFICE OF THE CITY CLERK

Connie Shaffer, CMC, MMC
304-424-8442
fax 304-424-8486
email: parkersburgclerk@parkersburg-wv.com
www.parkersburg-wv.com

CERTIFICATION

I, Connie Shaffer, City Clerk of the City of Parkersburg, West Virginia, do hereby certify that a public hearing was held on Tuesday, May 6, 2014 at 7:30 PM in the City Council Chambers on the second floor of the Municipal Building at One Government Square, Parkersburg, WV

The hearing was held with City Council's consideration of an ordinance on first reading authorizing Mayor Robert D. Newell to submit a Home Rule Application and Plan to the West Virginia Home Rule Board.

Dated this 15th day of May, 2014.



City Clerk

PUBLIC MANDATE VERIFICATION

**PUBLIC HEARING NOTICE
CITY OF PARKERSBURG,
WEST VIRGINIA
HOME RULE PROGRAM**

Notice is hereby given by City Council of the City of Parkersburg, WV, that it will hold a public hearing on Tuesday, May 6, 2014 at 7:30 p.m. at the Parkersburg Municipal Building (City Council Chambers - 2nd Floor), located at One Government Square, Parkersburg, WV 26101. The purpose of this public hearing is to discuss the City of Parkersburg's proposed Home Rule written plan and application. This information will be utilized by the City of Parkersburg in its application to the State of West Virginia's Home Rule Program.

The City of Parkersburg's proposed Home Rule written plan and application will be made available for review in the Office of the City Clerk, Finance Department and Development Department, located in the Parkersburg Municipal Building, One Government Square, Parkersburg, WV 26101, beginning April 4, 2014, Monday through Friday, between the hours of 8:00 a.m. and 4:30 p.m.

All interested citizens are invited to attend the public hearing scheduled on May 6, 2014 at 7:30 p.m. in the City Council Chambers to discuss the City's written plan and application. Written comments may be addressed to

the City Clerk of the City of Parkersburg, One Government Square, Parkersburg, WV 26101.

The first reading of the ordinance approving the City of Parkersburg's Home Rule plan and application will be held at the regularly scheduled Parkersburg City Council meeting on Tuesday, May 6, 2014 at 7:30 p.m. in the Parkersburg Municipal Building (City Council Chambers - 2nd Floor). A second reading on the City's plan and application will be held on May 20, 2014 at the same time and location.

Apr 4, 11

.....MARY J BUCK.....

Being first duly sworn, says that the

"PUBLIC HEARING NOTICE".....

Hereto attached was printed in the

..XX...The Parkersburg News and Sentinel,

.....The Marietta AM,

A daily newspaper published in the City of Parkersburg, Wood County, West Virginia, for ...TWO..... successive Week(s), the first publication and posting thereon being on the ...4TH..... day of ...APRIL..... 2014., and subsequent publication on the11TH..... day (s) ...APRIL..... 2014....

Printer's Fee S....83.04...

Notarized Signature S.....2.00...

Additional Copy Fee S.....

Total Due: S.....85.04...

By: *Mary J Buck*

Subscribed and sworn to before me this

11th day of *April*..... 20*14*.

Melani Zyla
.....
Notary Public for Wood County, West Virginia

My commission expires*3-23-24*.....

Legal Advertisement

I am the City Clerk of the City of Parkersburg, One Government Square, Parkersburg, WV 26101.

The first reading of the ordinance approving the City of Parkersburg's Home Rule plan and application will be held at the regularly scheduled Parkersburg City Council meeting on Tuesday, May 6, 2014 at 7:30 p.m. in the Parkersburg Municipal Building (City Council Chambers - 2nd Floor). A second reading on the City's plan and application will be held on May 20, 2014 at the same time and location.



ATTORNEY'S OPINION

Mayor Robert D. Newell



CITY OF PARKERSBURG
ONE GOVERNMENT SQUARE
P.O. BOX 1627
PARKERSBURG, WV 26102

April 28, 2014

Members of the West Virginia Municipal Home Rule Board

Dear Members:

I have in accordance with West Virginia State Code §8-1-5a reviewed the City of Parkersburg's Application and written Proposed Home Rule Plan and find as follows:

1. The Plan does not contain any changed to any ordinances, acts, resolutions, rules or regulations that are contrary to or in contravention of the following:
 - a. The Constitutions of the United States or West Virginia;
 - b. Federal Law or crimes and punishment;
 - c. Chapters Sixty –a (§§60A-1-101 et seq), sixty-one (§§61-1-1 et seq) or sixty-two (§§62-1-1 et seq) of the West Virginia Code or State crimes and punishments;
 - d. Pensions or retirement plans;
 - e. Annexation;
 - f. Taxation other than a proposed 1% Municipal Tax with a reduction in the City Business and Occupation Tax as permitted by the Home Rule Laws;
 - g. Tax increment financing;
 - h. Extraction of natural resources;
 - i. Persons or property outside the boundaries of the City of Parkersburg;
 - j. Marriage and divorce laws;
 - k. Restricting the carrying of a firearm; or
 - l. An occupation tax, fee or assessment payable by a non-resident of the City.

Respectfully submitted,

Joseph T. Santer, City Attorney
City of Parkersburg

JTS/kg



STATE OF WEST VIRGINIA
State Tax Department, Excise and Support Unit
1001 Lee St. East
Charleston, WV 25301



Earl Ray Tomblin, Governor

Mark W. Matkovich, Tax Commissioner

CITY OF PARKERSBURG
PO BOX 1627
PARKERSBURG WV 26102-1627

Letter Id: L1728291392
Issued: 05/27/2014

**West Virginia State Tax Department
Statement of Good Standing**

EFFECTIVE DATE: May 27, 2014

A review of tax accounts indicates that the above named taxpayer is in good standing as of the effective date of this document.

The issuance of this Statement of Good Standing shall not bar any audits, investigations, assessments, refund or credits with respect to the taxpayer named above and is based only on a review of the tax returns and not on a physical audit of records.

Sincerely,

Timothy J. Wells, Tax Unit Supervisor
Excise and Support Unit
Tax Account Administration Division