

MUNICIPAL HOME RULE  
PILOT PROGRAM

City of Huntington

2017  
PROGRESS  
REPORT

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 Pilot 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 December 1, 2017, by emailing Courtney Shamblin at [courtney.d.shamblin@wv.gov](mailto:courtney.d.shamblin@wv.gov), West Virginia Department of Revenue, West Virginia Home Rule Pilot Program, State Capitol Complex, Building 1, Room W-300, Charleston, West Virginia 25305, 304-558-3356.

<b>A. General Information</b>	
Name of Municipality: City of Huntington, WV	
Certifying Official: Mayor Steve Williams	Title: Mayor
Contact Person: Kathy Moore	Title: Finance Director
Address: PO Box 1659	
City, State, Zip: Huntington, WV 25717	
Telephone Number: 304-696-5520 x2022	Fax Number:
E-Mail Address: moorek@cityofhuntington.com	
2016 Estimated Census Population: 48,113	
<b>B. Municipal Classification</b>	
<input type="checkbox"/> Class I <input checked="" type="checkbox"/> Class II <input type="checkbox"/> Class III <input type="checkbox"/> Class IV	
<b>C. Pilot Program Entry Phase</b>	
<input checked="" type="checkbox"/> Phase I (2007 Legislation) <input type="checkbox"/> Phase II (2014 Legislation) <input type="checkbox"/> Phase III (2015 Legislation)	
<b>D. Attest</b>	
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
	11/27/2017 Date

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

<b>Initiative: Fire Damage Insurance Proceeds</b>			
Category of Issues Addressed (check all that apply)			
<input checked="" type="checkbox"/> Organization	<input checked="" type="checkbox"/> Administration	<input type="checkbox"/> Personnel	<input type="checkbox"/> Other
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? November 2008			
If no, please describe challenges faced in enacting the related ordinance(s)			
<p><b>SUCSESSES</b> – In the space below, please provide a brief narrative highlighting 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><b>LESSONS LEARNED</b> – 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>			

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<b>Initiative: Increased Capacity To Collect City Fees/Taxes</b>			
Category of Issues Addressed (check all that apply)			
<input checked="" type="checkbox"/> Organization	<input checked="" type="checkbox"/> Administration	<input type="checkbox"/> Personnel	<input type="checkbox"/> Other
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><b>SUCSESSES</b> – In the space below, please provide a brief narrative highlighting 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, however, approximately 100% of the requests for payoff made in fourth quarter of 2016 and approximately 99% for all four quarters of 2017 were paid in full.</p> <p>The City has collected under Art.77.12-14 and under 773.15.</p>			
<p><b>LESSONS LEARNED</b> – 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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<b>Initiative: Land Bank Fast Track Authority (page 1 of 3)</b>			
Category of Issues Addressed (check all that apply)			
<input checked="" type="checkbox"/> Organization	<input checked="" type="checkbox"/> Administration	<input type="checkbox"/> Personnel	<input type="checkbox"/> Other
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? 2009			
If no, please describe challenges faced in enacting the related ordinance(s)			
<p>The initiative was enacted in 2009, but the right of first refusal has been held and unused as the result of an injunction proceeding that was filed soon after approval was given by the Home Rule Board. The new 2017 statute appears to render the injunction moot, because it statutorily permits the use of the right of first refusal.</p>			
<p><b>SUCSESSES</b> – In the space below, please provide a brief narrative highlighting successes realized through the implementation of this initiative and any metrics used to track performance.</p> <p>Operating under the umbrella of the Huntington Urban Renewal Authority, the land bank has worked to acquire delinquent properties and return them back into productive use, through new construction, redevelopment, and rehabilitation of structures, side yard expansions, community gardens, and added green space. The Land Bank currently holds title to 158 properties and have returned an additional 159 properties back into productive use. With no special provisions, the Land Bank was able to acquire properties through the county and state tax sales for Huntington Development Corporation in the construction of a new forty unit senior complex and partnered with Huntington Area Habitat for Humanity in its Veteran Housing Initiative, where the Land Bank purchased from the county and state tax sales, seven lots that turned in to five new construction homes for homeless Veterans, in addition to securing space for the newly renovated Habitat Storage Facility. West Virginia State University has also partnered with the Land Bank with creative ideas for turning vacant spaces into vibrant places. Through the SCRATCH (Sustainable Community Revitalization in Appalachia Though Children’s Hands) project, the Land Bank has a number of Community Gardens that teach local youth sustainable gardening. Many of their harvests have been sold at the local Farmer’s Market in Huntington’s West End.</p> <p>Another major success was the passage of SB 579, which creates the West Virginia Land Reuse Agency Authorization Act. Under this act, any municipality, county, or combination of these has the authority to create a land reuse agency (Land Bank) and SB 2109, which builds on SB 579, but gives Land Banks right of first refusal to delinquent properties in the county tax sales that have an appraised value of twenty-five thousand dollars and under, as well as any properties that were condemned and deemed unsafe.</p>			

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<b>Initiative: Land Bank Fast Track Authority Cont'd (page 2 of 3)</b>			
Category of Issues Addressed (check all that apply)			
<input checked="" type="checkbox"/> Organization	<input checked="" type="checkbox"/> Administration	<input type="checkbox"/> Personnel	<input type="checkbox"/> Other
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
If yes, when was the ordinance enacted?			
If no, please describe challenges faced in enacting the related ordinance(s)			
<p><b>SUCSESSES CONT'D</b> – In the space below, please provide a brief narrative highlighting successes realized through the implementation of this initiative and any metrics used to track performance.</p> <p>Vacant abandoned and tax delinquent properties are not only an issue in Huntington, but an issue with our state and nation. In early 2017 the Huntington Urban Renewal Authority (HURA) and its statewide partners, including the West Virginia Community Development Hub (the Hub), and the Brownfields Assistance Center at WVU, received a Technical Assistance Scholarship from the Center for Community Progress, who are experts in the realm of Land Banks and problem properties, to examine the sale of property tax debt and the economic and human cost of vacancy. Recent interviews and surveys taken from West Virginia residents and leaders indicate that vacant and abandoned properties impose costs including police, fire, public works, demolition, loss of property value in surrounding properties, and costs to neighborhood morale and hope. Studies found that property tax delinquency and vacancy do indeed correlate in West Virginia.</p> <p>The goal of the land bank is to improve our community by putting viable properties and land into the ownership of those individuals and groups that will enhance them. By purchasing delinquent tax liens and offering the subsequent properties for sale through the Land Bank, the goal is to create a vehicle that allow all of Huntington to benefit. Properties that have been abandoned now have a purpose.</p>			
<p><b>LESSONS LEARNED</b> – 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>With the creation of the Land Bank, we are able to capture forgotten properties and make them productive again. One major hurdle is bidding with/against out of state investors who have no intentions in investing in our state. The full right of first refusal that was granted to the land bank was challenged in circuit court and the injunction issued has hampered our efforts in acting as a true Land Bank to survive. Maintaining vacant and abandoned properties come with a high cost and without necessary tools the costs are felt throughout. Property values decrease, police and fire increase and beautification efforts are limited. Huntington’s land bank has proven its value, but lacks necessary revenue streams that other states allow to function properly and fulfill its mission.</p>			

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<b>Initiative: Land Bank Fast Track Authority Cont'd (page 3 of 3)</b>			
Category of Issues Addressed (check all that apply)			
<input checked="" type="checkbox"/> Organization	<input checked="" type="checkbox"/> Administration	<input type="checkbox"/> Personnel	<input type="checkbox"/> Other
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
If yes, when was the ordinance enacted?			
If no, please describe challenges faced in enacting the related ordinance(s)			
<p><b>SUCSESSES</b> – In the space below, please provide a brief narrative highlighting successes realized through the implementation of this initiative and any metrics used to track performance.</p>			
<p><b>LESSONS LEARNED CONT'D</b> – 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 system under which the Huntington Land Bank is required to compete still privatizes profits and socializes losses. The essential question is what is the purpose of the tax sale? If the basic purpose is to assure that the state received the taxes owed on a property, there should be no objection in providing a publicly organized Land Bank the right of first refusal on all properties, not just those limited to twenty-five thousand and under, which usually require demolition. Legislative reform is desperately needed in order to continue our mission. West Virginians recognize the need for intervention to mitigate the negative impacts of vacant and abandoned property on their neighborhoods, and many want to be involved in the solutions.</p>			

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

<b>Initiative: Municipal Occupation Tax/Municipal Sales – Use Tax</b>																																		
Was this 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? 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&amp;O tax on Manufacturing and lower in half the B&amp;O tax on Retail and Service businesses. The implementation was smooth and there have been no problems with its implementation. All zip code files were provided to the State Tax Department by the City and collections 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 and state sales tax on one form.</p> <table border="1"> <thead> <tr> <th>Revenue</th> <th><u>FY 2012</u></th> <th><u>FY 2013</u></th> <th><u>FY 2014</u></th> <th><u>FY 2015</u></th> <th><u>FY 2016</u></th> <th><u>FY 2017</u></th> </tr> </thead> <tbody> <tr> <td>B&amp;O</td> <td>16,112,357</td> <td>13,214,365</td> <td>14,633,997</td> <td>13,951,387</td> <td>14,108,095</td> <td>13,126,547</td> </tr> <tr> <td>Sales Tax</td> <td>2,225,745</td> <td>6,531,591</td> <td>6,942,983</td> <td>5,924,935</td> <td>6,503,578</td> <td>6,637,592</td> </tr> <tr> <td>Total</td> <td>18,338,102</td> <td>19,745,956</td> <td>21,576,980</td> <td>19,876,322</td> <td>20,611,673</td> <td>19,764,139</td> </tr> </tbody> </table> <p>The B&amp;O Tax has decreased, as planned, on average by \$2.5 million and sales tax has off-set the decrease and provided a net revenue increase of approximately \$1.5 million. However projecting ahead, we anticipate B&amp;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>							Revenue	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	B&O	16,112,357	13,214,365	14,633,997	13,951,387	14,108,095	13,126,547	Sales Tax	2,225,745	6,531,591	6,942,983	5,924,935	6,503,578	6,637,592	Total	18,338,102	19,745,956	21,576,980	19,876,322	20,611,673	19,764,139
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<p>SUCCESSSES – 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&amp;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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<b>Initiative: Alternative Enforcement of External Sanitation &amp; Common Nuisances</b>			
Category of Issues Addressed (check all that apply)			
<input checked="" type="checkbox"/> Organization	<input checked="" type="checkbox"/> Administration	<input type="checkbox"/> Personnel	<input type="checkbox"/> Other
Was this non-tax initiative a part of your original plan application <input type="checkbox"/> or a plan amendment <input checked="" 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? Adopted May 23, 2013			
If no, please describe challenges faced in enacting the related ordinance(s)			
<p><b>SUCSESSES</b> – In the space below, please provide a brief narrative highlighting 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><b>LESSONS LEARNED</b> – 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>			

