

WEST VIRGINIA MUNICIPAL HOME RULE BOARD

MEETING MINUTES

FRIDAY, SEPTEMBER 24, 2010

A meeting of the West Virginia Municipal Home Rule Board was held at 1:30 p.m. on Friday, September 24, 2010, at the State Capitol Complex in Charleston, West Virginia.

The following members were present:

Chris Fletcher, Member
Brian Jones, Member
Floyd (Kin) McKinley Sayre III, Member
Jim Morgan, Member
Emmett S. Pugh III, Member (designee for the Honorable Joe Manchin III)

The following members were absent:

Jon Amores (designee for Development Office Executive Director Kelley Goes)
Edwin Bowman, Member

Others present:

Jim Backus, WSAZ-TV
Bryan Chambers, Herald Dispatch
Carrie Cline, WSAZ-TV
Lisa Dooley, West Virginia Municipal League
Susan Economou, City of Charleston
Paul Ellis, City of Charleston
Kim Haws, City of Bridgeport
Charles Holley, City of Huntington
Brandi Jacobs-Jones, City of Huntington
Mark Matkovich, West Virginia Municipal League
Scott McClure, City of Huntington
Mark Morton, West Virginia Tax Department
Mark Muchow, West Virginia Department of Revenue
Kimberly Osborne, West Virginia Department of Revenue
Jason Pizatella, West Virginia Department of Revenue
Deron Runyon, City of Huntington
Steve Thompson, West Virginia Legislature
Kim Wolfe, City of Huntington

The meeting was called to order by Chair Emmett Pugh. It was reported that notice of the meeting was lawfully given, a quorum was present, and the meeting was convened.

A motion was made by Kin Sayre to approve the minutes of the Thursday, June 17, 2010, meeting. The motion was seconded by Chris Fletcher and unanimously approved. Member Jim Morgan abstained from voting.

Chair's Report

The chairman did not give a formal report.

Old Business

No old business was discussed.

New Business

The group received progress reports from the cities of Bridgeport, Charleston and Wheeling. These documents are included as part of the official meeting minutes.

In addition, Kim Haws advised the membership of Bridgeport's desire to amend their original home rule application allowing the city to initiate a referendum creating educational facilities fees for the enhancement (maintenance, improvement and replacement) of public school facilities within the corporate limits of the City of Bridgeport. In addition, the city would establish a method for Bridgeport and the Harrison County Board of Education to work cooperatively mitigating the impact of development on public school facilities within the city. Bridgeport's final public meeting to pass an ordinance creating the amended home rule application on second reading is slated on October 25. The deadline for filing a facilities needs application with the West Virginia School Building Authority is November 1.

The members agreed to schedule a special Board meeting (between October 26 and October 29), if needed, to accommodate Bridgeport's timeline requirements. Mr. Haws was reminded that any requested changes to Bridgeport's Home Rule Plan must first be approved by the Bridgeport City Council in the same manner that the city's original plan was approved and should include the appropriate affidavits and attorney opinion stating that the application complies with statutory requirements.

Prior to considering the City of Huntington's amended home rule plan, the chair explained that the Board received numerous communications opposing the amended application and a few messages supporting the plan. Additionally, the chair informed the audience that the

Board has remained steadfast and consistent in past consideration of amendments to the home rule plan applications.

Next, various representatives from the City of Huntington presented their amended home rule plan. It was duly noted by Ms. Brandi Jacobs-Jones that a public hearing was held on September 16. The first reading of the ordinance authorizing submission of the amended plan was completed at the Huntington City Council meeting on September 13. The second reading of the ordinance was held on September 23.

The Board devoted considerable discussion to the proposed tax amendments. Specific questions were asked by members concerning constitutionality, revenue impact estimates, implementation costs, self employment tax, enforcement and compliance, adjusted gross income, user fee revenue, etc. Equally important, a discussion ensued regarding the legal implications and status of the home rule program now and after 2013.

Mark Muchow described the West Virginia Tax Department as a "neutral party." As outlined in correspondence to the Board dated September 22, 2010, he also assured the group that the Tax Department has the capacity to administer the tax reform as proposed by the City of Huntington. Estimated costs incurred by the Tax Department would be \$2.9 million. The Revenue Department would map out tax rates and jurisdiction based on zip codes.

In view of the present concerns, a motion was made by Kin Sayre to table the proposed occupation tax and consumer sales/service/use tax and allow the City of Huntington to provide certification that their proposed amendment is constitutional, specifically dealing with the proposed deductions, exemptions and add backs as well as the statutory requirements identified in the West Virginia Code §8-1-5a entitled the West Virginia Home Rule Pilot Program, and requiring a more detailed feasibility study for the proposed sales/service/use tax. After clarification, the motion was seconded by Chris Fletcher and unanimously approved. Member Jim Morgan abstained from voting.

Furthermore, a motion was made by Kin Sayre that the amendments regarding the Land Bank Fast Track Authority (not forcing agencies to give the City of Huntington right of first refusal) and the elimination of the Local Options for Addressing Fire Damage to Residential/Commercial Structures be accepted as presented. It is noted that the West Virginia Legislature passed legislation in 2010 eliminating the need for the Fire Damage issue in the amended home rule plan. The motion was seconded by Brian Jones and unanimously approved. Member Jim Morgan abstained from voting.

Adjournment

With no further business, a motion was made to adjourn the meeting. The motion was seconded and the meeting was adjourned at 3:00 p.m.