

WEST VIRGINIA MUNICIPAL HOME RULE BOARD

MEETING MINUTES

FRIDAY, APRIL 19, 2013

A meeting of the West Virginia Municipal Home Rule Board was held at 10:00 a.m. on Friday, April 19, 2013, at the State Capitol Complex in Charleston, West Virginia.

The following members were present:

Chris Fletcher, Member
Joshua Jarrell (designee for Development Office Executive Director Keith Burdette)
Patsy Trecost II (designee for the Honorable Earl Ray Tomblin)

The following members participated by conference call:

Brian Jones, Member
Floyd (Kin) McKinley Sayre III, Member

The following members were absent:

Jim Morgan, Member
Herb Snyder, Member

Others present:

Susan Economou, City of Charleston
Paul Ellis, City of Charleston
Danny Jones, City of Charleston
Charles Lorensen, West Virginia Department of Revenue
David Molgaard, City of Charleston
Dale W. Steager, Spilman Thomas and Battle
Steve Thompson, West Virginia House of Delegates (staff)

The meeting was called to order by Chair Trecost. 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 Chris Fletcher to approve the minutes of the Thursday, September 15, 2011, meeting. The motion was seconded by Joshua Jarrell and unanimously approved.

Chair's Report

The chairman did not give a report.

Old Business

No old business was discussed.

New Business

The group received a progress report from the City of Bridgeport. Also, furnished to the membership from the City of Huntington was a "draft" amendment to their original application, which will formally be presented to the Board sometime in late May or early June.

Officials from the City of Charleston presented an amendment to their original plan proposing the enactment of a 0.5 percent municipal consumer sales/use tax utilizing the same tax base upon which the State's consumer sales and use taxes are imposed; the new tax will also model established state exemptions. Additionally, Charleston proposes to eliminate the B&O tax for manufacturing businesses and to reduce the B&O tax for retail businesses from 0.5 percent to 0.35 percent. The City of Charleston indicated it intends to revise this number to 0.40 to offset additional costs imposed by the West Virginia Department of Revenue under House Bill 105. Revenue generated from the new sales/use tax will help meet bond debt service for improvements to the Charleston Civic Center, as well as recapture lost revenue resulting from the proposed B&O tax cuts.

The administration, enforcement, and collection of these tax changes will be coordinated by the West Virginia Department of Revenue at a fee of not more than 5 percent of gross collections; the fee covers reasonable associated costs. Further, the City of Charleston agrees to comply with future promulgated rules as provided by House Bill 105 of the West Virginia Legislature.

Accordingly, Secretary Charles Lorensen of the West Virginia Department of Revenue affirmed the aforementioned collaboration verbally and in correspondence addressed to the Home Rule Board dated April 18, 2013.

As discussion ensued, Board Member Chris Fletcher expressed his concern that the rules associated with House Bill 105 be developed as soon as possible. Obviously, the municipalities have a vested interest in the final outcome as the home rule application deadline approaches.

Thus, Secretary Lorensen briefly explained that the West Virginia Legislature sets the deadline for filing proposed legislative rules, which is normally sometime in August. Meanwhile, he noted that the Department of Revenue will seek external and legislative input prior to that August time frame. He further advised that a public comment period of 30 days after such filing is standard protocol.

With no further discussion, a motion was made by Kin Sayre to approve the amended application as presented by the City of Charleston. The motion was seconded by Chris Fletcher. A roll call vote was taken: Fletcher – Yes; Jarrell – Yes; Jones – Yes; Sayre – Yes; Trescott – No. The members voted 4-1 in favor of the amendment.

Adjournment

Members tentatively agreed that the next regularly scheduled meeting would be held on Friday, May 24 in Clarksburg at the City Hall. With no further business, a motion was made by Chris Fletcher to adjourn the meeting. The motion was seconded and the meeting was adjourned at 11:15 a.m.