

MUNICIPAL HOME RULE
PILOT PROGRAM

Parkersburg, WV

2015
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, 2015 by emailing Debbie Browning at debbie.a.browning@wv.gov, West Virginia Development Office, West Virginia Home Rule Pilot Program, State Capitol Complex, Building 6, Room 553, Charleston, West Virginia 25305-0311, 304-558-2234.

A. General Information		
Name of Municipality: City of Parkersburg		
Certifying Official: James E. Colombo	Title: Mayor	
Contact Person: Rickie Yeager	Title: Development Director	
Address: One Government Square		
City, State, Zip: Parkersburg, WV 26102		
Telephone Number: 304.424.8415	Fax Number: 304.424.8416	
E-Mail Address: rickie.yeager@parkersburgwv.gov		
2010 Census Population: 31,492		
B. Municipal Classification		
<input type="checkbox"/> Class I	<input checked="" type="checkbox"/> Class II	<input type="checkbox"/> Class III
<input type="checkbox"/> Class IV		
C. Pilot Program Entry Phase		
<input type="checkbox"/> Phase I (2007 Legislation)	<input checked="" type="checkbox"/> Phase II (2014 Legislation)	<input type="checkbox"/> Phase III (2015 Legislation)
D. 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.		
James E. Colombo, Mayor		12/1/2015
Type Name of Certifying Official	Signature of Certifying Official	Date

Initiative: Streamline the Development Review Process

Category of Issues Addressed (check all that apply)

Organization

Administration

Personnel

Other

Was this non-tax initiative a part of your original plan application? Yes

Has the ordinance(s) needed to implement this initiative been enacted?

Yes

No

If yes, when was the ordinance enacted?

If no, please describe challenges faced in enacting the related ordinance(s)

This non-tax related initiative has not been implemented, because the City's Administration changed in June 2015 and the current Administration has been focused on other projects. They include remediating slum and blighted property with a \$500,000 loan from the WV Housing Development Fund and adjusting the City's B&O tax reduction schedule from January 1, 2016 to July 1, 2015.

SUCSESSES – 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.

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.

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.

Initiative:		
Was this tax initiative a part of your original plan application? Yes		
Has the ordinance(s) needed to implement this initiative been enacted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<p>If yes, when was the ordinance enacted?</p> <p>Article 778: Consumer Sales and Use Tax was enacted on December 16, 2014 with an effective date of July 1, 2015. Subsequently, the City's plan to reduce and/or eliminate Business and Occupation Taxes (Article 779: Business and Occupation Tax) was approved by Parkersburg City Council on January 13, 2015. After receiving comment from the Home Rule Pilot Program Board and an advisory opinion from the West Virginia Attorney General's Office, further amendments were made to Article 779 so as to be in compliance with the enabling legislation. These revisions were approved by Parkersburg City Council on final reading on July 28, 2015 (please see attachment).</p>		
<p>If no, please describe challenges faced in enacting the related ordinance(s)</p> 		
<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>A one percent sales tax was implemented on July 1, 2015 per Parkersburg City Ordinance O-1500. Since the tax was implemented, the City has received one remittance check from the State of West Virginia Tax Department in the amount of \$831,313.09. This payment was for sales tax collected during the third quarter of 2015. In accordance with the enabling legislation, the City eliminated and/or reduced Business and Occupations Taxes on the following categories:</p>		
Category:	Previous Rate:	Current Rate:
Manufacturing	0.20	0.00
Retail/Restaurants	0.40	0.28
Electric, Light, and Power (on sales and demand charges for domestic purposed and commercial lighting)	3.60	0.00
Electric, Light, and Power (on sales and demand charges for all other purposes)	2.80	0.00
Public Utilities – Natural Gas (on sales and demand charges for all other purposes)	2.35	0.00
<p>As a result, the City lost \$550,000 in B&O taxes during the same time period. To date, the implementation of the City's sales tax and subsequent reduction and/or elimination of B&O taxes has had a net revenue gain of \$281,313.</p>		

SUCSESSES – 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.

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.

The City had initially planned to reduce B&O taxes on January 1, 2016. After receiving some questions from the Home Rule Pilot Program Board and an advisory opinion from the West Virginia Attorney General's Office, the City revised its plan so the implementation of the City's sales tax would simultaneously coincide with a reduction in B&O taxes. As such, the City had to revise its budget for fiscal year 2015-2016.

Mayor James E. Colombo



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

CERTIFICATION

I, Connie Shaffer, City Clerk of the City of Parkersburg, West Virginia, do hereby certify that the attached is a true and accurate copy of a resolution adopted by Parkersburg City Council on the 28th day of July, 2015.

Dated this 26th day of August, 2015.

Connie Shaffer
City Clerk

CITY SEAL

AN ORDINANCE AMENDING AND REINACTING PORTIONS OF
ARTICLE 779: BUSINESS AND OCCUPATION TAXES IN THE
CITY OF PARKERSBURG

WHEREAS, the West Virginia Home Rule Board recently sought clarification from the West Virginia Attorney General as to whether the State Legislature intended that municipal business and occupation tax rate reductions coincide with the effective date of any corresponding municipal sales tax.

WHEREAS, the said Attorney General subsequently issued an opinion that said B&O reduction must indeed coincide with the implementation of the said municipal sales tax; and

WHEREAS, the City of Parkersburg desires to be in full compliance with the law and therefore with the said Home Rule Board.

075
NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE CITY COUNCIL OF THE CITY OF PARKERSBURG THAT the Business and Occupation Tax rates, per \$100 of taxable income for the following business classifications be amended and the new rates described herein shall take effect retroactively to and including July 1, 2015.

<u>Business Classification</u>	<u>Current Rate (per \$100)</u>	<u>Proposed Rate (per \$100)</u>
Manufacturing	0.20	0.00
Retailers/Restaurants	0.40	0.28
Electric, Light and Power (on sales and demand charges for domestic purposes and commercial lighting)	3.60	0.00
Electric, Light and Power (sales and demand charges for all other purposes)	2.80	0.00
Public Utilities-Natural Gas	2.35	0.00

See attached Sections 779.04 (Manufacturing); Section 779.05 (Retailers/Restaurants); and Section 779.06 (Public Utilities), and which are made a part thereof.

Sponsored by Councilmen:

14
0-1512

Ord. amending and re-enacting
Article 779 by making new lower
rates effective July 1, 2015.

Adopted first reading July 14, 2015

Adopted final reading July 28, 2015



Jimmy Colombo, Mayor

**779.04 MANUFACTURING, COMPOUNDING OR PREPARING PRODUCTS;
PROCESSING OF FOOD EXCEPTED.**

There shall be levied upon every person engaging or continuing within the City in the business of manufacturing, compounding or preparing for sale, profit or commercial use, either directly or through the activity of others in whole or in part, any article or articles, substance or substances, commodity or commodities, newspaper publishing (including all gross income or proceeds of sale from circulation and advertising), except electric power produced by public utilities or others, the amount of the tax to be equal to the value of the article, substance, commodity or newspaper, manufactured, compounded or prepared for sale, as shown by the gross proceeds derived from the sale thereof by the manufacturer or person compounding or preparing the same, except as otherwise provided, multiplied by a rate of ~~twenty-one hundredths of one~~ zero (0%) percent. The measure of this tax is the value of the entire product manufactured, compounded or prepared in the City for sale, profit or commercial use, regardless of the place of sale or the fact that deliveries may be made to points outside the City. The value of electricity generated by persons taxed under the provisions of this section, which electricity is directly used by such persons in the business of manufacturing and not sold or otherwise transferred or transmitted to others, shall be exempt from the imposition of any tax under this article. With respect to the manufacturing, compounding or preparing for sale of timber or timber products, the measure of this tax is the value of the entire timber product manufactured, compounded or prepared in the City for sale, profit or commercial use, regardless of the place of sale or the fact that deliveries may be made to points outside the City but such value shall not include the value of any timber or timber products used as ingredients, components or elements of such timber products. The dressing and processing of food by a person, firm, or corporation, which food is to be sold on a wholesale basis by such person, firm or corporation shall not be considered as manufacturing or compounding, but the sale of these products on a wholesale basis shall be subject to the same tax as is imposed on the business of selling at wholesale as provided in Section 779.05.

It is further provided, however, that in those instances in which the same person partially manufactures, compounds or prepares products within this City and partially manufactures, compounds or prepares such products outside of this City, the measure of his tax under this section shall be that proportion of the sale price of the product that the payroll cost of manufacturing within this City bears to the entire payroll cost of manufacturing the product; or, at the option of the taxpayer, the measure of his tax under this section shall be the proportion of the sales value of the articles that the cost of operations in this City bears to the full cost of manufacturing of the articles.

779.05 BUSINESS OF SELLING TANGIBLE PROPERTY; SALES EXEMPT.

(a) General Rule. Upon every person engaging or continuing within the City in the business of selling any tangible property whatsoever, real or personal, including the sale of food, and the services incident to the sale of food in hotels, restaurants, cafeterias, confectioneries and other public eating houses, except sales by any person engaging or continuing in the business of horticulture, agriculture or grazing, or of selling stocks, bonds or other evidence of indebtedness, there is likewise hereby levied and shall be collected, a tax equivalent to ~~forty-one hundredths of~~

~~one~~ twenty eight-hundredths of one percent of the gross income of the business, except that in the business of selling at wholesale, the tax shall be equal to fifteen one-hundredths of one percent of the gross income of the business.

(b) Finding and Treatment of Sales of Motor Vehicles to Nonresidents of West Virginia. Council finds that motor vehicles, by their nature, have acquired a unique and integral role in the functioning of our society so that, for purposes of this article, the situs of the use and ownership of a motor vehicle, immediately upon its transfer, shall be conclusively deemed to be either the residence or principal place of business of its owners. Accordingly, notwithstanding anything contained in this Article 779 to the contrary, "gross income" shall not mean or include the gross receipts derived from the sale of any motor vehicle, where the purchaser of such motor vehicle is not a resident of the State of West Virginia, and such motor vehicle will, upon its transfer, be immediately moved by the purchaser to its situs outside of the State of West Virginia. Provided, however, that the foregoing shall not be construed to exclude, from the definition of such term, the sale of any motor vehicle to a resident of the State of West Virginia.

779.06 PUBLIC SERVICE OR UTILITY BUSINESS.

(a) Upon any person engaging or continuing within the City in any public service or utility business, except railroad, railroad care, express, pipeline, telephone and telegraph companies, water carriers or steamboat or steamship and motor carriers, there is likewise hereby levied and shall be collected, taxes on account of the business engaged in equal to the gross income of the business multiplied by the respective rates as follows: electric light and power companies, ~~three and sixty one hundredths~~ zero percent (~~3.600%~~); on sales and demand charges for domestic purposes and commercial lighting, and ~~two and eighty one hundredths~~ zero percent (~~2.800%~~); on sales and demand charges for all other purposes; toll bridge companies, three percent (3%); natural gas companies, ~~two and thirty five hundredths~~ zero percent (~~2.350%~~); and upon all other public service or utility businesses, two percent (2%). The measure of this tax shall not include gross income derived from commerce between this State and other states of the United States or between this State and foreign countries. The measure of this tax under this section shall include only gross income received from the supplying of public services. The gross income of the taxpayer from any other activity shall be included in the measure of the tax imposed upon the appropriate section or sections of this article.

(b) There shall be exempt from the imposition of such tax all sales and demand charges for electric power and natural gas sold by a public service or utility business to a new manufacturing company locating, after the effective date of this section, within the corporate limits of the City and which manufacturing company employs a minimum of fifty on-site, full-time (40 hours per week) or full-time equivalent employees.

(c) It is the legislative intent of this section that such exemption be granted for the purpose of providing an incentive for new manufacturing companies to locate within the City and to create and maintain employment within the City.

