

# **Municipal Government Guideline to the Budget Process**



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Links: Local Government  
Municipal Forms and Documents

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## INTRODUCTION

The purpose of this guideline for West Virginia municipalities is to provide a narrative of the entire budget process including instructions of preparing the levy estimate-budget, budget monitoring, budget revisions and a calendar of events.

This guideline and the official Levy Estimate-Budget Document are available for download from our website, [www.wvsao.gov](http://www.wvsao.gov); Link: Local Government, Municipal Forms and Documents. The forms have been developed in Excel spreadsheet format. You must download the forms and save them onto your computer for preparation. Please retain the guideline for current and future reference.

A brief description of all words in *italic type* may be found in the Guideline's Glossary. All WV Code References at the end of a paragraph can be found in the Statutory Provisions section of this guide, or on the internet at the West Virginia State Legislature's webpage.

A municipal governing body is required to determine the fiscal condition of the municipality and make an itemized statement between March 7 and March 28. This statement which is commonly referred to as the *Levy Estimate – Budget Document* is submitted to the State Auditor for approval on or before March 28. *W. Va. Code § 11-8-9, § 11-8-14*

The meeting at which the municipality adopts the budget will stand adjourned until the 3rd Tuesday in April. During this time period, March 28 through the 3rd Tuesday in April, the State Auditor's Local Government Services Division will review the Levy Estimate – Budget Document for each of the 55 county commissions, 229 municipalities and the Schedule of Proposed Rates for each of the 55 boards of education. A notice is mailed to each entity notifying them of the State Auditor's approval or conditional approval of the budget. At the meeting on the 3<sup>rd</sup> Tuesday in April, with the written approval of the State Auditor, the municipal governing body will officially lay the levy. *W. Va. Code § 11-8-14a*

The recording officer will then forward the *levy order/rate sheet* within three days to the State Auditor. The *levy order/rate sheet* is similar to the levy page submitted in the Levy Estimate – Budget Document to the State Auditor for review and approval. The *levy order/rate sheet* submitted by the levying body is reviewed to ensure that it reflects the same rates that were approved by the State Auditor. An "approved" copy of the *levy order/rate sheet* is then forwarded to the county assessor by the State Auditor so that the assessor may enter the property tax rates into the statewide computer assisted assessment system and so that a property tax book may be printed. The assessor proofs the property tax books for errors and corrections are made. The final property tax books are printed and turned over to the sheriff by electronic media on or before June 7 so that the property tax statements may be printed and mailed to the taxpayer by July 15. The property tax collection process begins and the sheriff distributes the taxes collected to the levying body by the 10<sup>th</sup> of each month. *W. Va. Code § 11-8-14a, § 11-8-15*

In the early months of the fiscal year, the municipality may experience cash flow problems. Taxpayers receive a tax discount if their property taxes are paid on or before September 1<sup>st</sup> and March 1<sup>st</sup>. Many taxpayers do not pay their taxes until these dates so the tax distribution at the beginning and end of the fiscal year may be inadequate to cover monthly expenses. Without careful planning, the time frame associated with the collection and distribution of property taxes along with limited fund balances may result in cash flow problems for the entity.

**Levy Estimate-Budget Document and other required forms are provided by the State Auditor's Office in Excel Format. These forms are available through the Local Government link on the Auditor's website. *W. Va. Code § 11-8-18***

**Only current forms will be accepted by the Auditor's Office. All other forms will be returned.**

## Calendar of Events

### January

Regional workshops are conducted during January and February by the State Auditor to assist entities with preparation of the Levy Estimate-Budget.

Obtain the following data necessary to prepare the Levy Estimate – Budget for the coming fiscal year:

- Actual revenues and expenditures for last fiscal year
- Budgeted revenues and expenditures for current fiscal year
- Actual revenues and expenditures through December 31<sup>st</sup> of the current fiscal year
- Projected revenues for coming fiscal year
- Projected expenditures for coming fiscal year (See March 2)
- Projected budget and justifications for the Assessor's Valuation Percentage will be sent from the PVC for your review between 12/15 and 1/15
- Levy Estimate-Budget Document will be available online by January 31<sup>st</sup>

### February

Regional workshops are conducted by the State Auditor during January and February to assist entities with preparation of the Levy Estimate – Budget.

#### **Budget Information**

Budget information will be distributed no later than the first week in February.

#### **Special Excess Levies**

If you have a special excess levy, the approved Levy Order/Ordinance, sample ballot, and certified canvass of votes must be on file with the State Auditor before the rate for a special excess levy may be approved. *W. Va. Code § 11-8-16 and 17*

#### **Bond Debt Levy**

The Municipal Bond Commission shall render to each levying body having outstanding bonds a statement showing the amount to be raised by levy to pay the interest and principal on the outstanding bonds. *W. Va. Code § 13-3-6*

### March

#### **March 2:**

Department heads should file a detailed request for appropriation with the levying body, finance committee, finance director, recorder, or city clerk.

### **March 3: Certificates of Valuation & Rolled Back Value Forms**

The county assessor is required to certify the assessed value of real and personal property and the clerk is to certify the assessed value of public utility properties no later than March 3. *W. Va. Code § 11-3-6, §11-8-6e*

### **Public Hearings:**

Council's Notice of Public Hearing regarding regular levy rates when rate results in a tax increase of more than 1% plus a percentage to be dedicated to the assessor.

- At least seven (7) days prior to the date of each hearing, one (1) notice must be placed outside the section of the newspaper reserved for legal notices and classified advertisements, in a newspaper of general circulation.
- Also publish as a legal advertisement one (1) time each week for two (2) successive weeks in two (2) newspapers of opposite politics, where available (Class II-O legal advertisement). The publication area is in the county.
- Class IV Towns are not required to publish the notice of tax increase in the newspaper; however, the notice must be posted in four (4) prominent areas of the Town, including Town Hall.

### **March 7 – March 28: Budget Meetings:**

*W. Va. Code § 11-8-9* requires the governing body to hold a meeting or meetings between March 7 and March 28 to ascertain the fiscal condition of the municipality and make an itemized statement which makes up what is commonly referred to as the Levy Estimate – Budget Document. *W. Va. Code § 11-8-9*

EACH DEPARTMENT HEAD/ELECTED OFFICIAL SHOULD RECEIVE A COPY OF THEIR DETAILED REQUEST FOR APPROPRIATION OUTLINING THE AMOUNT COUNCIL HAS APPROVED FOR THE OPERATION OF THEIR OFFICE IMMEDIATELY AFTER THE COUNCIL ADOPTS THE BUDGET.

### **March 28 (On or Before): Budget Deadline**

The Levy Estimate – Budget should be submitted to the State Auditor's Local Government Services office for review no later than March 28.

## **April**

### **Third Tuesday in April: State Auditor's approval and laying of the property tax levy rates**

All levy estimates – budgets must be finally approved by the State Auditor's office no later than the 3rd Tuesday in April. Council will reconvene on the 3rd Tuesday in April to hear and consider any objections made orally or in writing by the prosecutor, State Auditor or his representative, or by any taxpayer of the county. Council shall consider the proposed original estimate and the proposed rates of levy and if the objections are well taken, council should correct the estimate and levy. "No such estimate and levy, however, shall be entered until the same shall have first been approved, in writing by the State Auditor." The recorder enters the estimate and levy, the order of the council's

approval, and the written approval of the State Auditor in the proper record book. *W. Va. Code § 11-8-14a*

**Within 3 days after the 3rd Tuesday: Recorder to forward order to the State Auditor**

Within three days the recorder will prepare, certify and forward the Levy Order & Rate Sheet to the State Auditor. The State Auditor's office reviews each order and certifies the property tax levy rates to the county assessor who immediately extends the taxes in the land and personal property books. The land and personal property books are then turned over to the sheriff not later than **June 7** so that tax statements may be prepared and the collection process may begin. *W. Va. Code § 11-8-15*

## **June**

**June 7: Property books; time for completing; extension of levies;**

Assessor turns property books over to sheriff so that the tax statements may be printed. *W. Va. Code § 11-3-19*

**June 15: Final Budget Revision for current fiscal year:**

The State Auditor must be in receipt of the final budget revision for the current fiscal year by June 15. This deadline date should better assure sufficient time to review, approve and return the request to the municipality before fiscal year end.

## **July**

**July 15: Coal Severance Fund budget revision**

The projected fund balance for July 1 shall be revised to actual by July 15. If the entity finds the fund balance was revised in error for whatever reason, the fund balance may be corrected with another revision after this date. *W. Va. Code § 11-13A-6*

**July 15: Notice of time and place for payment**

Mailing of tax statements; after July 15 the sheriff may begin tax collection process for the new fiscal year. *W. Va. Code § 11A-1-6*

**July 30: General Fund budget revision**

The projected fund balance for July 1 should be revised by July 30. If the entity finds that the fund balance was revised in error, for whatever reason, the fund balance may be corrected with another revision after this date.

## **August**

**August 10: Payment by sheriff to municipal and county board of education treasuries**

The county sheriff makes the first distribution of property taxes for the new fiscal year. The distribution should occur not later than the 10<sup>th</sup> day of each month. *W. Va. Code § 11A-1-15*



## **September**

### **Cities: Financial Statement due 90 days after beginning of each fiscal year**

**EVERY** City shall prepare a financial statement within ninety (90) days after the beginning of each fiscal year. The financial statement must be published as a Class I legal advertisement. The publication area is the municipality. *W. Va. Code § 8-13-23*

### **Towns and Villages: Financial Statement due 120 days after beginning of each fiscal year**

**EVERY** Town or Village shall prepare a financial statement within one hundred twenty (120) days after the beginning of each fiscal year. If the governing body so elects, they may also publish the financial statement as a Class I legal advertisement. *W. Va. Code § 8-13-23*

# Uniform Chart of Accounts

*Under Separate Cover*

The State Auditor is ex officio, the chief inspector and supervisor of public offices. The chief inspector is required to formulate, prescribe and install a system of accounting and reporting which is uniform for all municipal governments. *W. Va. Code § 6-9-2*

The Uniform Chart of Accounts is designed to provide a uniform and orderly list from which the municipality may select the accounts applicable to their own accounting records. The uniform chart of accounts for municipalities can be found on the West Virginia State Auditor's website.

**All account numbers are assigned by the State Auditor's Local Government Services Division.** Please note that any new revenue or expenditure accounts assigned during the fiscal year are automatically included in the Levy Estimate – Budget document that you receive each January. **If you need a new account number assigned for a particular purpose, please contact the State Auditor's Local Government Services Division.**

Each municipality is required to keep a separate accounting of each FUND. Each fund must have separate accounts with breakdown for each department and for each group of expenditures. The Uniform Chart of Account for cities follows guidelines set by Governmental Accounting Standards Board (GASB) for the proper classification of funds, departments and accounts in order to prepare the annual financial statements and budget. *W. Va. Code § 6-9-3*

## The Levy Estimate – Budget

Each municipality is required to hold a meeting or meetings **between the seventh (7<sup>th</sup>) and twenty-eighth (28<sup>th</sup>) days of March** to prepare a Levy Estimate – Budget Document. At this meeting the municipality must determine the following information and compile this into the budget forms:

1. The amount of account receivables and the amount of revenues that will be received and collected in the upcoming fiscal year (Fund balances, receivables and revenues)
2. The interest, sinking fund and amortization requirements for all bonds indebtedness legally incurred (Bond funds)
3. Other contractual indebtedness not bonded (Short and long-term liabilities)
4. All expenditures to be paid out of the receipts for the current fiscal year, with allowance for delinquent taxes, exonerations and contingencies (Expenditures, account payables, uncollectable taxes)
5. The amount necessary to be raised by each fund by the levy of taxes (Excess and Special Levies)
6. The proposed municipal levy in cents on each one hundred dollars assessed valuation of each class of property (Levy rates for municipalities)
7. The separate and aggregate amounts of the real, personal and public utilities properties in each class (Levy Page of budget)

Reference: *W. Va. Code §11-8-14*

The municipal governing body is to first determine the revenues available from all sources, **except for the levy of property taxes**; the amount of principal and interest due on bonded debt, the amount due on other contractual services and all other expenditures for the current year. Once all revenues and all expenditures for the current year have been ascertained, the corporation should then set the property tax rate for current expense at a level that allows them to balance the budget.  
*W. Va. Code §11-8-14*

## Revenue Projections – General Fund

Before the municipal governing body prepares the formal itemized statement (*Levy Estimate – Budget Document*) there is much work to be done as they determine the fiscal condition of the municipality and the financial needs and requirements of elected officials and department head. **(The Levy Estimate – Budget Document will hereafter be referred to as simply the Budget).**

In order to prepare the Budget for the coming fiscal year, the governing body should gather data relevant to revenue and expenditure patterns for at least the current and last fiscal year. The State Auditor prescribes and furnishes forms that allow for a systematic gathering of this information. They are:

- Revenue Projections
- Budget Proposal for Elected Officials/Department Heads

The format allows the entity to systematically pull together the actual revenues and expenditures for the last fiscal year, the budgeted revenues and expenditures for the current year, the actual revenues received and expenditures made through December 31 for the current year and the projected revenues and expenditures for the upcoming fiscal year. Municipalities using computer assisted financial programs have this type of data available on a historical basis.

At minimum, this information should be ascertained in an effort to support and document the formal Budget adopted by the governing body and submitted to the State Auditor for approval.

Examples of the type of revenues that may be reflected as part of the municipality's general fund are:

<u>Account Number</u>	<u>Description</u>
301-01	Ad Valorem Property Taxes-Current Year
303	Gas & Oil Severance Tax
304	Excise Tax on Utilities
305	Business & Occupation Tax
320	Fines, Fees & Court Cost
328	Franchise Fees
330	IRP Fees
380	Interest Earned
390	Bingo
397	Limited Video Lottery

Please review the Chart of Accounts for a complete listing of various revenue accounts. The Chart of Accounts also includes a brief description of the revenue type along with possible restrictions that may apply to the expenditure of such revenues. A review of the restrictions will assist in the preparation of the budget. A few revenues which are statutorily restricted are:

<u>Account Number</u>	<u>Description</u>
308	Hotel Occupancy Tax

Other revenues, while not technically restricted according to GASB, are limited in use to their intended purpose. A few revenues which are limited are:

<u>Account Number</u>	<u>Description</u>
350	Refuse Collection Fees
351	Police Protection Fees
352	Fire Protection Fees
355	Street Fees

#### **Account #299, Unassigned Fund Balance:**

In addition to estimating and classifying projected revenues for the upcoming fiscal year, the levying body must also project how much, if any, funds will be carried over from the current fiscal year to the new fiscal year. The carry-over is classified as an Unassigned Fund Balance, Account #299.

The proposed budget is published to inform the citizens of the financial position of the municipality. **Careful judgment** should be exercised when projecting the carry-over balance. It should reflect the actual amount that can conservatively be expected. **If a significant carry-over is projected, additional information should be submitted with the Budget which explains the reasons for the amount estimated.** Any Budget submitted with a negative carry-over balance should also be accompanied by a letter of explanation.

#### **Examples:**

An appropriation in **Account #369, Contributions from Other Funds**, requires the entity to provide supplementary information setting forth the type of funds being transferred, the purpose for the transfer, and the dollar amount being transferred if funds are being transferred from more than one fund.

Several revenue and expenditure accounts are either statutorily or administratively restrictive. An example of one type of analysis follows:

#### **Fee Accounts:**

Any fees collected to provide a municipal service must be budgeted to the appropriate expenditure account. For example, the following expenditure accounts must be at least equal to or greater than their revenue accounts:

**Revenue Account (Fees)****Account Number/Name**

351 Police  
 352 Fire  
 355 Streets

**Expenditures****Account Number/Name**

700 Police Department  
 706 Fire Department  
 750 Street Department

The expense associated with the administrative cost of billing and collection of municipal service fees is generally charged to Account #440, City Hall. For this reason, not more than 15% of the total fees collected may be used for administrative costs unless the entity can demonstrate that administrative costs exceed this allowance. Therefore, the expense account for any municipal service that is funded by a service fee should never be budgeted at less than 85% of the total fees collected. (100% - 15% Administrative Costs = 85%) *W. Va. Code § 8-13-13*

**Hotel Occupancy Tax:**

At least 50% of the revenue generated from this tax must be appropriated to Account #901 Visitor's Bureau. The remaining 50% must be appropriated to accounts associated with the culture and recreation category. *W. Va. Code §7-18-14*

**Account #399 Miscellaneous Revenue and Account #381 and #382 Reimbursement and Refunds** are examples of other accounts that are monitored with respect to the total amount projected for these purposes. Please remember that miscellaneous revenue is only that revenue generated which is not ongoing and/or cannot be properly classified under any other revenue account. Refunds and reimbursements should only include money received for overpayment or return of goods or services from external sources. **Revenues from the LG P-Card Program go under this account number.**

Please review the Uniform Chart of Accounts for a complete description of revenue and expenditure accounts which may be either statutorily or administratively restricted.

## COAL SEVERANCE TAX FUND BUDGET

Each municipality is to create a Coal Severance Tax Fund from the money distributed to the municipality from the additional tax on the severance, extraction and production on coal. Each municipality is required to prepare a budget for Coal Severance Tax Fund on or before March 28 for each year. *W. Va. Code §11-13A-6*

### Pertinent Points

1. **Separate Fund:** The levying body is required to establish a separate fund for the deposit of Coal Severance Tax revenue.
2. **Public Purpose:** Coal Severance Tax funds may be used for any public purpose.
3. The General Fund is the only fund that can use the classification #299 – Unassigned Fund Balance.
4. **Budget:** The levying body is required to adopt a Budget for Coal Severance Funds and submit the Budget to the State Auditor for approval on or before March 28 of each year.
5. **Fund Balance Budget Revision:** The projected fund balance shall be revised to actual fund balance by July 15. *W. Va. Code §11-13A-6(i)*

## Certificate of Valuation

Based on a statewide average, property tax revenue generally makes up approximately **12%** of the total funds available for current expense. Therefore, property tax revenue is an important revenue source. *(This percentage does not take into account the funds generated from special excess levies for specific purposes that are not included in the general fund nor does it consider revenue generated for bond levies).*

The county assessor is charged with the appraisal and assessment of real and personal property and the board of public works is charged with setting the value for public utility property. Public utility values are certified pursuant to *W. Va. Code § 11-6-13* to the county commission and the clerk of the county commission certifies the values to the levying body. Pursuant to *W. Va. Code § 11-3-6* the assessor will certify the value of all real and personal property and the clerk of the county commission will certify the public utility value to each levying body on or before March 3. In order to facilitate these certifications the assessor and the county clerk jointly certify values on a form prescribed and furnished by the State Department of Tax and Revenue. This form is commonly referred to as the Certificate of Valuation. The certification is addressed to the municipality and signed by both the county assessor and the county clerk. The amounts reported in the various columns include:

- A. **Total Assessed Value:** This column includes the total assessed valuation by class and purpose, including back tax property, new property and improvement values, incremental values and homestead exempt values.
- B. **All Other Exempt Property:** This column includes the assessment of any other exempt property such as churches and property owned by the municipal corporation.
- C. **Gross Assessed Value:** This is the amount of value reported in Column A plus the value reported in Column B. All other exempt property must be added to the total assessed value in Column A in order to determine the “gross assessed value” for the municipality.
- D. **Homestead Exempt Value:** This column breaks down the amount of value reported in Column A that is attributable to homestead exempt property values.
- E. **Assessed Value for Tax Purposes:** This column subtracts the amount reported in Column D from Column A. Homestead values must be deducted for tax purposes and budget purposes because the municipality will not generate tax revenues on homestead exempt values. Column E – Assessed Value for Tax Purposes are the values used on the **Levy Page** (page 3 of the Budget) to project the amount of taxes that will be available for general current expense.

The Certificate of Valuation reports the value by Classification of Property (real, personal and public utility) and by class of property (**Class I, Class II, Class III and Class IV**).



## Property Tax Levy Rates

Property tax levy rates are determined based on the values certified by the county assessor and county clerk. Generally speaking, West Virginia Constitution Article X, Section 1, **W. Va. Code § 11-8-6b, 6c and 6d** (current and bond levies), **§11-8-6e** (current and bond levies) and **§11-8-16** (excess levies) dictate the maximum levy rates available for current expense levies, bond levies and excess levies. The following chart outlines the maximum current and bonded debt rates as provided by the previous references for state, county, school and municipal levies:

Current & Bond Levies In Cents per \$100 of Assessed Valuation				
Purpose	Class I	Class II	Class III	Class IV
State	0.25	0.50	1.00	1.00
County Current	11.90	23.80	47.60	47.60
County Debt	0.25	0.50	1.00	1.00
District Debt	<u>2.15</u>	<u>4.30</u>	<u>8.60</u>	<u>8.60</u>
<b>Total County</b>	<b>14.30</b>	<b>28.60</b>	<b>57.20</b>	<b>57.20</b>
School Current	21.10	42.20	84.40	84.40
School Debt	0.35	0.70	1.40	1.40
Permanent Improvement	<u>1.50</u>	<u>3.00</u>	<u>6.00</u>	<u>6.00</u>
<b>Total School</b>	<b>22.95</b>	<b>45.90</b>	<b>91.80</b>	<b>91.80</b>
Municipal Current	11.50	22.00	XXX	44.00
Municipal Debt	<u>1.50</u>	<u>3.00</u>	<u>XXX</u>	<u>6.00</u>
<b>Total Municipal</b>	<b>12.50</b>	<b>25.00</b>	<b>N/A</b>	<b>50.00</b>
<b>Grand Total</b>	<b>\$ 0.50</b>	<b>\$ 1.00</b>	<b>\$ 1.50</b>	<b>\$ 2.00</b>

Municipalities have Class I, Class II and Class IV property rates and assessed values only. Currently there is a levy rate for class one property but no assessed values under this classification. Class III is a class of property for counties and boards of education only.

**Maximum Excess Levy Rates  
In Cents per \$100 of Assessed Valuation**

<b>Purpose</b>	<b>Class I</b>	<b>Class II</b>	<b>Class III</b>	<b>Class IV</b>
County Excess	7.15	14.30	28.60	28.60
School Excess	22.95	45.90	91.80	91.80
Municipal Excess	6.25	12.50	N/A	25.00

Reference: *W. Va. Code §11-8-16*

The property tax rates are applied to the values reflected on the Certificate of Valuation to determine the amount to be raised by the levy of taxes. Please note that levy rates should always be stated in a 1:2:4 ratio; that is the Class II rate is two (2) times the Class I rate and the Class III and Class IV rates are four (4) times the Class I rate. A brief explanation of the various types of levies available to municipal corporations follows:

**Bond Levy Rate**

A municipality may sell its bonds in accordance with the provisions of *W. Va. Code §13-1-1* et seq. for such purposes as acquiring, constructing and erecting, enlarging, extending, reconstructing or improving any building, library or museum, or a building or structure for educational purposes, or acquiring a recreation park, civic arenas, auditoriums, exhibition halls and theaters, in an amount not to exceed 2.5% of the total taxable assessed value of property. A municipality having three hundred inhabitants or more may issue bonds in an additional sum not exceeding 2.5% of the value of taxable property for the purpose of grading, paving, sewers, and otherwise improving or re-improving its streets and alleys, or for establishing and maintaining a library or museum for the public use, or a building or structure for educational purposes, or acquiring a recreation park for the public use, or for acquiring, constructing, furnishing, equipping and maintaining civic arenas, auditoriums, exhibition halls and theaters. A bond levy put before the voters must receive 3/5 of the votes cast in favor of the bond levy. A bond levy may not extend for more than 34 years. The levy rate must be deducted from the rate available for current expense pursuant to **W. Va. Code §11-8-6b** (reference the annotations of this Code Section). Any municipality interested in bond levies should contact the **Municipal Bond Commission** and they should seek bond counsel.

**Excess Levy Rate**

A municipality may provide for an election to increase the levy rates for specific purposes; the levy must receive 60% of the votes cast in favor of the excess levy and the levy may not extend for more than 5 years. The entity is encouraged to account for these levies in special funds; however, excess levies included in the general fund should be reported under account numbers 301-90, 301-91, 301-92, etc. Excess levies are discussed in detail under a separate guideline which is available on our website and also may be transferred electronically to your email address. *W. Va. Code §11-8-16 and §11-8-17*

### **Current Expense Regular Levy Rate**

This is revenue generated from the current year regular levy of property taxes that is available for general current expense. West Virginia code sets the maximum levy rate for this expense and bond levies. The maximum levy rate for this purpose is Class I = 12.5¢; Class II = 25¢; and Class IV = 50¢ per \$100 of Assessed Valuation of Property.

Municipalities must reduce the levy rate when the appraisal of property values results in a tax increase. Municipalities are allowed to use a levy rate that will result in 101% of taxes plus the amount to be raised for the Assessor's Valuation Fund.

One final factor must be taken into consideration when calculating a ***reduced "rolled back" levy rate***.

Increases in value that are a result of the assessor appraising and assessing any new property or improvements are not included in the calculation of a reduced rate. *W. Va. Code §11-8-6e*

The following pages discuss how the municipal governing body makes a determination as to what portion of the certified value to attribute to new property and improvements for purposes of calculation the property tax levy rate.

## Assessed Valuations for Calculating the Reduced “Rolled Back” Levy Rate

In order to determine the levy rate of a municipality, the reduced or “rolled back” rate must be calculated. The assessed values come from the county clerk and the assessor on a form called “Certificate of Valuation”. To understand the procedures for calculating a reduced “Rolled Back” levy rate the following forms will be needed:

- Certificate of Valuation
- Rolled Back Levy Rate Sheet

When the assessor and county clerk certify the Certificate of Valuation on or before March 3, they will also certify the valuation excluding the value due to new property and improvements. This certification is referred to as the **Assessed Valuations for Calculating the Reduced “Rolled Back” Levy Rate**. The only difference in the Certificate of Valuation and the Assessed Valuations for Calculating the Reduced “Rolled Back” Levy Rate is the value of new property and improvements. When a comparison is made of the valuation on the Assessed Valuations for Calculating the Reduced “Rolled Back” Levy Rate form with the Certificate of Valuation, the value on the “Rolled Back” form should **never** be higher than the Certificate of Valuation. There may be cases in personal property and public utility property where the value may be the same; however, the **value will never be higher** than the value on the Certificate of Valuation. If it is, the assessor should be contacted immediately.

In addition to excluding new property and improvement values from the “Roll Back” certification, the assessor also excludes any value that is attributable to tax increment financing or what is commonly referred to as incremental value or a “TIF”. The taxes levied on *incremental value* are distributed directly to the municipality’s tax increment financing fund to pay bonds and/or the cost associated with tax increment financing projects. These funds are not available for current expense. To learn more about tax increment financing, please contact the West Virginia Development Office.

Like the Certificate of Valuation, the Assessed Valuations for Calculating the Reduced “Rolled Back” Levy Rates is certified to the municipality and signed by both the assessor and county clerk. The amounts reported in the various columns include:

**A. Assessed Valuation for Tax Purposes w/o Homestead and Exempt Value:** The amounts reported in this column should mirror those reported on the Certificate of Valuation - Column E.

**B. New Property and Back Tax Property:** The amount reported in this column represents the valuation of any new property and new improvements appraised and assessed by the assessor in the last year. The amount also reflects back tax property values. Back tax property values include the value of property that has been omitted from the land books for several years; therefore, these amounts have been removed from the current year assessed valuation.

C. **Incremental Value:** The difference in the value certified by the county assessor in the base year in which a development area was established and the current assessed value. This value should not be used in the formulas used to calculate the *reduced “rolled back” rate* for regular current expense levies.

A sample Assessed Valuation for Calculating the Reduced “Rolled Back” Levy Rate has been included in the example section of this guide. **The value on the “Rolled Back” form is either the same or less than the Certificate of Valuation.**

## Calculating the Reduced “Rolled Back” Levy Rate

**Note: The forms needed to calculate a reduced “rolled back” levy rate are included in the budget file and this file can be downloaded. By using the form in the budget file, the Reduced “Rolled Back” levy rate will be calculated.**

A municipality must reduce the levy rate if the current rate would generate 101% or more plus a percent for the county assessor’s valuation fund (usually 2%), that is, if the projected tax revenues exceed 103% of the previous year tax revenues. **(The examples presented in this guideline related to the levy rate calculation will assume that a percentage equal to 2% has been approved by the PVC for the county assessor).** *W. Va. Code §11-8-6e*

We make this determination by calculating a levy rate that will generate exactly 103% of the previous year’s projected tax revenue. This calculation is performed using the “Rolled Back” Certification and works like this:

**FIRST:** Levy Rates are stated in a 1:2:4 ratio. This means that the Class II rate is exactly two (2) times the Class I rate and the Class III and Class IV rate is exactly four (4) times the Class I rate. In order to maintain this ratio we must first do a weighting on the values reported on the “Rolled Back” Certification – **Column D**.

**SECOND:** Determine the amount of the projected property tax revenues. This amount will be reflected on the Levy Page of the current year’s budget. Be careful to use the projected tax revenue or gross taxes levied. This is the amount of taxes levied before any allowance is made for delinquencies, exonerations, tax discounts or the assessor’s valuation fund. Using the net amount to be raised by the levy or the projected tax collection is a common mistake made by levying bodies when making this calculation.

**THIRD:** Multiply the projected tax revenue by 103% (that is 101% plus a percent approved for the assessor’s valuation fund, usually 2%).

**FOURTH:** Divide this amount by the total weighted assessed value and multiply by 100. This will equal the Class I levy rate.

**FIFTH:** The Class II levy rate is calculated by multiplying the Class I rate by 2 and the Class III and IV rate is calculated by multiplying the Class I rate by 4.

Once the levy rate has been determined, the governing body must decide whether they will use the reduced or “rolled back” levy rate or if some higher rate is needed. Municipal levy rates for Class I is limited to 12.50.

## Increasing the Reduced “Rolled Back” Levy Rate Public Hearing Requirements

The publication requirements and a Notice of Proposed Tax Increase are included in the budget file as a hidden tab if needed. The Notice has been set up in Excel format and will complete the required publication notice and certification of the hearing when all required information is added.

The levying body is allowed to increase the reduced rate with a public hearing but the rate may not exceed a 10% increase plus a percent for the *Assessor’s Valuation Fund*, or 112% in any given year. Furthermore, the new rate may not exceed the statutory maximums for Class I – 12.5¢; Class II – 25.0¢; and Class IV – 50.0¢. *W. Va. Code § 11-8-6d*

If the governing body decides to increase the reduced rate they must conduct a public hearing. Notice of the public hearing must be published as a class II-O legal advertisement once a week for two (2) consecutive weeks. The latest publication must be at least seven (7) days before the actual hearing. A notice must also be published outside the section of the newspaper reserved for legal notices and classified advertisements. This notice must be  $\frac{1}{8}$  page of a standard size newspaper or  $\frac{1}{4}$  of a tabloid size newspaper and the headline must be no smaller than 24 points. Class IV Towns are not required to publish the notice but they must post the notice in four predominant areas within the municipal limits.

The governing body is required to hold a public hearing regarding the proposed tax increase and make a decision regarding the levy rate at a public meeting. Both requirements may be accomplished on the same date if the governing body makes a decision on whether or not to increase the levy rate at the public hearing which they hear comments regarding the tax increase. Most choose to do the latter given the narrow time frame for adopting the budget.

The municipality is required to provide, at a minimum, the information outlined on the Notice of Proposed Tax increase. The Notice sets forth seven (7) items along with the name of the entity and the date, time and place that the public hearing will be held and a decision will be made.

**1. Percent of Appraisal Assessment Increase:** This percent is determined by subtracting the total assessed value in Column E on the Certificate of Valuation used the previous March from the total reflected in Column D on the current year’s “Rolled Back” Certification. Divide the difference by the current years “Rolled Back” Certification and multiply this amount by 100.

**2. Lowered Rate Necessary to Offset Increased Assessments:** This is the rate calculated to generate a 103% increase over the previous years projected tax revenue. It is the “*reduced rate*”.

**3. Effective Rate Increase:** The Proposed Rate is the higher rate that the entity proposes to use instead of a “reduced rate”. The higher rate will generate from 103% to 112%. The higher rate may never exceed an 112% increase. Effective Tax Rate Increase is the numerical difference in the Proposed Rate (higher rate) and the Reduced Rate (lower rate). Percentage of Increase is the difference in the higher and lower rate divided by the lower rate. This amount is then multiplied by 100.

4. **Revenue Produced Last Year:** This is the projected tax revenue from the levy page of the budget that was prepared in March of the previous year or in other words the current year budget. The projected tax revenue is the “gross” taxes levied before allowances are made for delinquencies, exonerations, tax discounts and the assessor’s valuation fund.

5. **Revenue Projected Under the Effective Rate Increase:** This is the difference in the gross taxes levied using the reduced or lowered levy rate and the proposed or higher levy rate. The taxes should be extended using Column E of the Certificate of Valuation.

6. **Revenue Projected From New Property or Improvements:** To determine this amount you must first subtract the “rolled back” certification by class from the certificate of valuation by class. The difference in the value is the value of new property and improvements. The taxes should be extended on the amount of the difference using the proposed higher levy rates.

7. **General Areas in Which Revenue is to be Allocated:** The governing body should indicate for what purpose or purposes the additional revenue will be used.



## The Levy Page and Levy Order/Rate Sheet

These forms are now a part of the budget file and when all required information is added, the forms will perform the calculations for these pages.

The Levy Page sets forth the total taxable assessed valuation from the Certificate of Valuation (Column E), the calculated property tax levy rate for regular current expense, the taxes levied by class and type of property including the total projected tax revenue (gross taxes levied), allowances for delinquent taxes, exonerations, uncollectible taxes, tax discounts, the projected tax collection, the assessor's valuation fund and the net amount to be raised by the levy for budget purposes.

Excess levies and bond levies are reported on separate levy pages. It is the recommendation of this office that excess levies be maintained in separate funds and not be included in the general fund for accounting and bookkeeping purposes. Bond levies are maintained in a separate fund and forwarded directly to the Municipal Bond Commission for the payment of principal and interest on the bonds. Several items apply only to regular current expense levies, for example, the allowance for the assessor's valuation fund and tax increment financing. For these reasons, each type of levy authorized by the municipality should be reported on separate supplemental levy pages.

The prescribed Levy Order/Rate Sheet will follow the same format as the Levy Page. When council enters their Order on the 3rd Tuesday in April to officially lay the levy they will enter an Order for each type of levy (regular, excess, bond, etc.) that has been authorized by a vote of the people and approved by the State Auditor.

The "Levy Page" and the "Levy Order/Rate Sheet" follow the same outline as noted below:

**First Column:** Includes the name of the entity and the various types of property by Class of property; that is, personal property, public utility property and real estate property by Class I, Class II, Class III and Class IV.

**Second Column:** The values reflected in this column should be the values as certified by the assessor and the clerk on the ***Certificate of Valuation*** (Column E). This is the value used for tax purposes.

**Third Column:** The property tax levy rate calculated and adopted by the governing body appears in cents per \$100 of assessed valuation. If council adopts a levy rate that exceeds a 103% increase over the previous year's projected revenue, the recording officer must certify that according to the municipality's formal record, a Notice of Public Hearing was made and a hearing was held on the proposed tax increase. This requirement is accomplished by submitting the "**Certification of Notice and Public Hearing**" form signed by the recording officer with the budget document to the State Auditor.

**Fourth Column:** Taxes Levied – The rate of levy in the third column is extended on each type and class of property value reported in the second column to determine the taxes levied.

**Total Value & Projected Revenue:** The total value is the total of Class I, II, III and IV reported in Column 2. The Total Projected Revenue is the total taxes levied on Class I, II, III and IV taxes reported in Column 4. This is the “**Gross**” amount of taxes levied before allowances for delinquencies, exonerations, uncollectable taxes, tax increment financing, and the assessor’s valuation fund. The Total Projected Revenue is the amount used in the calculation of a levy rate.

**Less Delinquencies, Exonerations & Uncollectable Taxes:** This is the allowance made for uncollectable taxes, exonerations and delinquencies. Generally the governing body estimates between 2.5% and 7% of the Projected Tax Revenue (Gross) revenue as an estimate for this allowance; however, it is recommended that the entity discuss the amounts that have been historically uncollected with the sheriff’s office in order to make a reasonable estimate. Once these amounts have been determined, dividing the sum of the amounts for uncollectable, exonerations and delinquent taxes by the Projected Tax Revenue and multiplying this amount by 100 will give you the percent to be used for this allowance. Applying the percent to the Projected Tax Revenue or the “Gross” taxes levied should give you an amount equal to the total allowance. The allowance should be subtracted from the Projected Tax Revenue before the allowance for Tax Discounts is calculated.

**Less Tax Discounts:** A taxpayer may receive up to a 2.5% discount on their property tax obligation if the first half taxes are paid by September 1 and the second half taxes are paid by March 1. Therefore, an allowance should be made to allow for those taxpayers taking advantage of the tax discount. Generally, a governing body will estimate between 1% and 2%. Again, it is recommended that the entity discuss this allowance with the sheriff’s tax office to assist them with making a reasonable estimate. The levy page does not include a line to report the net of Projected Tax Revenue “Gross” minus the allowance for uncollected, exonerated or delinquent taxes. Please remember, when calculating the allowance for Tax Discounts, the percent should be applied to the net of the Projected Tax Revenue “Gross” minus the allowance for uncollectable, exonerations and delinquencies. **For example using the sample levy page provided:**

Total Value & Projected Revenue ( <b>Taxes Levied Column</b> )	1,866,548
--	-----------

**\*LESS**

Delinquencies, Exonerations & Uncollectable Taxes:	- <u>93,327</u>
--	-----------------

NET: This is the Projected Tax Revenue minus Uncollectable Taxes, Exonerations and Delinquencies:	1,773,221
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**THIS AMOUNT IS NOT ACTUALLY REPORTED ON THE LEVY PAGE BUT IS THE NUMBER USED WHEN APPLYING THE PERCENTAGE FOR THE ALLOWANCE ON TAX DISCOUNTS**

**\*LESS**

Tax Discounts: (1,773,221 x 2%)	- <u>35,464</u>
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Total Projected Property Tax Collection	1,737,756
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**Less Allowance for Tax Increment Financing per worksheet:** As discussed earlier, tax increment financing applies to regular current expense levies only and applies only in those counties that have taken the steps to establish a tax increment financing (TIF) development area which has been approved by the West Virginia Development Office. If your municipality has an approved tax increment financing development area, then it will be necessary to determine the amount of taxes levied that will be distributed to the tax increment financing fund. This may be accomplished by extending the taxes using the assessed value reported on the “Rolled Back” Certification – Column C. This column reflects the incremental value. Taxes will be levied on this value and distributed to the tax increment financing fund (TIF). Simply apply the adopted property tax rate for the regular current expense levy to the value reported under Column C of the “Rolled Back” Certification. Once the taxes have been extended and the proper allowances made, transfer the amount reflected on the line titled “Allowance for Tax Increment Financing” to the levy page. It will also be necessary for the municipality to include this Worksheet with the budget document submitted to the State Auditor for approval.

**Total Projected Property Tax Collection:** This is the amount projected to be collected on behalf of the municipality after allowances for delinquencies, exonerations, uncollectable taxes, tax discounts and tax increment financing.

**Less Assessor Valuation Fund:** This is the amount of the taxes levied that will be distributed directly to the Assessor’s Valuation Fund by the county sheriff and will not be available for current expense. The percent approved by the PVC is applied to the **Projected Property Tax Collection**. *W. Va. Code § 11-1C-8*

**Net Amount to be Raised by Levy of Property Tax for Budget Purposes:** This amount should be carried to the Revenue section of the Budget document, account number **301-01 Property Taxes – Current Year**. This amount is net of all allowances for taxes that will not be available for current expense.

The primary purpose of this meeting is to hear and consider objections to the budget and enter the levy along with the written approval of the State Auditor in the official record books. This is commonly referred to as officially laying the levy. The recorder must complete the **Levy Order and Rate Sheet (has signature line at top)** and forward it to the State Auditor within three (3) days. **See Levy Order and Levy Order/Rate Sheet Page of this guideline.** *W. Va. Code § 11-8-15*

The only difference in the Levy Page of the budget document and the Levy Order and Rate Sheet is that the Levy Order and Rate Sheet provides an area at the top of the form for the recorder to certify the actions taken on the 3rd Tuesday in April by council. For example:

**The following is a true copy from the record of orders entered by this entity on the \_\_\_\_\_ day of April \_\_\_\_\_.**

**Signature: \_\_\_\_\_ Municipal Recorder/Clerk**

## Expenditures

Note that the amounts reported in the budget document that is submitted to the State Auditor for review and approval only reflects the total for each department. This means that once the budget proposal for each department has been approved by the governing body, it is only necessary to pick up the total for each department (account) to prepare the budget submitted to the State Auditor. Municipal expenditures are broken down into five broad categories:

**GENERAL GOVERNMENT** expenditures include the elected officials' general operating accounts, city hall, other buildings, community, economic and industrial development, building inspection, planning and zoning and grants. (Accounts 401 – 699)

Contingencies, Account #699 is not an expenditure account; it is used to report an appropriation for unexpected or unknown expenditures. Money must be transferred to a department prior to expenditure from Account #699. The amount appropriated for contingencies should not exceed 10% of the total budget.

**PUBLIC SAFETY** includes the police and fire protection expenditures. (Accounts 700 – 749)

**STREETS & TRANSPORTATION** includes the street department and central garage. (Accounts 750 – 799)

**HEALTH & SANITATION** includes the health and garbage departments. (Accounts 800 – 899)

**CULTURE & RECREATION** includes parks, swimming pools, fairs, visitor's bureau and libraries. (Accounts 900 – 949)

**SOCIAL SERVICES** include senior citizens, public transit and cemeteries. (Accounts 950 – 974)

**CAPITAL PROJECT** accounts are to be used for reporting amounts budgeted for purchase of assets that are to be capitalized and depreciated over time. Capital Projects include an assignment of an account number for each of the broad categories: General Government Account #975; Public Safety Account #976; Streets & Transportation Account #977; Health & Sanitation Account #978; Culture & Recreation Account #979; and Social Services Account #980. (Accounts 975 – 999)

Expenditures for the general fund and the coal severance fund are reported on the same page in different columns. **Please keep in mind that revenues and expenditures for the general fund must balance as well as revenues and expenditures for the coal severance.**

Review the Uniform Chart of Accounts for a complete description of revenue and expenditure accounts which may be either statutorily or administratively restricted.

The governing body is statutorily required to fund certain items in the budget at a required level of funding that cannot be readily ascertained by a review of the departmental accounts.

- **Audit Costs**
- **Policemen's Pension Fund**
- **Firemen's Pension Fund**

**Gas and Oil Severance Tax:** The State Auditor is required to submit a consolidated budget report to the Legislature on or before December 15 of each year. This report provides the projected revenues and expenditures for the general fund and gas and oil severance tax. The gas and oil severance tax is included in the general fund; therefore, we cannot readily ascertain the proposed expenditures from this revenue source. A separate schedule is included to account for the revenue (Revenue Account #303) and expenditures of gas and oil severance tax revenues by category only. **Please keep in mind that the projected gas and oil severance tax revenue and expenditures must balance.** *W. Va. Code § 11-13A-5a*

## Budget Proposals of Officials and Department Heads

The *Budget Proposal* is a detailed request for appropriation based on a prescribed list of **object of expenditures** that are classified under five broad categories: personal services, contractual services, commodities, capital outlay, and contributions/transfers. These categories make up the operating budget of the elected official or department.

In addition to the historical data provided on the Budget Proposal, the form also includes an area for the elected official or department head to formally provide council with the required **“detailed request for appropriation”**. There is also a column for council to indicate the amounts approved for each object of expenditure. The Budget Proposal should include the signature of the department head requesting the funding, along with the approval signatures of council. Please keep in mind that the information provided on the Budget Proposal is a minimum requirement and should not limit the department head’s ability to provide additional information that supports the requested level of appropriation.

A copy of the department head’s budget proposal as approved and adopted by council should be provided to each department head upon adoption of the Budget. The adopted Budget proposal should be provided to the official at the same time the Budget is submitted to the State Auditor for approval, that is prior to **March 28<sup>th</sup>**.

## Objects of Expenditure

An object of expenditures is a descriptive line item of expenditure which supports the appropriation for each department line item reported in the Budget and on the municipality's books. Objects are broken down into five broad categories:

**PERSONAL SERVICES** includes but is not limited to the expense associated with salary and wages of elected officials and employees, FICA tax, group insurance, retirement expense, overtime, extra help and other fringe benefits.

**CONTRACTUAL SERVICES** includes but is not limited to the expense associated with telephone service, printing, utilities, travel, maintenance and repair of building and grounds, equipment, and automobiles, postage, building and equipment rent, advertising and legal publications, training and education, dues and subscriptions, professional services, audit costs, insurance and bonds and contractual services.

**COMMODITIES** includes but is not limited to the expenses associated with materials and supplies, record books, automobile supplies, feeding prisoners, uniforms, charges by other funds and charges from other entities.

**CAPITAL OUTLAY** includes but is not limited to the costs associated with the acquisition of equipment, land, buildings and other improvements.

**CONTRIBUTIONS/TRANSFERS** is broken down by contributions and/or transfers to other funds, other governmental entities and other contributions/transfers.

**The Budget Proposal for Elected Officials and Department Heads** includes the objects of expenditure that are typically used. The Uniform Chart of Accounts includes a complete listing of the various objects under the above referenced categories along with an assigned object number for each type of expenditure.

## Supplementary Information

The budget document also includes supplementary information that council is required to provide on other pages of the Budget. Those pages are noted below:

### **ELECTED OFFICIALS SALARY SCHEDULE**

A schedule of all elected officials is on a separate sheet. Each official is listed on this form, either elected or appointed, term of office, prior year salary and budgeted salary for this year. Use names of individuals in office at the time of budget preparation. Provide updated information to the Auditor's Office throughout the year as needed.

### **ROSTER**

This roster page of elected officials includes the name of the municipality, mailing address, when the council meets, city hall hours, phone numbers, and email addresses. In addition to this information, we ask that you also include the of the person to contact regarding the budget, their position, phone number, and email address. If there are changes in personnel or officials listed on the Roster throughout the year, please provide updated information to the Auditor's Office.

The meeting at which council adopted the Budget will stand adjourned until the 3rd Tuesday in April when they will reconvene to hear and consider objections. **(See section on Levy Order/Rate Sheet)**



# Certification and Recap Pages and Publication of the Levy Estimate – Budget

## RECAP AND CERTIFICATION PAGE

### Recap

This is a separate summary of revenues and expenditures which condenses the revenues and expenditures into the broad categories. Those broad categories for revenues are Taxes, Fines and Forfeitures, Licenses and Permits, Charges for Services and Intergovernmental Revenues. The broad categories for expenditures are General Government, Public Safety, Street and Transportation, Culture and Recreation, Health and Sanitation, Social Services and Capital Projects. Revenues and Expenditures equal for both the General and Coal Severance Tax Fund.

### Certification

The recorder must certify that the budget is a true copy from the Record of Orders made and entered by council. This certification attests that the budget is a true and actual copy of the actions taken by council in the adoption of the budget. The certification does not attest that the budget is accurate or in compliance with statute.

The Recap and Certification Page of the budget must be printed by the municipality, signed, then scanned and emailed to the auditor's office along with the budget file. This is so the auditor's office can verify that the emailed file contains the same revenues and expenditures as the approved budget. If you are unable to scan and email the signed Recap and Certification page it can be faxed instead.

## Publication of Budget

The Budget must be published as a Class II-O Legal Advertisement which means it must be published once a week for two (2) consecutive weeks in two (2) newspapers of general circulation and of opposite politics (where available) in the county. If the area has just one such newspaper, then publish in only that one. The budget must be published for two (2) consecutive weeks; therefore, if council does not adopt the budget until March 28, there is a very tight frame in which to publish the budget, prior to the third Tuesday in April.

It is recommended, in order to cut down on publication costs, any line items not used in the budget be struck from the publication. In addition to revenues and expenditures, **this publication must also include a copy of the Levy Page for Regular Current Expense Levy, Excess Levies, Bonds or Permanent Improvement Levies and the clerk's certification statement.**

## Budget Control Reports

Each municipal government is required to maintain a Budget Control Report. The report should include the fund type, an account description, account number and category, the amount budgeted July 1, any approved revisions to the budgeted amount, the amount received or expended to date and the balance for the period ending. These reports should be prepared on a monthly basis at a minimum.

A Budget Control Report form is available on the Auditor's website. Municipalities can download this form, may print their own forms or use budget control reports generated by their software as long as the form contains at least the same information that is on the form on the Auditor's website. The report should be detailed by revenue sources and object of expenditures for each expenditure account.

The Budget should be monitored by the governing body through their clerk, recorder or finance officer using the budget control report. Council and/or other elected officials and department heads should be notified when an object of expenditures is in danger of being over expended so that the proper adjustments may be made to the account through the budget revision process outlined in this Guideline.

**The Budget Control Report is not required to be sent to the State Auditor's office; however, this does not eliminate the requirement for maintaining this type of information for bookkeeping and accounting purposes and for monitoring or tracking the budget.**

## Revising the Budget

The State Auditor provides for the revision of the Budget of the municipality to permit expenditures for purposes for which no appropriation or an insufficient appropriation was made. **The revision must be made prior to the obligation and expenditure of funds and with the prior written approval of the State Auditor.** *W. Va. Code § 11-8-26*

The clerk, finance officer, or recorder should alert council and department heads when an object of expenditure is in danger of being over expended. This may be accomplished by providing the official with a copy of the **Budget Control Report**.

The following pages should facilitate the preparation of Budget revisions. While many questions may be answered with a careful review of the material, it is difficult to anticipate all questions that may arise. Please feel free to contact Local Government Services Division (listed on Contact page) at any time if we may be of further assistance.

## Budget Revision Guideline

1. The municipal council is charged with the fiscal authority for the municipality, which includes the responsibility of preparing and revising the budget.
2. **Elected officials and department heads** may not transfer funds from one item of their budget to another item without approval of the council. They may not solicit approval directly from the State Auditor to revise their budget.
3. All expenditures of a department are to be **budgeted, properly classified and charged to that department**. For example, funding should be included in each elected official's budget for, but not limited to, salaries (including benefits and overtime), travel, training, materials and supplies, and record books. *W. Va. Code § 6-9-3*
4. Council should ensure that an adequate budgetary appropriation exists in an object of expenditures under a department, **prior to the obligation or expenditure of funds**.
5. Budget revisions require a record of **formal action** taken by council and therefore, must be placed on the agenda and acted upon during a regular or special session of the council.
6. The budget revision request should be prepared using the form provided on the West Virginia State Auditor's website. If you cannot obtain a copy from the website, please contact Local Government Services for a copy. Once prepared, it is forwarded, **along with a Letter of Resolution**, to the Local Government Services Division for approval. A copy should be retained by the entity for their record.

### A. CONTROL NUMBER

**Fiscal Year Ending** is the fiscal year for which the request to revise the budget applies

**FUND** is 001 General and 002 Coal Severance

**Revision Number** is for an indication of which revision this is in a cumulative sequence. Revision numbers are maintained separately for each fund.

**Pages** is for an indication regarding this page and the total number of pages being submitted with this revision. For example: Page 1 of 3, Page 2 of 3 and Page 3 of 3

B. This area is reserved for the name and address of the municipality.

C. Please include the name, telephone number and email address of the person to contact if any questions arise regarding the budget revision.

### D. **REVENUES**

The top half of the Budget revision form should be used by the council to report any REVENUE accounts to be adjusted.

1. **Account Number** is the 3-digit number of the revenue account; for example: Gas & Oil Severance Tax would be 303.

2. **Account Description** should reflect the name of the account; for example: The Account description for 303 would be Gas & Oil Severance Tax and for 299 the Account description would be Unassigned Fund Balance.

3. **Previously Approved Amount** is the amount originally approved by the State Auditor's office plus any budget revisions approved by the State Auditor's office prior to the budget revision currently under consideration.

4. **Increase** should reflect the amount to be added to the account.

5. **Decrease** should reflect the amount to be subtracted from the account.

6. **Revised Amount** should reflect the equivalent of:

Previously Approved Amount + Increase = Revised Amount

or

Previously Approved Amount – Decrease = Revised Amount

7. **NET INCREASE/DECREASE** must reflect the net effect of increases/decreases to revenues.

#### E. EXPENDITURES

The lower half of the budget revision form should be used to report any EXPENDITURE accounts to be adjusted.

1. **Account Number** is the 3-digit number of the expenditure account; for example: the 3-digit account number for city hall would be account #440.

2. **Account Description** should reflect the name of the account; for example: The account description for #440 would be City Hall and for #700 the account description would be Police Department.

3. **Previously Approved Amount** is the amount originally approved by the State Auditor plus any budget revisions approved by the State Auditor prior to the budget revision under consideration.

4. **Increase** should reflect the amount to be added to the account.

5. **Decrease** should reflect the amount to be subtracted from the account.

6. **Revised Amount** should reflect the equivalent of:

Previously Approved Amount + Increase = Revised Amount

or

Previously Approved Amount – Decrease = Revised Amount

7. **NET INCREASE/DECREASE** must reflect the net effect of increases/decreases to expenditures.

### **Revenues and expenditures must balance**

\*Budget revisions which involve adjustments to accounts too numerous to list on the first page of the form should be placed on the **supplemental budget revision form found on the tabs at the bottom of the revision form.**

**F. Authorized Signature for Governing Body – Entity Approval Date**

Each budget revision must be signed. The Entity Approval Date is the date of the council meeting in which the budget revision was on the agenda and should correspond with the date reflected on the Resolution.

**G. Approved by the State Auditor**

This reflects the signature of the person who has authority for approving budget revision requests. **DO NOT SIGN IN THIS AREA.**

7. **Resolutions/Orders:** Budget revisions require a record of formal action taken by council and therefore must be acted upon during a regular or special session. Budget revisions must be accompanied by the resolution or order of council approving such revision. The resolution/order must include:
- A. The name of the governing body
  - B. The date of the meeting in which the budget revision was on the agenda
  - C. The fund to be revised (general or coal severance tax)
  - D. The statement that the request to revise the budget is “PRIOR TO THE EXPENDITURE OF OBLIGATIONS OR FUNDS”
  - E. The council person who moved and seconded the motion to approve the budget revision
  - F. The Yes or No vote of each councilperson
  - G. The person authorized to sign the budget revision form
8. Budget revisions will not be approved for any entity that has not satisfactorily responded to the issues of noncompliance or the request for additional information outlined in the entity’s **“Conditional Approval of the Levy Estimate – Budget”**.
9. If an **Object of Expenditures** is deficient, first determine if there is any way to make adjustments within the previously approved expenditure account so that the original appropriation approved in the levy estimate will be sufficient without a transfer of funds from one account to the deficient account.

## **First Scenario: In House Revision**

The police chief needs new equipment (under capitalization level) but no funds were appropriated in the original budget.

Determine if funds may be transferred from one of the other objects of expenditures within Account #700 to object of expenditures #459 to satisfy the deficiency.

The police chief determines that he will have surplus funds available under object of expenditures #341, materials and supplies, and request that council move funds from #700-341 to #700-459.

All transfers within a single 3-digit account #700 are considered an **IN-HOUSE** transfer and will require only the approval of council but **NOT** the approval of the State Auditor.

## **Second Scenario**

The police chief needs new equipment in #700-459 but no funds were appropriated in the original budget. The police chief has determined that no surplus funds exist in any of the other objects of expenditures within expenditure Account #700.

Council, in order to provide funding for this purpose, will need to determine if any of the other accounts in the budget have surplus funds appropriated.

The council determines there are surplus funds available from Account #440 – 211 City Hall, Telephone.

Council must submit a budget revision request to the State Auditor for approval **before** they **obligate or expend** the funds for the equipment.

In other words, the only budget revision requests that require the State Auditor's approval are those that have a **NET EFFECT** on the **ACCOUNT TOTAL** of a revenue or expenditure.

10. **Coal Severance Tax Fund** – A revision to revise the estimated **assigned fund balance** to actual fund balance must be made by July 15. *W. Va. Code § 11-13A-6*
11. **General Fund**: A revision to bring the actual amount of carry-over or unassigned fund balance, Account #299, into the general fund should be submitted by July 30. This amount should include balance in checking accounts, savings accounts, investments, etc., if the budget was prepared on a cash basis of accounting.

Under the modified accrual basis of accounting, the unassigned fund balance should also include sixty days of receivables and payables.

12. **Make only one entry per account; that is, the net effect of all increase/decreases to that single account.**

13. **State account numbers in numerical order.** Budget revisions submitted with accounts not listed in numerical order are subject to be returned to the entity.
14. **Assignment of Account Numbers:** Account numbers are assigned by the State Auditor's Office Local Government Services Division **ONLY**. Refer to the Uniform Chart of Accounts for assigned numbers OR the most current budget document.
15. Amounts must be stated in whole dollars; **DO NOT USE CENTS**.
16. Budget revisions for the general fund and coal severance fund must be submitted on separate forms.
17. Budget revisions must balance. Net change to revenues must equal the net change to expenditures.
18. **YEAR END BUDGET REVISIONS: NO** budget revision will be accepted at the end of the fiscal year which cannot be reviewed, posted, approved and **RETURNED TO THE GOVERNING BODY PRIOR TO JUNE 30**. This means that the entity should submit its last revision no later than June 15, except in emergency situations.
19. Budget revisions made for the obvious purpose of bringing all line items to zero or greater balances at the **end of the year** after the expenditures have been made will not be approved by this office. The entity must set up budgetary controls to ensure that such year-end corrections of line items which have been over expended do not occur.
20. Budget revisions for Account **#301-01, Property Taxes-Current Year**, which are the result of council having received an amended certificate of valuation from the assessor, must be accompanied by a new levy page and a copy of the amended certificate of value. **(Please NOTE that if the difference in the taxes levied is not a material amount, council may make an adjustment for the difference in uncollectible taxes so that the new amount to be raised by the levy of property taxes remains unchanged.)** This action would not require a revision to the budgeted revenues; however, the entity should still submit to the Auditor's Office a new levy page reflecting the amended value, adjustments and a copy of the amended certificate of valuation.
21. **Special Funds:** In many circumstances council has statutory authority to create, by proper order, special funds for specific purposes. Expenditures must be made only for the purpose for which the special fund was created; however, in the event of a necessity or emergency, the council, **with the approval of the State Auditor**, may transfer money from the special fund to the general fund. When the purpose for which the special fund was created has been accomplished or completed, council may transfer any balance remaining to the general fund.

The request to transfer money from the special fund to the general fund should include an explanation of the special fund and the reason(s) which necessitate the transfer of the special funds to the general fund.



Revenue Account #369, "Transfers/Contributions From Other Funds" was established to facilitate the transfer of monies from special funds created by council to the general funds.

22. **Reimbursements/Refunds:** Account #381 should be used to reflect refunds/reimbursements to the general fund from external sources which are not material and are used to infrequently to classify, or from rebates from the LG P-Card Program.

**Please contact this office if a request to revise the budget is not returned within two (2) weeks.**

## GLOSSARY OF TERMINOLOGY

**Assessed Valuations for Calculating the Reduced “Rolled Back” Levy Rate (see “Rolled Back” Certification):** These values are used to calculate the reduced or rolled back levy rate for regular current expense levies. The values do not include any new property or improvement values, back tax value or incremental value.

**Assessor’s Valuation Fund:** Created under *W. Va. Code § 11-1C-8*. These funds are to be used to fund the ongoing extra costs associated with the valuation and training mandated by this article. The funds are intended to enable assessors to maintain current valuations and to perform the periodic reevaluation required under *W. Va. Code § 11-1C-9*. *W. Va. Code § 11-1C-8* requires that a percent of the regular current expense levies be distributed to the assessor’s valuation fund for this purpose. The county commission will exercise no control over this fund, but the clerk of the county commission performs the bookkeeping function for the fund in the same manner as any other county fund.

**Bond Levy Rate (Property Tax):** A municipality may sell its bonds in accordance with the provisions of *W. Va. Code § 13-1-1 seq.* for such purposes as acquiring, constructing and erecting, enlarging, extending, reconstructing or improving any building, library or museum, or a building or structure for educational purposes or acquiring a recreation park, civic arenas, auditoriums, exhibition halls and theaters, in an amount not to exceed 2.5% of the total taxable assessed value of property. A municipality having three hundred inhabitants or more may issue bonds in an additional sum not exceeding 2.5% of the value of taxable property for the purpose of grading, paving, sewers, and otherwise improving its streets and alleys, or for establishing and maintaining a library or museum for the public use, or a building or structure for educational purposes, or acquiring a recreation park for the public use, or for acquiring, constructing, furnishing, equipping and maintaining civic arenas, auditoriums, exhibition halls and theaters. A bond levy put before the voters must receive 3/5 of the votes cast in favor of the bond levy. A bond levy may not extend for more than 34 years. The levy rate must be deducted from the rate available for current expense pursuant to *W. Va. Code § 11-8-6b* (reference the annotations of this Code Section). Any municipality interested in bond levies should contact the **Municipal Bond Commission** and they should seek bond counsel.

**Budget Document (Levy Estimate):** A document that sets forth the property tax rates and the general and coal severance fund projected revenues by source and expenditures by department.

**Budget Proposal for Elected Officials and Department Heads:** This is the detailed request for appropriation from an elected official or department which is broken down by object of expenditures. This document supports the departmental line-item appropriation adopted and approved by council in the budget and is the basis for the recorder or city clerk’s bookkeeping and accounting records.

**Certificate of Valuation:** A form used by the county assessor and county clerk to certify real, personal and public utility valuation to the levying body pursuant to *W. Va. Code § 11-3-6*. The form is prescribed and furnished by the State Department of Tax and Revenue to the county assessor.

**Certification of Notice and Public Hearing (Form):** The recorder certifies by affixing his/her signature that a Notice of Tax Increase has been published and a public hearing has been conducted regarding the property tax increase.

**Classification of Property:**

- Class I:** All tangible personal property employed exclusively in agriculture, including horticulture and grazing; all products of agriculture, including livestock, while owned by the producer.
- Class II:** All property owned, used and occupied by the owner exclusively for residential purposes; all farms, including land used for horticulture and grazing, occupied and cultivated by their owners or bona fide tenants.
- Class III:** All real and personal property situated outside of municipalities, exclusive of Classes I and II.
- Class IV:** All real and personal property situated inside of municipalities, exclusive of Classes I and II.

**Conditional Budget Approval:** The budget document has been for all practical purposes approved. The entity is required to submit additional information. Satisfactory completion and submission of the requested information generally brings the budget into compliance. The entity must, with a conditional approval, still meet on the 3<sup>rd</sup> Tuesday in April to officially **lay the levy**.

**Current Expense Regular Levy Rate (Property Tax):** Property tax revenue generated from the current year's regular levy of property taxes that is available for general current expense.

**Excess Levy Rate (Property Tax):** *W. Va. Code § 11-8-16 and W. Va. Code § 11-8-17* states that a municipality may provide for an election to increase the levy rates for specific purposes; the levy must receive 60% of the votes cast in favor of the excess levy. The levy may not extend for more than 5 years. Excess Levies are discussed in detail under a separate guideline which is also available on our website.

**Fiscal Year:** July 1 – June 30

**Fund Balance:** Unassigned cash available July 1 and accounts receivable due within 60 days after the beginning of the fiscal year.

**Incremental Value:** The difference in the value certified by the county assessor in the base year in which a TIF development area was established and the current assessed value. This value should not be used in the formulas used to calculate the reduced "rolled back" rate for regular current expense levies.

**Itemized Statement:** Levy Estimate - Budget Document.

**Lay the Levy:** The levying body must meet on the 3<sup>rd</sup> Tuesday in April to officially lay the levy, or, in other words, to officially adopt the proposed property tax levy rates. The levying body may not officially lay the levy until it has first been approved, in writing, by the State Auditor.

**Levy Estimate – Budget Document:** A document that sets forth the property tax rates and the general and coal severance fund projected revenues by source and expenditures by department.

**Levy Order/Rate Sheet:** Certifies that the levying body met on the 3<sup>rd</sup> Tuesday in April to officially lay the levy. The format of the Order is prescribed by the State Auditor and includes the assessed values and property tax rates. This form is similar to the Levy Page and is included in the budget document.

**Levy Page:** It reflects the assessed valuation for tax purposes (Column E of the Certificate of Value), property tax levy rates for regular current expense levies, excess levies and bond levies and the taxes levied thereon.

**Levying Body:** A county commission, municipal government or board of education that has been given Constitutional and statutory authority to levy taxes on its citizens.

**Municipal Corporation Definitions Pursuant to *W. Va. Code § 5-1-2*:** See final page of glossary.

**Object of Expenditures:** An object of expenditures is a descriptive line item within an expenditure account which supports the appropriation for each departmental line item reported in the budget and on the municipality's books. Objects are broken down into five broad categories: Personal Services; Contractual Services; Commodities; Capital Outlay; and Contributions/Transfers.

**Projected Property Tax Collection:** The amount of taxes expected or estimated to be received **after** an allowance is made for delinquent taxes, exonerations and tax discounts.

**Projected Property Tax Revenue:** This is the “gross” amount to be raised by the levy of property taxes. The amount of taxes expected or estimated **before** any allowance is made for delinquent taxes, exonerations and tax discounts.

**Property Tax Levy Rates:** A tax rate adopted pursuant to *W. Va. Code § 11-8-6b* that is applied to each \$100 of assessed valuation on each class of property to generate property tax revenues. Maximum rate for current expense and bond levies as provided by *W. Va. Code § 11-8-6d* is Class I – 12.5¢; Class II - 25¢; Classes III/IV - 50¢. The maximum levy rate for an excess levy is Class I – 6.25¢; Class II – 12.5¢; Classes III/IV - 25¢.

**Property Valuation and Training Commission (PVC):** This Commission was created under *W. Va. Code § 11-1C-3* and the Commission's powers and duties are reflected under *W. Va. Code § 11-1C-4*. The Commission sits as an oversight committee for the reappraisal and maintenance of valuation effort charged to the county assessor and tax commissioner [State Auditor]. For county budget purposes, the PVC approves the percent the assessor will receive from each entity's regular levies that will be distributed to the county assessor's valuation fund.

**Reduced “Rolled Back” Property Tax Rate:** Applies to regular current expense levy rates only. The rate has been adjusted so that it does not generate more than a 103% increase over the previous year's projected property tax revenue. The 103% increase applies to existing property and does not take into consideration the taxes levied on new property and new improvements; therefore, once

the rate has been applied to the Certificate of Valuation which does include new property and improvements, the entity may realize an increase in taxes levied that is greater than 103%. *W. Va. Code § 11-8-6e* anticipated and allows for this type of an increase. The definition assumes that a percentage equal to 2% was approved by the PVC for the assessor's valuation fund.

**Regular Levy Rate:** or Current Expense Levy; revenue generated from the current year's property taxes that is available for general current expense (general fund).

**"Roll Back" Certificate (roll back form or roll back values):** A short term for identifying the Assessed Values used for Calculating the Reduced "Rolled Back" Levy Rate certification form. These values are used to calculate the reduced or "rolled back" levy rate for regular current expense levies. The values do not include new property or improvement value, back tax value, or incremental value.

### **Municipal Corporation Definitions:**

#### ***W. Va. Code § 8 -1-2. Definitions of terms***

**(A)** For the purpose of this chapter:

- (1) **"Municipality"** is a word of art and shall mean and include any Class I, Class II and Class III city and any Class IV town or village, heretofore or hereafter incorporated as a municipal corporation under the laws of this state;
- (2) **"City"** is a word of art and shall mean, include and be limited to any Class I, Class II and Class III city, as classified in section three of this article (except in those instances where the context in which used clearly indicates that a particular class of city is intended), heretofore or hereafter incorporated as a municipal corporation under the laws of this state, however created and whether operating under (i) a special legislative charter, (ii) a home rule charter framed and adopted or revised as a whole or amended under the provisions of former chapter eight-a of this code or under the provisions of article three or article four of this chapter, (iii) general law, or (iv) any combination of the foregoing; and
- (3) **"Town or Village"** is a term of art and shall, notwithstanding the provisions of section ten, article two, chapter two of this code, mean, include and be limited to any Class IV town or village, as classified in section three of this article, heretofore or hereafter incorporated as a municipal corporation under the laws of this state, however created and whether operating under (i) a special legislative charter, (ii) general law or (iii) a combination of the foregoing.

**(B)** For the purpose of this chapter, unless the context clearly requires a different meaning:

- (1) **"Governing Body"** shall mean the mayor and council together, the council, the board of directors, the commission, or other board or body of any municipality, by whatever name called, as the case may be, charged with the responsibility of enacting ordinances and determining the public policy of such municipality; and in certain articles dealing with intergovernmental relations shall also mean the county commission of any county or governing board of other units of government referred to in said articles:
- (2) **"Councilmen"** shall mean the members of a governing body, by whatever name such members may be called;

- (3) **“Mayor”** shall mean the individual called mayor unless as to a particular municipality a commissioner (in a commission form of government) or the city manager (in a manager form of government) is designated or constituted by charter provision as the principal or chief executive officer or chief administrator thereof, in which even the term “mayor” shall mean as to such municipality such commissioner or city manager unless as to any particular power, authority, duty or function specified in this chapter to be exercised, discharged or fulfilled by the mayor it is provided by charter provision or ordinance that such particular power, authority, duty or function shall be exercised, discharged or fulfilled by the individual called mayor and not by a commissioner or city manager, in which event such particular power, authority, duty or function shall in fact be exercised, discharged or fulfilled in and for such municipality by the individual called mayor: Provided, that in the exercise and discharge of the ex officio justice of the peace, conservator of the peace and mayor’s court functions specified in this chapter, the term “mayor” shall always mean the individual called mayor;
- (4) **“Recorder”** shall mean the recorder, clerk or other municipal officer, by whatever name called, charged with the responsibility of keeping the journal of the proceedings of the governing body of the municipality and other municipal records;
- (5) **“Treasurer”** shall mean the treasurer or other municipal officer, by whatever name called, exercising the power and authority commonly exercised by a treasurer;
- (6) **“Administrative authority”** shall mean the officer, commission or person responsible for the conduct and management of the affairs of the municipality in accordance with the charter, general law and the ordinances, resolutions and orders of the governing body thereof;
- (7) **“Charter”** shall mean, except where specific reference is made to a particular type of charter, either a special legislative charter (whether or not amended under the provisions of former chapter eight-a of this code or under article four of this chapter, and although so amended, such special legislative charter shall, for the purposes of this chapter, remain a special legislative charter), or a home rule charter framed and adopted or revised as a whole or amended by a city under the provisions of former chapter eight-a of this code or under the provisions of article three or article four of this chapter;
- (8) **“Ordinance”** shall mean the ordinances and laws enacted by the governing body of a municipality in the exercise of its legislative power, and in one or more articles of this chapter, ordinances enacted by a county commission;
- (9) **“Inconsistent or in conflict with”** shall mean that a charter or ordinance provision is repugnant to the constitution of this state or to general law because such provision (i) permits or authorizes that which the constitution or general law forbids or prohibits, or (iii) forbids or prohibits that which the constitution or general law permits or authorizes;
- (10) **“Qualified elector,” “elector,” “qualified voter” or “legal voter”** shall mean any individual who, at the time the individual offers to vote or at the time the individual participates in any event or activity (such as signing a petition) under the provisions of this chapter for which the individual must be qualified elector, elector, qualified voter or legal voter, is a resident within

the corporate limits of the municipality or within the boundaries of a territory referred to in this chapter, as the case may be, and who (i) has been a resident of the state for one year and of the municipality or territory in question for at least sixty days next preceding such election or date pertinent to any such event or activity, and (ii) in the case of a regular municipal election, special municipal election, municipal public question election or any such municipal event or activity, is duly registered on the municipal registration books set up in the office of the clerk of the county commission of the county in which the municipality or the major portion of the territory thereof is located under the integration of the municipal registration of voters with the “permanent registration system” of the state, or, in the event there be no such integration of the municipal registration of voters, is duly registered in the county in which the individual resides to vote in state-county elections, or (iii) in the case of a territory election, general election or any such territory event or activity, is duly registered in the county in which the individual resides to vote in state-county elections; and any charter provision or ordinance establishing a voting residency requirement different than that in this definition provided shall be of no force and effect; and in any case where a particular percentage of the qualified electors, electors, qualified voters or legal voters is required under the provisions of this chapter in connection with any such event or activity as aforesaid, the percentage shall be determined on the basis of the number of qualified electors, electors, qualified voters or legal voters, as of the time of such event or activity, unless it is impracticable to determine such percentage as of such time and it is provided by ordinance, resolution or order that the percentage shall be determined on the basis of the number of qualified electors, electors, qualified voters or legal voters, as of the date of the last preceding election (whether a general election, regular municipal election or special municipal election and whether or not they voted at such election) held in such municipality or territory, as the case may be;

- (11) **“Public question”** shall mean any issue or proposition required to be submitted to the qualified voters of a municipality or of a territory referred to in this chapter for decision at an election, as the case may be;
- (12) **“Inhabitant”** shall mean any individual who is a resident within the corporate limits of a municipality or within the boundaries of a territory referred to in this chapter, as the case may be;
- (13) **“Resident”** shall mean any individual who maintains a usual and bona fide place of abode within the corporate limits of a municipality or within the boundaries of a territory referred to in this chapter, as the case may be;
- (14) **“Freeholder”** shall mean any person (and in the case of an individual one who is sui juris and is not under a legal disability) owning a “freehold interest in real property”;
- (15) **“Freehold interest in real property”** shall mean any fee, life, mineral, coal or oil or gas interest in real property, whether legal or equitable, and whether as a joint tenant or a tenant in common, but shall not include a leasehold interest (other than a mineral, coal or oil or gas leasehold interest), a dower interest, or an interest in a right-of-way or easement, and the freehold interest of a church or other unincorporated association shall be considered as one interest and not as an individual interest or each member thereof;

- (16) **“County commission”** shall mean the governmental body created by section twenty-two, article eight of the constitution of this state, or any existing tribunal created in lieu of a county commission;
- (17) **“Code”** shall mean the code of West Virginia, one thousand nine hundred thirty-one, as heretofore and hereafter amended; and
- (18) **“Person”** shall mean any individual, firm, partnership, corporation, company, association, joint-stock association, or any other entity or organization of whatever character or description.
- (C) The term **“intergovernmental relations”** is used in this chapter to mean undertakings and activities which may be undertaken or engaged in by two or more units of government acting jointly, and in certain headings in this chapter to call attention to the fact that the provisions under such headings apply to units of government in addition to municipalities.
- (D) For the purpose of this chapter, unless the context clearly indicates to the contrary, words importing the masculine gender shall include both the masculine and feminine gender, and the phrase “charter framed and adopted or revised as a whole or amended (or words of like import) under the provisions of former chapter eight-a of this code” shall include a charter framed and adopted or revised as a whole or amended under the provisions of former article two of former chapter eight of this code.



## Statutory Provisions

West Virginia Code that is referenced in this guideline which are directly or indirectly related to the budget process are listed below:

**W.Va. Code § 6-9-2. Uniform system of accounting and reporting and reporting for local governmental offices and agencies; form and uniform system for receipts; additional power and authority**

The chief inspector shall formulate, prescribe and install a system of accounting and reporting in conformity with the provisions of this article, which shall be uniform for all local governmental offices and agencies and for all public accounts of the same class and which shall exhibit true accounts and detailed statements for all public funds collected, received and expended for any purpose by all local governmental officers, employees or other persons. The accounts shall show the receipt, use and disposition of all public property under the control of local governmental officers, employees or other persons and any income derived there from and of all sources of public income, the amounts due and received from each source, all receipts, vouchers and other documents kept or required to be kept and necessary to identify and prove the validity of every transaction, all statements and reports made or required to be made for the internal administration of the office to which they pertain and all reports published or required to be published for the information of the people regarding any and all details of the financial administration of public affairs. The chief inspector shall prescribe receipt forms for all local governmental offices and agencies and shall formulate, prescribe and install a uniform system with respect to the utilization, processing and disposition of receipts given as evidence of moneys or property collected or received by local governmental offices and agencies. The chief inspector shall also formulate, prescribe and install a system of accounting for the civil accounts of the offices of the magistrates, which shall exhibit true accounts and detailed statements of the services rendered, the name and address of the persons for whom rendered, the charges made and collected therefore and other information as may be necessary to identify the transaction.

The chief inspector is vested and charged with the duties of administering and enforcing the provisions of this article and is authorized to promulgate and to enforce such rules as may be necessary to implement the administration and enforcement. The chief inspector shall use due diligence to ensure that all reports and audits are issued in a timely manner and to comply with all federal audit and bonded indebtedness requirements so as not to jeopardize the entity's funding. The power and authority herein granted shall be in addition to all other power and authority vested by law in the state tax commissioner [State Auditor] as chief inspector or otherwise.

**W.Va. Code § 6-9-3. Separate accounts for different appropriations or funds, departments, undertakings, etc.; transfer of unexpended balances**

Separate accounts shall be kept for every appropriation or fund made or levied by a local governing body, showing the date and manner of each payment made out of the funds provided by such appropriation or levy, the name, address and vocation of each person, organization, corporation or association to whom paid, and for what purpose paid. Separate accounts shall be kept for each

department, public improvement, undertaking, institution and public service industry under the jurisdiction of every local governing agency; and all service rendered by or property transferred from one department, public improvement, undertaking, institution or public service industry to another shall be paid for at its true and full value by the department, public improvement, undertaking, institution or public service industry shall benefit in any financial manner whatever by an appropriation or fund made for the support of another department, public improvement, undertaking, institution or public service industry. All unexpended balances or appropriations shall be transferred to the credit of the fund from which originally appropriated or levied whenever the account with an appropriation is closed.

**W.Va. Code § 11-3-19. Property books; time for completing; extension of levies; copies**

“ . . .The assessor shall, as soon as practicable after the levy is laid, extend the levies on the land and personal property books, and shall forthwith make three copies of the land books and two copies of the personal property books with the levies extended; one of the copies of the land books shall be delivered to the sheriff not later than June 7, one copy shall be delivered to the clerk of the county commission not later than July 1, and one copy shall be sent to the State Auditor not later than July 1. One of the copies of the personal property books shall be delivered to the sheriff and one copy shall be delivered to the clerk of the county commission on or before the same date fixed above for the delivery of the land books. The copies shall be official records of the respective officers . . .”

**W.Va. Code §11-1C-8(b):**

(b) During the fiscal year commencing July 1, 1994, and thereafter as necessary, any county receiving moneys provided by the valuation commission under this section shall use the county's valuation fund receipts which exceed the total amount received in the fiscal year ending June 30, 1994, and such other portion of the county's valuation fund receipts that may be required by the valuation commission, to repay the valuation commission the money received plus accrued interest: Provided, That the fund should not drop below one percent of the total municipal, county commission and county school board revenues generated by application of the respective regular levy rates.

**W.Va. Code § 11-8-9. Meetings of local levying bodies.**

(a) Each local levying body shall hold a meeting or meetings between the seventh and twenty-eighth days of March for the transaction of business generally and particularly for the business herein required.

(b) When a levy is placed on the ballot for consideration during a primary election, each local levying body may extend its time to meet as a levying body until the first day of June of that year.

(c) The State Auditor shall propose rules for legislative approval in accordance with article three, chapter twenty-nine-a of this code to implement the purposes of this subsection. The proposed rules shall include a procedure for a local levying body to apply for permission to extend the time to meet as a levying body, requiring the local levying body to cite the reason a timely meeting was

not held and that the meeting, if approved by the State Auditor, be held in compliance with article nine-a, chapter six of this code relating to open governmental proceedings at a time set by the State Auditor.

(1) The State Auditor shall require all levying bodies to file a report of their meetings as required in this article with the State Auditor on or before the first day of April.

(2) The State Auditor shall notify any levying body, which has not filed a report of their meetings to the State Auditor by the first day of April, that the levying body must meet and file a report of that meeting no later than the fifteenth day of April.

(3) For any meeting after the fifteenth day of April, the State Auditor, may allow a late meeting and late report on or before the first day of May, if the State Auditor finds good cause to so allow a meeting and report to be filed after the fifteenth day of April and not later than the first day of May.

**W.Va. Code § 11-8-14. Levy estimate by municipality; certification to tax commissioner and publication**

A municipal governing body shall, at the session provided for in section nine, ascertain the fiscal condition of the corporation, and make an itemized statement setting forth:

- (1) The amount due and the amount that will become due and collectible from every source during the current fiscal year except from the levy of taxes to be made for the year;
- (2) The interest, sinking fund and amortization requirements for the fiscal year of bonded indebtedness, legally incurred upon a vote of the people as provided by law, prior to the adoption of the Tax Limitation Amendment;
- (3) Other contractual indebtedness, not bonded, legally incurred prior to the adoption of the Tax Limitation Amendment, owing by the municipality;
- (4) All other expenditures to be paid out of the receipts of the municipality for the current fiscal year with proper allowance for delinquent taxes, exonerations and contingencies;

**W.Va. Code § 11-8-14a. Adjourned session of municipal governing body to hear objections; approval of levies by tax commissioner; first levy for bonded indebtedness and indebtedness not bonded, then for current expenses**

The governing body of a municipality when it reconvenes on the 3rd Tuesday in April shall proceed in a manner similar in all respects to that provided for in section ten-a of this article.

The governing body shall not finally enter any levy until it has been approved in writing by the state tax commissioner [State Auditor]. After receiving such approval, the governing body shall enter the statement as approved in its record of proceedings, together with the written approval.

The governing body shall levy as many cents per hundred dollars' assessed valuation on each class of property in the municipality as will produce the amounts, according to the last assessment, shown to be necessary by the statement in the following order:

First, for the bonded debt and for the contractual debt not bonded, if any, of the municipality incurred prior to the adoption of the Tax Limitation Amendment

Second, for general current expenses

The rates of levy for each purpose shall not exceed the amounts fixed by section six-d unless another rate is authorized by the tax commissioner [State Auditor] in accordance with this article. When less than the maximum levies are imposed, the levies on each class of property shall be in the same proportions as the maximums authorized.

**W.Va. Code § 11-8-18. Tax commissioner to furnish forms of statements and attorney general to furnish forms for elections**

The tax commissioner [State Auditor] shall prepare and furnish forms and instructions for making the statement required in sections ten, twelve, and fourteen of this article. The attorney general shall prepare and furnish forms and instructions for the holding of any election authorized by this article.

**W.Va. Code § 11-8-25. Funds expended only for purposes for which raised**

Except as otherwise provided in this article, boards, or officers expending funds derived from the levying of taxes shall expend the funds only for the purposes for which they were raised.

**W.Va. Code § 11-8-26. Unlawful expenditures by local fiscal body**

(a) Except as provided in sections fourteen-b, twenty-five-a and twenty-six-a of this article, a local fiscal body shall not expend money or incur obligations:

- (1) In an unauthorized manner;
- (2) For an unauthorized purpose;
- (3) In excess of the amount allocated to the fund in the levy order; or
- (4) In excess of the funds available for current expenses

(b) Notwithstanding the foregoing and any other provision of law to the contrary, a local fiscal body of its duly authorized officials may not be penalized for a casual deficit which does not exceed its approved levy estimate by more than three percent; Provided, That such casual deficit is satisfied in the levy estimate for the succeeding fiscal year: Provided, however, That in calculating a deficit for purposes of this section, account shall not be taken of any amount for which the local fiscal body may be liable for the unfunded actuarial accrued liability of the West Virginia Retiree Health Benefit

Trust Fund or any amount allocated to the local fiscal body as an employer annual required contribution that exceeds the minimum annual employer payment component of the contribution, all as provided under article sixteen-d, chapter five of this code.

**W.Va. Code § 11-8-26a. Revision of levy estimate**

The tax commissioner [State Auditor] shall, by uniform regulations, provide for the revision of the levy estimate of a county court [county commission] or municipality to permit expenditures for purposes for which no appropriation or an insufficient appropriation was made in the annual levy estimate as approved by the tax commissioner [State Auditor]. The revision shall be made only with the prior written approval of the tax commissioner [State Auditor].

**W.Va. Code § 11-8-27. When Indebtedness, contracts or drafts are void**

Any indebtedness created, contract made, or order or draft issued in violation of sections twenty-five and/or twenty-six of this article shall be void.

**W.Va. Code § 11-8-28. Suit to recover unlawful expenditure or to cancel obligation**

Whenever a fiscal body expends money or incurs obligations in violation of sections twenty-five and/or twenty-six of this article, suit shall be instituted by the prosecuting attorney of the county or the attorney general of the state, in a court of competent jurisdiction to recover the money expended or to cancel the obligation, or both.

**W.Va. Code § 11-8-29. Personal liability of official participating in unlawful expenditure**

A person who in his official capacity negligently participates in the violation of either section twenty-five or section twenty-six of this article shall be personally liable, jointly and severally, for the amount illegally expended.

**W.Va. Code § 11-8-30. Recovery of unlawful expenditure from participating official by action; costs**

A person who in his official capacity negligently participates in an illegal expenditure may be proceeded against for the recovery of the amount illegally expended. The political subdivision concerned, a taxpayer of the subdivision, the state tax commissioner [State Auditor] or a person prejudiced may bring the proceeding.

All moneys recovered in these proceedings shall be paid into the treasury of the proper fiscal body and credited to the proper fund. Recovery in these proceedings shall, in all cases, include the principal and interest on the principal at a reasonable rate of interest as set by the court in the judgment order and may include in the discretion of the court, a penalty of not more than twenty five percent of the aggregate amount of the judgment and interest.

If the plaintiff prevails, he shall recover against the defendant, the costs of the proceedings, including a reasonable attorney's fee to be fixed by the trial court and included in the taxation of costs.

**W.Va. Code § 11-8-31. Criminal liability of official violating provisions of article; proceeding for removal**

A person who in his official capacity willfully violates the provisions of this article shall be guilty of a misdemeanor and, upon conviction, shall be fined not more than five hundred dollars, or confined in jail not more than one year, or both. Upon conviction he shall also forfeit his office: Provided, That no liability shall arise under the provisions of this section so far as obligations may have been incurred or may be incurred prior to the time tax levies may be made under the provisions of this article by fiscal bodies having for their purpose the maintenance and operation of free schools or other governmental functions for the fiscal year one-thousand nine hundred thirty-three/one-thousand nine hundred thirty-four.

Proceedings for the removal of a member of a local fiscal body who has willfully or with gross negligence violated any of the provisions of this article shall be brought and maintained in accordance with and shall be subject to the provisions of section seven, article six, chapter six of the code.

An attested copy of the petition and the charges contained therein shall be served upon the defendants at least twenty days prior to the date of hearing. No other pleading or notice of the proceedings shall be necessary.

If any person in his or her official capacity participates in an illegal expenditure and in so doing acts in accordance with and upon the advice of his or her statutory attorney or duly appointed attorney, which advice was asked for, received and given in good faith, such person so acting shall not be deemed guilty of gross negligence or of willfully violating any of the provisions of this article but may be found to have so acted in a negligent manner and may be proceeded against for the recovery of the amount illegally or improperly expended, both personally or upon his or her official bond.

**W.Va. Code § 11-8-31a. Recovery of attorneys' fees authorized**

The governing body of the governmental entity of which a person is an official is hereby authorized to reimburse such person for the reasonable amount of such person's attorney fees in any case:

- (a) Wherein such person has successfully defended against an action seeking his or her removal from office, or
- (b) Wherein such person has successfully defended against any action seeking the recovery of moneys alleged to have been wrongfully expended

In either case, such governing body shall have authority to determine if such reimbursement is warranted and the reasonableness of the amount sought to be recovered.

**W.Va. Code § 11-8-32. Publication**

The requirement of publication under this article shall be met by publication as a Class II-O legal advertisement in compliance with the provision of article three [W.Va. Code § 59-3-1 et. seq.], chapter fifty-nine of this Code, and the publication area for such publication shall be the taxing unit.

**W.Va. Code § 11A-1-6. When collection to commence**

The sheriff shall commence collection of current taxes on July 15, or as soon thereafter as he receives copies of the land and personal property books.

**W.Va. Code § 11A-1-8. Notice of time and place for payment; mailing of tax tickets**

. . .the sheriff shall send to every person owing real or personal property taxes a copy of such taxpayer's annual tax ticket or tickets showing what tax is due and how such tax may be paid. Such copy shall be sent to the last known address of such taxpayer by first class United States mail.

Failure of the sheriff to send or failure of the taxpayer to receive such copy shall not impair the right to collect such taxes, the right to collect any interest or penalty imposed as a result of the failure to pay such taxes or the method of enforcing the payment of such taxes, interest or penalty.

**W.Va. Code § 11A-1-15. Payment by sheriff to municipal and county board of education treasuries**

Each month the sheriff shall pay all moneys collected for any municipal corporation and the county board of education into the respective treasuries of such municipal corporation and county board of education, payment to be made on or before the tenth day of each month of all moneys collected during the preceding month for such municipal corporation and the county board of education . . .

# CERTIFICATE OF VALUATION

Name of Municipality or City

(Levying Body)

County Name

(County)

The undersigned Assessor and County Clerk of said County do hereby certify the assessed value of the various classes of real estate, personal property and public utility property for the assessment year 2009.

	<u>Column A</u>	<u>Column B</u>	<u>Column C</u>	<u>Column D</u>	<u>Column E</u>
	Total Assessed Value	All Other	Gross	Homestead	Assessed Value
	Includes Back Tax	Exempt Value	Assessed	Exempt	Tax Purposes
	New Property &		(Col A plus Col B)	Value	
	Incremental Value				
Class I	0	0	0		
Personal Property	0	0	0		0
Public Utility	0	0	0		0
Total Class I	0	0	0		0
Class II					
Real Estate	300,000,000	700,000	300,700,000	40,000,000	260,000,000
Personal Property	300,000	0	300,000	200,000	100,000
Total Class II	300,300,000	700,000	301,000,000	40,200,000	260,100,000
Class III					
Real Estate	n/a	n/a	n/a		n/a
Personal Property	n/a	n/a	n/a		n/a
Public Utility	n/a	n/a	n/a		n/a
Total Class III	0	0	0		0
Class IV					
Real Estate	150,000,000	180,000,000	330,000,000		150,000,000
Personal Property	100,000,000	50,000	100,050,000		100,000,000
Public Utility	30,000,000	0	30,000,000		30,000,000
Total Class IV	280,000,000	180,050,000	460,050,000		280,000,000
Total For					
Levying Body	580,300,000	180,750,000	761,050,000	40,200,000	540,100,000

Given under our hands this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
County Clerk

\_\_\_\_\_  
Assessor

The above certificate must be in the hands of the levying body no later than March 3. ( W. Va. Code § 11-3-6) The Assessor is required to certify the valuation of real estate and personal property and the County Clerk is required to certify the value of public utility as assessed by the Board of Public Works. To avoid confusion this joint certificate is used.



# Assessed Values for Calculating Reduced (Rolled Back) Levy Rates

Name of Municipality	County Name
(Levying Body)	(County)

The undersigned Assessor and County Clerk of said County do hereby certify the assessed value of the various classes of real estate, personal property and public utility property for the assessment year 2009.

	<u>Column A</u>	<u>Column B</u>	<u>Column C</u>	<u>Column D</u>
	Assessed Valuation	New Property and	TIF	Assessed Valuation
	For Tax Purposes	Back Tax Property	Tax Incremental	For Tax Purposes
			Financing Value	Minus New Property & Tif
Class I				
Personal Property	0	0	0	0
Public Utility	0	0	0	0
Total Class I	0	0	0	0
Class II				
Real Estate	260,000,000	11,000,000		249,000,000
Personal Property	100,000	0		100,000
Total Class II	260,100,000	11,000,000	0	249,100,000
Class III				
Real Estate	n/a	n/a	n/a	n/a
Personal Property	n/a	n/a	n/a	n/a
Public Utility	n/a	n/a	n/a	n/a
Total Class III	0	0	0	0
Class IV				
Real Estate	150,000,000	1,800,000	0	148,200,000
Personal Property	100,000,000	0	0	100,000,000
Public Utility	30,000,000	0	0	30,000,000
Total Class IV	280,000,000	1,800,000	0	278,200,000
Total For				
Levying Body	540,100,000	12,800,000	0	527,300,000

Given under our hands this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

County Clerk	Assessor
--------------	----------

The above certificate must be in the hands of the levying body no later than March 3. ( W. Va. Code § 11-3-6) The Assessor is required to certify the valuation of real estate and personal property and the County Clerk is required to certify the value of public utility as assessed by the Board of Public Works. To avoid confusion this joint certificate is used.

## CALCULATING REDUCED "Rolled Back" LEVY RATE 2010 - 2011

CLASS	ROLL BACK VALUE (Column D)	X	WEIGHTING	=	WEIGHTED ASSESSED VALUE
Class 1	\$ <u>N/A</u>	X	0.01	=	\$ <u>0</u>
Class 2	<u>249,100,000</u>	X	0.02	=	<u>4,982,000</u>
Class 4	<u>278,200,000</u>	X	0.04	=	<u>11,128,000</u>
Total All Classes	\$ <u><b>527,300,000</b></u>		<b>(Total WAV)</b>		\$ <u><b>16,110,000</b></u>

Projected Property Tax Revenue from current year regular current  
expense levy: (See page 3 of the current year budget document) \$ 1,780,000

is multiplied by **(101% + % for assessor's valuation fund)**  
generally 103%. Please consider the % approved for your assessor when  
determining the total percentage to be used for this multiplication. \$ 1,833,400

is divided by the **TOTAL WEIGHTED ASSESSED VALUE (Total WAV)** \$ 16,111,000

The result of this division is then multiplied X 100  
(use 4 decimal places here) 0.1138

and this will = the Class 1 Levy Rate in cents per \$100 of assessed  
valuation (use 2 decimal places here) 11.38¢

The Class 2, 3, and 4 Levy Rates are determined by multiplying the Class 1 Rate as follows:

Class 1 Rate 11.38 ¢ X 2 = Class 2 Rate 22.76 ¢

Class 1 Rate 11.38 ¢ X 4 = Class 4 Rate 45.52 ¢

**NOTE: Do Not Use Rates In Excess Of 2 Decimal Points**

# CALCULATING REDUCED "Rolled Back" LEVY RATE 2010 - 2011

CLASS	ROLL BACK VALUE (Column D)	X	WEIGHTING	=	WEIGHTED ASSESSED VALUE
Class 1	\$ <u>N/A</u>	X	0.01	=	\$ <u>0</u>
Class 2	<u>249,100,000</u>	X	0.02	=	<u>4,982,000</u>
Class 4	<u>278,200,000</u>	X	0.04	=	<u>11,128,000</u>
Total All Classes	\$ <u><b>527,300,000</b></u>		<b>(Total WAV)</b>		\$ <u><b>16,110,000</b></u>

Projected Property Tax Revenue from current year regular current  
expense levy: (See page 3 of the current year budget document) \$ 1,780,000

is multiplied by **(110% + % for assessor's valuation fund)**  
max 112%. The amount of increase may be calculated anywhere between  
103% and 112%. The percent used for the multiplication is driven by the  
percent approved for your assessor & the increase desired by the entity:  
\$ 1,993,600

is divided by the **TOTAL WEIGHTED ASSESSED VALUE (Total WAV)** \$ 16,111,000

The result of this division is then multiplied X 100  
(use 4 decimal places here) 0.1237

and this will = the Class 1 Levy Rate in cents per \$100 of assessed  
valuation (use 2 decimal places here) 12.37¢

The Class 2, 3, and 4 Levy Rates are determined by multiplying the Class 1 Rate as follows:

Class 1 Rate 12.37 ¢ X 2 = Class 2 Rate 24.74 ¢

Class 1 Rate 12.37 ¢ X 4 = Class 4 Rate 49.48 ¢

**NOTE: Do Not Use Rates In Excess Of 2 Decimal Points**

## NOTICE OF PROPOSED TAX INCREASE

The **Name of Municipality** proposes to increase property tax levies

**1. Appraisal/Assessment Increase:** Total assessed value of property, excluding additional assessments due to new or improved property, exceeds last year's total assessed value of property by 13%.

**2. Lowered Rate Necessary to Offset Increased Assessment:** The tax rate which would levy the same amount of property tax as last year, when multiplied by the new total assessed value of property with the exclusions mentioned above, per \$100 of assessed value on each class of property, would be:

Lowered Tax Rates	
Class I	11.38¢
Class II	22.76¢
Class IV	45.52¢

**3. Effective Rate Increase:** The governing body of the **Name of Municipality** proposes to adopt a tax rate per \$100 of assessed value on each class of property as follows:

	Proposed Rate	Effective Tax Rate Increase	Percent of Increase
Class I	12.37¢	0.99	9%
Class II	24.74¢	1.95	9%
Class IV	49.48¢	3.96	9%

**4. Revenue produced last year:** \$1,850,000

**5. Revenue projected under the effective rate increase:** \$161,600

**6. Revenue projected from new property or improvements:** \$36,349

**7. General areas in which the revenue is to be allocated:** General government, public safety, social services, police department, etc.

A public hearing on the increases will be held on Monday, March 17, 2010 at **Location, Street Address, Municipality, WV**. A decision regarding the rate increase will be made following the public hearing.

The following explanation is given for calculating each of the amounts reflected in the Notice of Proposed Tax Increase:

**1. Calculation the percentage of increase; for this calculation please use:**

Rolled Back Certification for FYE (New Budget Year)	527,350,000
Subtract Certificate of Valuation for FYE (Prior Budget Year)	(460,000,000)

The difference is divided by the Rolled Back  
Certification for FYE (New Budget Year) X 100

67,350,000  
13%

**2. The lowered rate is the rate that generates a 103% of the previous year's projected tax revenue; the gross taxes levied. This rate does not require the governing body to conduct a public hearing.**

Class I	11.38 ¢
Class II	22.76 ¢
Class IV	45.52 ¢

**3. Effective Tax Rate Increase is defined by statute as: The difference between the proposed tax rate and the lowered tax rate DIVIDED BY the Lowered Rate:**

	Proposed Rate		Lowered Rate		Numerical Difference	Percent of Difference
Class I	12.37 ¢	-	11.38 ¢	=	0.99 / 11.38	9%
Class II	24.74 ¢	-	22.76 ¢	=	1.95 / 22.76	9%
Class IV	49.48 ¢	-	45.52 ¢	=	3.96 / 45.52	9%

**4. Revenue Produced Last Year is the GROSS TAXES LEVIED from the Levy Page of the Prior Budget Year budget: \$1,850,000**

**5. Revenue Projected under the effective tax increase is the taxes levied using the effective tax rate increase applied to Column E of the New budget year:**

	New Budget Year Certificate of Valuation	Effective Tax Increase	Revenue Projected
Class II	260,100,000	1.95	50,720
Class IV	280,000,000	3.96	<u>110,880</u>
			161,600

**6. Revenue projected from new property and improvements: The difference in the New Budget Year Certificate of Valuation (Column E) and the New Budget Year Rolled Back Certification (Column D). Extend the taxes on the difference by applying the "higher" proposed tax rate to the numerical difference in value:**

	New Budget Year Certificate of Value Column E		New Budget Year Roll Back Value Column D		Differences in Value is New Property	Higher Proposed Rate	Revenue Projected from New Property
Class II	260,100,000	-	249,100,000	=	10,950,000	24.74 ¢	27,090
Class IV	280,000,000	-	278,200,000	=	1,800,000	49.48 ¢	<u>9,25</u>
							36,349

Name of Municipality, WV  
LEVY ORDER AND RATE SHEET  
20\_\_ - 20\_\_

The following is a true copy from the record of orders entered by this entity  
on the \_\_ day of April, 20\_\_.

SIGNATURE: \_\_\_\_\_

Municipal Clerk or Recorder

	Column E Certificate of Valuation Assessed Value for Tax Purposes	Levy Rate/\$100	Taxes Levied
<b>Current Year</b>			
<b>Class I</b>			
Personal Property	\$ 0	11.38	\$ 0
Public Utility	0		0
<b>Total Class I</b>	<u>\$ 0</u>		<u>\$ 0</u>
<b>Class II</b>			
Real Estate	\$ 260,000,000	22.76	\$ 591,760
Personal Property	100,000		228
<b>Total Class II</b>	<u>\$ 260,100,000</u>		<u>\$ 591,988</u>
<b>Class IV</b>			
Real Estate	\$ 150,000,000	45.52	\$ 682,800
Personal Property	100,000,000		455,200
Public Utility	30,000,000		136,560
<b>Total Class IV</b>	<u>\$ 280,000,000</u>		<u>\$ 1,274,560</u>
<b>Total Value &amp; Projected Revenue</b>	<u>\$ 540,100,000</u>		<u>\$ 1,866,548</u>
Less Delinquencies, Exonerations & Uncollectable Taxes		5.00%	93,327
Less Tax Discounts		2.00%	35,464
Less Allowance for Tax Increment Financing - see worksheet (Subtracted from regular current expense taxes levied only)			0
<b>Total Projected Property Tax Collection</b>			<u>1,737,757</u>
Less Assessor Valuation Fund (Subtracted from regular current expense taxes levied only)		2.00%	34,755
<b>Net Amount to be Raised by Levy of Property Taxes For Budget Purposes</b>			<u>\$ 1,703,002</u>

Name of Municipality, WV  
**LEVY ORDER AND RATE SHEET SUPPLEMENT**  
 Name of Excess Levy #1  
 20\_\_ - 20\_\_

The following is a true copy from the record of orders entered by this entity  
 on the \_\_ day of April, 20\_\_.

SIGNATURE \_\_\_\_\_

Municipal Clerk or Recorder

Column E

	Certificate of Valuation <u>Assessed Value for Tax Purposes</u>	Levy <u>Rate/\$100</u>	Taxes <u>Levied</u>
<b>Current Year</b>			
<b>Class I</b>			
Personal Property	\$ 0	5.250	\$ 0
Public Utility	0		0
<b>Total Class I</b>	<u>\$ 0</u>		<u>\$ 0</u>
<b>Class II</b>			
Real Estate	\$ 260,000,000	10.500	\$ 273,000
Personal Property	100,000		105
<b>Total Class II</b>	<u>\$ 260,100,000</u>		<u>\$ 273,105</u>
<b>Class IV</b>			
Real Estate	\$ 150,000,000	21.000	\$ 315,000
Personal Property	100,000,000		210,000
Public Utility	30,000,000		63,000
<b>Total Class IV</b>	<u>\$ 280,000,000</u>		<u>\$ 588,000</u>
<b>Total Value &amp; Projected Rev.</b>	<u>\$ 540,100,000</u>		<u>\$ 861,105</u>
Less Delinquencies, Exonerations & Uncollectable Taxes		5.00% . . .	43,055
Less Tax Discounts		2.00% . . .	16,361
<b>Net Amount to be Raised by Levy For Budget Purposes:</b>			<u><b>\$ 801,689</b></u>