WEST VIRGINIA LEGISLATURE
SEVENTY-EIGHTH LEGISLATURE
REGULAR SESSION, 2007

ENROLLED
COMMITTEE SUBSTITUTE
FOR
Senate Bill No. 672

(Senator McCabe, original sponsor)

[Passed March 10, 2007; in effect ninety days from passage.]
AN ACT to amend and reenact §11-6C-1, §11-6C-2, §11-6C-3, §11-6C-4 and §11-6C-5 of the Code of West Virginia, 1931, as amended, all relating to the special method for appraising dealer vehicle inventory generally; including dealer boat inventory and daily passenger rental car inventory in the special method for appraising dealer vehicle inventory; providing the method for determining the market value of passenger rental cars held in inventory of daily passenger car rental businesses; providing the method for determining the market value of dealer motorboat inventory held by a recreational vehicle dealer; and providing the method for determining the market value of house trailers and factory-built homes.
Be it enacted by the Legislature of West Virginia:

That §11-6C-1, §11-6C-2, §11-6C-3, §11-6C-4 and §11-6C-5 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 6C. SPECIAL METHOD FOR APPRAISING DEALER VEHICLE INVENTORY, DEALER MOTORBOAT INVENTORY, DAILY PASSENGER RENTAL CAR INVENTORY, AND HOUSE TRAILER AND FACTORY-BUILT HOMES INVENTORY.

§11-6C-1. Inventory included within scope of article.

Notwithstanding any other provisions of law, inventory of vehicles, as that term is defined in section one, article one, chapter seventeen-b of this code, that is held for sale or lease by new or used vehicle dealers licensed under the provisions of article six, chapter seventeen-a of this code or held for sale or lease by daily passenger car rental businesses licensed under the provisions of article six-d of said chapter and inventory of motorboats, as that term is defined in section one, article six of said chapter, that is held for sale or lease by a recreational vehicle dealer, as that term is defined in said section, that is licensed under the authority of section three, article six of said chapter, consisting of individual units of personal new or used property, each unit of which, upon its sale to a retail purchaser, must, as a matter of law, be titled in the name of the retail purchaser and registered with the Division of Motor Vehicles, shall be appraised for assessment purposes, as set forth in this article: Provided, That house trailers and factory-built homes shall be included within the scope of this article.

This article does not apply to units of inventory which are included in fleet sales, transactions between dealers or classified as heavy duty trucks of sixteen thousand pounds or more gross vehicular weight. For purposes of this article, inventory subject to the provisions of this article shall be denoted “dealer vehicle inventory”, “dealer motorboat inventory”, “daily passenger rental car inventory” and “house trailer and factory-built homes inventory”.
§11-6C-2. Method for determining market value of dealer
vehicle inventory, dealer motorboat inventory,
daily passenger rental car inventory and house
trailer and factory-built homes inventory.

(a) For purposes of appraisal, the market value of
dealer vehicle inventory and dealer motorboat
inventory, as of the first day of July of each year, shall
be the gross sales or total annual sales of such inventory
made by such dealer during the preceding calendar
year, divided by twelve, for a dealer with respect to
which or whom sales were made during the entire
preceding year. For the purposes of this article, "gross
sales" or "total annual sales" means the amount
received in money, credits, property, services or other
consideration from sales within this state without
deduction on account of the cost of the property sold,
amounts paid for interest or any other expenses
whatsoever. Gross sales or total annual sales shall not
be reduced by the value of an item of tangible personal
property which is traded in for the purpose of reducing
the purchase price of the item purchased. In the case of
dealers who were not in business during the entire
calendar year immediately preceding the first day of
July of that calendar year, the assessor shall estimate
the market value of such inventory based on such data
as may be available to him or her: Provided, That the
assessor may extrapolate estimates using such sales data
as may be available and reliable when sales are made
for a period of three months or more during the prior
year: Provided, however, That there shall be excluded
from the appraisal calculations the value of those units
which were not physically held as inventory by the
owner of the inventory at any time during the preceding
year. In all cases, the market value, so derived, shall
serve as the basis for calculating the appraised value.

(b) For purposes of appraisal, the market value of
daily passenger rental car inventory, as of the first day
of July of each year, shall be the gross value of all daily
passenger rental cars made available by a daily
passenger rental car business on the first day of each
month of the immediately preceding calendar year:
Provided, That the daily passenger rental car business
shall add together the gross values and divide that sum
by twelve. For purposes of this article, "gross value" means the lowest value for each vehicle as shown in a nationally accepted used car guide determined by the Tax Commissioner. To calculate the "gross value" of any vehicle that does not appear in a nationally accepted used car guide, the Tax Commissioner shall determine the percent of the manufacturer's suggested retail price for each such vehicle held as a daily passenger rental car without deduction on account of the cost of any inventory, amounts paid for interest or any other expenses whatsoever. In the case of daily passenger rental car businesses that were not in business during the entire calendar year immediately preceding the first day of July of that calendar year, the assessor shall estimate the market value of such daily passenger rental car inventory based on such data as may be available to him or her: Provided, however, That the assessor may extrapolate estimates using the daily passenger rental car data that is made available and reliable when rentals were made for a period of three months or more during the prior year: Provided further, That there shall be excluded from the appraisal calculations the value of those units which were not physically held as daily passenger rental car inventory by the owner of the daily passenger rental car inventory at any time during the preceding year. In all cases, the gross value of daily passenger rental car inventory, so derived, shall serve as the basis for calculating the appraised value of the inventory. For purposes of this article, "daily passenger rental car inventory" includes all motor vehicles licensed as a class A motor vehicle as defined in section one, article ten, chapter seventeen-a of this code.

(c) For purposes of appraisal, the market value of house trailer and factory-built homes inventory, as of the first day of July of each year, shall be the gross sales or total annual sales of such inventory made by such dealer during the preceding calendar year, divided by twelve, for a dealer with respect to which or whom sales were made during the entire preceding year. For the purposes of this article, "gross sales" or "total annual sales" means the amount received in money, credits, property, services or other consideration from sales within this state without deduction on account of the
cost of the property sold, amounts paid for interest or
any other expenses whatsoever. Gross sales or total
annual sales shall not be reduced by the value of an item
of tangible personal property which is traded in for the
purpose of reducing the purchase price of the item
purchased. In the case of dealers who were not in
business during the entire calendar year immediately
preceding the first day of July of that calendar year, the
assessor shall estimate the market value of such
inventory based on such data as may be available to him
or her: Provided, That the assessor may extrapolate
estimates using such sales data as may be available and
reliable when sales are made for a period of three
months or more during the prior year: Provided,
however, That there shall be excluded from the
appraisal calculations the value of those units which
were not physically held as inventory by the owner of
the inventory at any time during the preceding year. In
all cases, the market value, so derived, shall serve as the
basis for calculating the appraised value.

§11-6C-3. Owner to file return estimating market value.

The owner of dealer vehicle inventory, daily passenger
rental car inventory, dealer motorboat inventory, or
house trailer and factory-built homes inventory shall
report the market value of such inventory, derived as set
forth in section two of this article, to the assessor, as a
part of the return required by law to be filed annually
pursuant to the provisions of this chapter.

§11-6C-4. Determination of tax on dealer vehicle inventory,
daily passenger rental car inventory, dealer
motorboat inventory, or house trailer and
factory-built homes inventory.

The annual amount of tax levied upon the dealer
vehicle inventory, daily passenger rental car inventory,
dealer motorboat inventory or house trailer and factory-
built homes inventory pursuant to article eight of this
chapter shall be based upon the market value as
determined pursuant to this article, times the
assessment percentage then provided by law.
§11-6C-5. Intent of this article; Tax Commissioner to promulgate rules.

(a) This article is adopted to address the lack of uniformity, audit difficulties and business management issues arising in this state with respect to the assessment of the personal property held as new and used dealer vehicle inventory, daily passenger rental car inventory, dealer motorboat inventory or house trailer and factory-built homes inventory. Accordingly, the Legislature finds and declares that the adoption of this article will provide a more reliable and uniform method of determining market value of dealer vehicle inventory, daily passenger rental car inventory, dealer motorboat inventory or house trailer and factory-built homes inventory; minimize audit problems associated with such property; provide a predictable revenue stream for levying bodies; maximize the owner's ability to manage inventory; and provide clear guidance to local authorities by superseding the wide variety of otherwise lawful appraisal methods now in use in this state.

(b) The Tax Commissioner shall have the power to promulgate such rules as may be necessary to implement the provisions of this article.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within was approved this
the 4th Day of 2007.

Governor