



West Virginia DEPARTMENT OF
EDUCATION

EXCESS AND BOND LEVY ELECTIONS

July 19, 2018

Purpose of Each

- Excess Levy- excess funding beyond the regular levy to be used for continuing operating expenses.
- Bond Levy- funding of debt associated with facility construction/improvements.

Number of Current Levies?

- Excess Levy- Currently we have 42 counties who have called and successfully passed an excess levy, 22 of which are at the maximum allowable rate.
- Bond Levy- There are currently 20 counties that have successfully passed a bond levy.

Political Activity

- Governing bodies should take particular care that groups advocating for the passage of levies or bonds operate strictly within the law, and that the governing body and its employees not use public funds, time or materials to advocate the passage of the issue. Allegations of the violation of election laws surrounding campaigns for passage or defeat of levies and bonds create serious problems in the community.
- The governing body may provide information about the upcoming bond or levy, but the body must carefully review all proposed materials and procedures for distribution to ensure public funds are not improperly used.

Political Activity Continued...

- Publication using equipment belonging to the governing body should not be allowed to be used by pro-issue committees on a reimbursement cost basis unless similar printing services are available to the public, including anti-issue committees.
- County/city employees, teachers and school service personnel may not be released during their regular business hours to work for passage of the issue or to attend meetings on behalf of passage. This is using public funds to advocate the passage of an issue.
- County/city or board of education facilities may only be used for meetings by groups advocating the passage of the issue if the same facilities are available under the same rules for meetings by groups opposing the issue.

Planning Tips

- One of the most common problems is neglecting to plan for elections to renew levies in time. Delaying may mean the election cannot be conducted within the requirements of law, and could result in legal challenges.
- Allow for plenty of lead time when preparing for an election.
- Trying to throw a plan together too quickly can result in poor decisions about projects, anticipated costs, etc.
- Keep in mind the cost of the election.



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EXCESS LEVY ELECTIONS

WVC §11-8-16

- Order requirements.
- Maximum rates.
- Vote requirements.



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Requirements of an Order for Election

- The purpose for which additional funds are needed.
- The amount for each purpose.
- The total amount needed.
- The separate and aggregate assessed valuation of each class of taxable property within its jurisdiction.

Requirements Continued...

- The proposed additional rate of levy in cents on each class of property.
- The proposed number of years, not to exceed five, to which the additional levy applies.
- The fact that the local levying body will or will not issue bonds, as provided by this section, upon approval of the proposed increased levy.

What Rate Can I Use?

- WVC §11-8-16 allows for the maximum rate to be used by county boards for excess levies to be 22.95 for Class I property, 45.90 for Class II property, and 91.80 for Class III and IV property.

Property Tax 101

- 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; All notes, bonds, bills and accounts receivable, stocks and any other intangible personal property.
- 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.

Number of Votes Needed to Pass

- “If at least a majority of voters cast their ballot in favor of the additional levy, the county board of education may impose the additional levy.”

WVC §11-8-25

- “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.”

Publishing a Notice of a Levy

- WVC 11-8-17:

“(a) The local levying body shall publish a notice, calling the election, as a Class II-0 legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this code, and the publication area for such publication shall be the territory in which the election is held. Such notice shall be so published within fourteen consecutive days next preceding the election.

(b) All the provisions of the law concerning general elections shall apply so far as they are practicable.”

WVC §18-9-1

- Code specifically says, “The Board of Education of every school district or independent school district, wherein a majority of the votes cast on the question of school levy at the last general or special election.”
- Jackson County recently received an interpretation from the WV Secretary of State’s Office that primary elections are acceptable as well.
- It is the recommendation of the secretary of state’s office to hold the election in conjunction with a primary or general election as to minimize election costs.

Sample Ballot

- A sample ballot will read,

"Special election to authorize additional levies for the year(s) _____ and for the purpose of _____ according to the order of the _____ entered on the _____ day of _____."

BALLOT ON SCHOOL LEVY

// For school levy.

// Against school levy.

Submission

- The election **must** be certified by the WV State Auditor's Office.
- They must receive the signed order, sample ballot, and canvass of votes prior to March 28th of the proceeding year to which the levy will take effect.

WVC §11-8-6g: Rollback Provision

- A rollback provision is the ability to reduce the levy rate due to a set increase amount in assessed value from the previous year.
- Prior to July, 1 1995, all special levies in effect were required to adhere to rollback provisions established in code.
- After July, 1 1995, it was determined that each levying body shall choose to include such provisions.
- An additional appraisal or valuation due to new construction or improvements to existing real property, including beginning recovery of natural resources, and newly acquired personal property is not included in the assessed values for calculation of the cap.

Rollback Provision Continued...

- County boards are no longer required to hold hearings regarding a rate rollback unless set forth in the levy call.
- If a hearing is held for the purpose of deciding whether to reduce the excess levy rates, it must be open to the public, and citizens who desire to be heard must be provided an opportunity to present oral testimony within reasonable time limits set by the governing body.
- A decision regarding the special levy rates should be made within 10 days of the hearing.

Excess or Shortfall Collections

- Statute does not specifically speak to the issue of either an excess or shortfall in collections.
- It is best practice to include an explanatory paragraph in the levy call directly referencing each situation and the allocation of funds that will take place in each scenario.

Circus Trivia!!!

How much does an Asian elephant eat each day?





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BOND LEVY ELECTIONS

WVC §13-1-2 Bond Issuance

- “Debt may be incurred and bonds issued under this article for the purpose of acquiring, constructing and erecting, enlarging, extending, reconstructing or improving any building, work, utility or undertaking, or for furnishing, equipping and acquiring or procuring the necessary apparatus for any building, work, improvement or department, 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, or for other similar corporate purpose, or for the acquiring, constructing, maintaining, repairing, improving public roads and transportation facilities, for which the political division is authorized to levy taxes or expend public money.”
- **“But no bonds shall be issued for the purpose of providing funds for the current expenses of any body or political division.”**



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Other Costs Included

- Interest accrued during construction.
- All engineering and inspection costs.
- All costs and estimated costs of the issuance of bonds.

WVC §13-1-3: Allowable Amount

- “No county board of education authorized by this article to issue bonds, shall, by any bond issue, become indebted, in any manner, or for any purpose, to an amount, including all other indebtedness, in the aggregate, exceeding **five percent** on the value of the taxable property therein, in the county school district to be ascertained by the last assessment for state and county taxes, previous to the incurring of such indebtedness, in the manner provided by the "School Bond Amendment," as ratified.”

WVC §13-1-4 Bond Levy Order

The order shall state:

- The necessity for issuing the bonds or, if a petition has been filed as provided herein, that the petition has been filed.
- If for the construction of a county-district road or bridge thereon, a summary of the engineer's report provided for in the following section setting forth the approximate extent and the estimated cost of the proposed improvement and the kind or class of work to be done.
- Purpose or purposes for which the proceeds of bonds are to be expended.
- Valuation of the taxable property as shown by the last assessment for state and county purposes.
- Indebtedness, bonded or otherwise.
- Amount of the proposed bond issue.

Bond Levy Order Continued...

The order shall state:

- Maximum term of bonds.
- Maximum rate of interest.
- Date of election.
- That the levying body is authorized to lay a sufficient levy annually to provide funds for the payment of the interest upon the bonds and the principal at maturity and the approximate rate of levy necessary for this purpose.
- That the bonds will not exceed will not exceed the five percent threshold set forth in WVC §13-1-3.

WVC §13-1-4: Number of Votes Needed

- “A county board of education may contract indebtedness and issue bonds for public school purposes when submitted to a vote of the people of the county if the question of contracting indebtedness and issuing bonds is approved by a majority of all the votes cast for and against the same pursuant to section ten, article X of the Constitution.”

Rate Calculation

- The Municipal Bond Commission will send out annual letters to counties with bond levies.
- Using this information as well as the current year Certificates of Valuation from the county assessor, a calculation is made to set the rates for the year.
- The rates will need to project tax collections as closely as possible to the estimated obligation to be raised in the Municipal Bond Letters.

QUESTIONS?



Thank You

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**COUNTY BOARDS OF EDUCATION
BONDING POTENTIAL
2018-19 YEAR**

County	Taxable Assessed Valuation	Bonding Potential at 5%	Bonds Outstanding June 30, 2018	Unused Potential Remaining
Barbour	\$ 703,341,066	\$ 35,167,053	-	\$ 35,167,053
Berkeley	5,472,303,244	273,615,162	28,315,000	245,300,162
Boone	869,514,670	43,475,734	-	43,475,734
Braxton	643,935,813	32,196,791	10,325,000	21,871,791
Brooke	1,051,515,301	52,575,765	12,630,000	39,945,765
Cabell	3,633,676,812	181,683,841	15,215,000	166,468,841
Calhoun	211,758,760	10,587,938	2,705,000	7,882,938
Clay	232,724,709	11,636,235	-	11,636,235
Doddridge	1,478,892,437	73,944,622	790,000	73,154,622
Fayette	1,455,342,944	72,767,147	-	72,767,147
Gilmer	286,069,776	14,303,489	-	14,303,489
Grant	1,065,725,464	53,286,273	-	53,286,273
Greenbrier	1,874,015,460	93,700,773	17,995,000	75,705,773
Hampshire	1,318,135,293	65,906,765	-	65,906,765
Hancock	1,077,966,408	53,898,320	30,600,000	23,298,320
Hardy	955,249,930	47,762,497	15,955,000	31,807,497
Harrison	4,061,904,522	203,095,226	-	203,095,226
Jackson	1,357,662,862	67,883,143	-	67,883,143
Jefferson	3,608,539,717	180,426,986	3,290,000	177,136,986
Kanawha	9,839,167,982	491,958,399	-	491,958,399
Lewis	950,464,776	47,523,239	-	47,523,239
Lincoln	502,978,591	25,148,930	-	25,148,930
Logan	1,226,292,946	61,314,647	-	61,314,647
Marion	2,647,642,245	132,382,112	5,255,000	127,127,112
Marshall	3,715,400,045	185,770,002	-	185,770,002
Mason	1,082,836,220	54,141,811	-	54,141,811
McDowell	601,876,939	30,093,847	-	30,093,847
Mercer	1,888,564,666	94,428,233	-	94,428,233
Mineral	1,076,793,910	53,839,696	-	53,839,696
Mingo	797,723,852	39,886,193	-	39,886,193
Monongalia	6,136,959,631	306,847,982	33,370,000	273,477,982
Monroe	479,222,464	23,961,123	-	23,961,123
Morgan	1,024,926,285	51,246,314	-	51,246,314
Nicholas	918,934,006	45,946,700	-	45,946,700
Ohio	2,553,807,663	127,690,383	-	127,690,383
Pendleton	518,981,336	25,949,067	-	25,949,067
Pleasants	489,779,851	24,488,993	11,075,000	13,413,993
Pocahontas	676,629,605	33,831,480	-	33,831,480
Preston	1,433,245,036	71,662,252	24,180,000	47,482,252
Putnam	3,308,718,319	165,435,916	30,355,000	135,080,916
Raleigh	3,170,683,171	158,534,159	-	158,534,159
Randolph	1,313,824,937	65,691,247	-	65,691,247
Ritchie	890,076,855	44,503,843	-	44,503,843
Roane	513,736,979	25,686,849	-	25,686,849
Summers	524,768,014	26,238,401	-	26,238,401
Taylor	894,133,189	44,706,659	975,000	43,731,659
Tucker	619,850,170	30,992,509	-	30,992,509
Tyler	864,435,655	43,221,783	-	43,221,783
Upshur	1,134,136,725	56,706,836	-	56,706,836
Wayne	1,242,755,558	62,137,778	14,265,000	47,872,778
Webster	256,254,542	12,812,727	-	12,812,727
Wetzel	1,855,811,876	92,790,594	-	92,790,594
Wirt	167,624,857	8,381,243	-	8,381,243
Wood	3,550,367,608	177,518,380	45,310,000	132,208,380
Wyoming	728,602,214	36,430,111	-	36,430,111
Total	\$ 90,956,283,906	\$ 4,547,814,198	\$ 302,605,000	\$ 4,245,209,198