

Municipal Home Rule Pilot Program Phase III APPLICATION

SECTION I: APPLICANT INFORMATION	
A. General Information	
Name of Municipality: Shepherdstown	
Certifying Official: Arthur J. Auxer	Title: Mayor
Contact Person: Charles F. Printz, Jr.	Title: Town Attorney
Address: 104 North King Street	
Town, State, Zip: Shepherdstown, WV 25443	
Telephone Number: (304) 876-2312	Fax Number:
E-Mail Address: clerk@shepherdstown.us	
2010 Census Population: 1,734	
B. Municipal Classification	
<input type="checkbox"/> Class I <input type="checkbox"/> Class II <input type="checkbox"/> Class III <input checked="" type="checkbox"/> Class IV	
C. Category of Issues to be Addressed (please attach descriptions for applicable categories)	
<input checked="" type="checkbox"/> Tax <input type="checkbox"/> Organization <input checked="" type="checkbox"/> Administration <input type="checkbox"/> Personnel <input checked="" type="checkbox"/> Other	

SECTION II: NARRATIVE (written plan, including the following)
<p>Specific state laws, policies, acts, resolutions, rules or regulations that are preventing the municipality to carry out duties in the most cost effective, efficient, and timely manner.</p> <p>Specific problem(s) created by the laws, policies, acts, resolutions, rules or regulations.</p> <p>Proposed solution(s) to the perceived problem(s), including all proposed changes to law, policies, acts, resolutions, rules or regulations. Categorize and include:</p> <ol style="list-style-type: none"> 1) Proposed solution(s) in one of the five areas (tax/administrative/organization/personnel/other) 2) If revenue related, estimate(s) for proposed solution(s) and how the fiscal impact was determined. Example: Estimated reduction of administrative time and costs = X. Please attach the worksheet or formula used to determine "X" amount. <i>Please see attached.</i>

SECTION III: AFFIDAVITS
Hearing Mandate Verification Publication Mandate Verification Ordinance Authorizing Submission of Plan Fiscal Impact Worksheets/Formulas (if revenue related) Feasibility Study (if taxes are proposed) Attorney Opinion (application complies with statutory requirements) State of West Virginia Fees Statement (none outstanding)

Section II: Narrative

Introduction:



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Historic and picturesque Shepherdstown, West Virginia is the oldest town in West Virginia, chartered by the Virginia General Assembly in 1762. By area, Shepherdstown occupies 0.37 of a square mile, and has 1,734 permanent residents. In addition to its full-time residents, Shepherdstown is home to Shepherd University, which opened with 42 students in 1871 and has grown to serve over 4,000 undergraduate and graduate students.

Shepherdstown is culturally rich, annually hosting the Contemporary American Theater Festival (CATF). Over the past 24 years, CATF has produced 105 new plays, and in 2014 alone, the CATF drew 14,135 attendees from 35 states. Shepherdstown is also home to the American Conservation Film Festival, which annually celebrates independent, historic, publicly funded and Appalachian films.

Along with arts, Shepherdstown is a vibrant community steeped in history - the entire Town is part of the National Register of Historic Places. Visitors can enjoy painstakingly preserved Federal and Greek Revival architecture, and learn about how the many buildings of the Town served as one large hospital after the Civil War Battle of Antietam. Shepherdstown's location on the banks of the Potomac River provides scenic views and river access for tubing, kayaking, and fishing.

A close-knit community, Shepherdstown finds cause for celebration throughout the year, hosting weekly farmer's markets, the Shepherdstown StreetFest, and DogFests during the summer, Boo!Fest at Halloween, and Christmas in Shepherdstown in December, among many more events. The prime location for these festivals, Shepherdstown's main street, German Street, is lined with quaint shops and gourmet restaurants alike.

Shepherdstown was a finalist in Budget Travel's America's Coolest Small Towns contest, was named as one of West Virginia's Best Small Towns by WV Living, was listed as a Great Small Town Near Washington, DC by the Washingtonian, and was included as one of the South's Best Small Towns by Southern Living.

Shepherdstown is a gem in the Eastern Panhandle, but like any other community, its successes are tempered by challenges. Granting Home Rule authority to Shepherdstown's Town Council will help address many of the unique trials faced by the Town, allowing it to continue to thrive.

Shepherdstown requests that, as a Home Rule municipality, in addition to general administrative efficiencies, it be permitted to self-regulate in three key and, at times, unique areas: Marketing/Revenue Generation and Collection, Public Safety, and Property Maintenance.

Specifically, in terms of marketing and revenue, the Town will permit restaurants to serve alcohol on Sundays before 1:00 p.m., creating a boutique brunch industry. Further, the Town will allocate more funds than currently permitted to marketing and tourism, and impose a 1% sales tax on sales within the Town to generate revenue.

As a college town, Shepherdstown is particularly concerned with public safety. As a Home Rule municipality, the Town will lower speed limits, and regulate the locations of



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crosswalks to better ensure safe vehicle operation and pedestrian travel. The Town will also exercise similar authority to the ABCA in terms of policing underage drinking.

Finally, Shepherdstown's allure depends on the continued maintenance of its beautiful and historic buildings. As a Home Rule municipality, Shepherdstown will exercise many of the property maintenance powers, such as on-the-spot citations, enjoyed by most other cities and towns participating in the program.

1. *Marketing; Revenue Generation and Collection.*

A. **Regulate When Restaurants May Serve Alcohol to Become a Sunday Brunch Destination.**

i. Problem: West Virginia Code prohibits restaurants and bars from serving alcohol before 1:00 p.m. on Sundays. However, nearby Maryland and Virginia permit sales of alcohol at least two hours earlier, at 11:00 a.m. Shepherdstown is home to a popular inn and several dining establishments that lose significant business as patrons travel across state lines to enjoy alcoholic beverages with their Sunday brunches.

ii. Authority: W. Va. Code § 60-7-12(a)(5) prohibits any private club licensee, or agent, employee or member thereof, from selling beer, wine, or alcoholic liquor between the hours of 3:00 a.m. and 1:00 p.m. on Sundays. Further, W. Va. Code § 60-8-34 prohibits a private wine bed and breakfast or restaurant from selling wine between the hours of 2:00 a.m. and 1:00 p.m. on Sundays. W. Va. Code § 11-16-18(a)(1) provides that it shall be unlawful for any licensee to sell beer between 2:00 a.m. and 1:00 p.m. on Sundays (except that private clubs licensed under Article 7, Chapter 60 of the West Virginia Code shall operate within hours conforming with the hours of sale of alcoholic liquor).

iii. Solution: The Town will enact an ordinance permitting any private club licensee or private wine bed and breakfast or restaurant to serve beer, wine, and alcoholic liquors after the hour of 10:00 a.m. on Sundays.

iv. Other Notes: A "brunch bill" to achieve this result was introduced, but is likely to be defeated, in the West Virginia Legislature in each of the preceding three sessions, though it was supported by the delegation representing Shepherdstown, as well as restaurants in the Town. The ability to serve alcohol before 1:00 p.m. on Sundays should attract diners to local establishments who may otherwise travel to Maryland or Virginia for brunch, stimulating tourism and the local economy.

B. **Allocate Funding for Marketing and Tourism.**



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i. Problem: The Town relies upon tourism as a key part of its economy; but currently, the Town is restricted from providing adequate funding for marketing to attract visitors.

ii. Authority: W. Va. Code § 8-12-5(52) permits the Town to “appropriate and expend not exceeding twenty-five cents per capita per annum for advertising the municipality and the entertainment of visitors.”

iii. Solution: The Town will pass an ordinance permitting appropriation and expenditure for marketing and tourism in an amount in excess of the previously imposed cap of twenty-five cents per capita per annum. Increased tourism will result in increased revenue for merchants located in the Town, boosting the local economy and providing increased sales tax revenue for the Town under the sales tax to be established.

iv. Other Notes: Similar requests were made in applications for acceptance in the Home Rule program by Clarksburg, Grafton, and Shinnston.

C. **Impose a 1% Sales Tax.**

i. Problem: Presently, the Town is only able to generate revenue via taxation by imposing a municipal business and occupation (“B&O”) tax or by imposing a sales tax; State Code requires that the two taxes be mutually exclusive. The Town currently imposes a B&O tax on utilities. In addition to the B&O tax imposed on utilities, the Town wishes to enact a sales tax to generate revenue.

ii. Authority: W.Va. Code § 8-13C-1 et seq. contemplates the imposition of a sales tax by municipalities either for pension relief or as an “alternative municipal sales tax” at a rate not to exceed one percent. However, a municipality may only impose such a sales tax if it completely eliminates its B&O tax. W.Va. Code § 8-13C-4(b). Under W.Va. Code § 8-1-5a(k)(6), municipalities participating in the Municipal Home Rule Pilot Program do not have the authority to pass an ordinance under Home Rule pertaining to taxation, except that a participating municipality may enact a municipal sales tax up to one percent if it reduces or eliminates its municipal B&O tax.

iii. Solution: The Town proposes a five percent reduction in its B&O tax on utilities to a rate of 3.8% percent, while imposing a one percent sales tax on all taxable sales under the West Virginia Code. Because the Town does not currently impose a B&O tax on retail sales, unlike other municipalities that have applied to participate in the Home Rule Program, the Town does not have a reliable measure of average sales with which to generate a revenue projection. However, the Town believes that it can generate the necessary sales tax so as to not have a budget shortfall resulting from the reduction in B&O tax.

iv. Other Notes: Most municipalities that have included a sales tax component in their applications to participate in the Home Rule program already have in place a



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B&O tax on most, if not all, eligible categories. Shepherdstown differs from those municipalities in that it only imposes a B&O tax on utilities. This distinction comes into play when generating a revenue projection. Other municipalities have, as a result of their collection of B&O tax, an idea of gross receipts of the businesses set forth within their borders. Shepherdstown, conversely, cannot create a revenue projection with information already available because it has no way to determine gross sales within its corporate limits. The Town is in communications with the State Tax Department to ascertain this information, and will supplement this application once provided with necessary information.

v. Fiscal Impact Worksheet: See attached.

D. Impose Liens for Delinquent Town Fees.

i. Problem: While the Town of Shepherdstown may presently issue liens for delinquent police, fire, and street fees, it is unable to issue liens for various other Town fees. Thus, attempted collection of delinquent Town fees creates an administrative hassle that places a burden on the Town's limited resources.

ii. Authority: W.Va. Code § 8-13-13(a) allows a municipality which furnishes any essential or special municipal service, including, but not limited to, police and fire protection, parking facilities on the streets or otherwise, parks and recreational facilities, street cleaning, street lighting, street maintenance and improvement, sewerage and sewage disposal, and the collection and disposal of garbage, refuse, waste, ashes, trash and any other similar matter, to provide by ordinance the installation, continuation, maintenance, etc. or the service, regulate such service, and impose reasonable rates, fees and charges.

However, subsections (c) and (d) provide that such municipality may only file liens on real property located within the municipal corporate limits for unpaid and delinquent fire, police or street fees. Specifically, W.Va. Code § 8-13-13(d) provides that the municipality "shall not" have a lien on any property as security for payments due unless such payments relate to fire, police, or street fees.

iii. Solution: The Town will pass an ordinance permitting it to issue liens for various categories of delinquent Town fees, allowing it to collect funds owed to the Town by property owners. This ordinance will potentially tie into the ability of Town officials to issue citations for certain violations as contemplated in Section 3.A, below, and to take action in regard to eyesores and dilapidated buildings, as contemplated in Section 3.B., below, providing a greater likelihood of receiving compensation for taking action to address such detrimental issues.

iv. Other Notes: Charleston, Huntington, and Wheeling reported that implementation of the authority to issue liens for delinquent Town fees provided collection of significant amounts of delinquent fees and increased compliance with payment of fees assessed.



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E. Purchase Tax Liens on Properties Subject to Delinquent Property Taxes; Provide Right of Redemption to the Town.

i. Problem: Properties that are habitually dilapidated or in violation of municipal and building codes may also be subject to delinquent tax liens that are sold pursuant to West Virginia Code § 11A-3-1 et seq. Purchasers of these tax liens may allow the violations and dilapidated conditions to continue to exist, and the property taxes to go delinquent multiple times without correcting the problems. Also, on properties on which the Town has been required to take corrective actions or for which the owners owe delinquent fees, the associated liens filed by the Town are subject to foreclosure under West Virginia Code § 11A-3-1 et seq., eliminating an opportunity for the Town to obtain payment of funds due under those liens.

ii. Authority: Under W.Va. Code §11A-3-56(b), “[a]ny person who, by reason of the fact that no provision is made for partial redemption of the tax lien on real estate purchased by an individual, is compelled in order to protect himself to redeem the tax lien on all of such real estate when it belongs, in whole or in part, to some other person, shall have a lien on the interest of such other person for the amount paid to redeem such interest.”

iii. Solution: The Town will pass an ordinance: 1) allowing the purchase by the Town of tax liens for property within the Town of Shepherdstown, 2) providing that, for properties on which the Town of Shepherdstown has placed liens for municipal services or payment due for corrective actions for code violations, the Town, subject to any right of the property owner to redeem, be allowed to redeem the subject property, and, if the property is not redeemed by the owner or any other party who has a right to redeem, that the Auditor of the State of West Virginia convey the subject property to the Town of Shepherdstown, upon payment of the amount required under W. Va. Code § 11A-3-23. This will allow the Town of Shepherdstown to recover amounts expended by the Town for services and corrective actions, and allow the Town to ensure potentially dilapidated properties are well-maintained in a manner that contributes to the historic nature of the Town.

iv. Other Notes: Similar provisions were requested in applications for acceptance in the Home Rule program by Martinsburg, Beckley, Elkins, and Oak Hill.

2. *Public Safety: Regulation of Roads and Traffic Safety/Increased Enforcement Powers Related to ABCA-licensed Establishments.*

A. Reduction of Speed Limits and Placement of Other Restrictions on State Roadways within Municipal Boundaries.

i. Problem: Several areas of the Town are conducive to operation of vehicles passing through Town at excessive speeds. The authority governing the Town’s ability to set or alter speed limits and otherwise place restrictions upon roadways is conflicting, and the Town wishes to reduce the speed limits in certain areas within the Town’s corporate limits and create other restrictions on roadways, such as implementing traffic calming devices.



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ii. Authority: The Town has plenary power and authority “(4) to regulate the use of streets, avenues, roads, alleys, ways, sidewalks, crosswalks and public places belonging to the municipalities . . . (13) to prevent injury or annoyance to the public or individuals from anything dangerous, offensive or unwholesome. . . [and] (23) to provide for the elimination of hazards to public health and safety” W. Va. Code § 8-12-5.

The Town has the power to reduce the speed limit at an intersection based upon an engineering and traffic investigation. W. Va. Code § 17C-6-3(a). Additionally, the Town may decrease the 25 mph limitation in local dedicated rights-of-way in a residential district or portions thereof. W. Va. Code § 17C-6-3(d). However, in either case, the alteration of a limit on state highways or extensions thereof must be approved by the commissioner of highways. W. Va. Code § 17C-6-3(e).

W. Va. Code § 17C-7-12(a) permits local authorities to place certain restrictions over roadways under those authorities’ jurisdictions, but does not permit such restrictions to be placed over roadways under the jurisdiction of the State. Further, the Town has the ability to “provide for the opening and excavation of . . . crosswalks . . .” pursuant to W. Va. Code § 8-12-5(2).

iii. Solution: The Town will pass an ordinance providing it with the authority to set speed limits on state roadways within municipal boundaries, and change, modify, or impose other restrictions such as placement of road signs and crosswalks and closure of roads, and implementation of traffic calming devices. Locally elected officials, who are more aware of facts and circumstances that may result in dangerous roadways, can have a greater hand in determining the appropriate speed limits for roads within the Town. Further, coordination with the commissioner of highways will no longer be necessary, permitting any necessary changes to occur in a more efficient and expedient manner.

iv. Other Notes: Nitro and Weirton also included in their Home Rule applications requests for clarification of the authority granted to municipalities to regulate speed within the municipalities and place other restrictions upon roadways.

B. Ability for the Town of Shepherdstown to exercise the same enforcement authority as the ABCA/regulate locations of establishments selling alcohol.

i. Problem: The Town of Shepherdstown is a college town; consumption of alcohol leads to requirements for increased police presence. Not only are officers tasked with addressing underage consumption and public intoxication, but because the Town is on the Maryland border, it receives an influx of consumers on weekend evenings/early mornings who leave Maryland bars after last call at 2:00 a.m. to patronize West Virginia bars that close at 3:00 a.m.

Despite the problems presented by underage drinking and the influx of bar patrons that arrive on weekends after 2:00 a.m., the Town has essentially the same authority over bars as it would over any other private dwelling. Conversely, as a requirement of the bars’ licensure, the



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ABCA has considerably greater authority, including, for example, the ability to investigate whether underage patrons are being served. The Town wishes to be able to act with the same authority as the ABCA, and not be precluded by the ABCA from taking action regulating aspects of private clubs. This authority would include regulation of other aspects of the operation of private clubs, such as regulating the location in which bars may operate.

ii. Authority: W. Va. Code St. R. § 175-2-4 governs the operation of private clubs, regulating the hours of operation and of sale of alcoholic beverages and requiring a licensee to, at reasonable times, permit the immediate inspection of licensed premises by the Commissioner to ensure that the laws and rules of the State of West Virginia are enforced. Much like any private establishment, the Town Police have no right of inspection or right of entry without probable cause.

Additionally, W. Va. Code § 11-16-8(a)(5) requires, when making application for a license to sell nonintoxicating beer, that the applicant affirm that the place in which the beer will be sold is not within three hundred feet of a school or church.

iii. Solution: The Town will enact ordinances exercising authority similar to that of the ABCA, such as granting to its police force authority to, among other actions, investigate underage drinking in private clubs and enforce the set last call and closing times of such clubs. Further, the Town will enact an ordinance permitting it to waive the requirement that any establishment requesting a license to sell nonintoxicating beer be located two hundred feet from any school or church.

iv. Other Notes: Similar provisions were requested by Martinsburg and Weirton in their respective Home Rule applications. Subsequently, Elkins requested the authority to eliminate distance requirements between churches and restaurants/bars.

3. *More Efficient Exercise of Property Maintenance Authority.*

A. **Grant of authority to Shepherdstown Town Code Enforcement Officials to immediately issue citations for external sanitation violations and common nuisances.**

i. Problem: Shepherdstown's charm depends on the maintenance of its beautiful and historic buildings. Presently, State Code does not contemplate the ability for a code enforcement official to issue citations "on the spot" for external sanitation violations and common nuisances, but rather would require the official to send preliminary notices and provide an opportunity to respond. This process would require additional manpower. Further, the lack of immediate citation power could result in decreased compliance by property owners.

ii. Authority: W.Va. Code § 8-12-16 allows municipalities to adopt ordinances regulating the repair, closing, demolition, etc. of dwellings or buildings unfit for human habitation. Additionally, municipalities may adopt ordinances requiring the owner of any such dwelling or building to pay for the costs of repairs, alterations, improvements, demolition,



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etc. The municipality then may file a lien against the real property for the costs incurred by the municipality, and file a civil action for such costs and reasonable attorneys' fees.

W.Va. Code § 8-12-5(23) vests municipalities with the authority to, by ordinance or resolution, provide for the elimination of hazards to public health and safety and abate or cause to be abated anything which a majority of the governing body finds to be a public nuisance, but does not provide authority for granting citation powers to code enforcement officials.

iii. **Solution:** The Town will enact an ordinance providing for code enforcement officers with the authority to issue "on the spot" citations for certain violations. This citation power will extend to sanitation, drainage, sidewalks in disrepair, high weeds, grass, or both, graffiti, exterior garbage accumulation, open storage in residential districts, and nonresident recreational vehicles. These citations may be issued to the owner, lessee, sublessee, tenant, occupant, or agent or manager thereof, presently having control over the property in question, and an opportunity to respond will be afforded to the cited party by contesting the citation in municipal court.

iv. **Other Notes:** H.B. 4461, H.D., 2012 Reg. Sess. (W.Va. 2012) was intended to provide a citation process for municipalities to address certain external sanitation and common nuisance violations but never came to a vote. Charleston has provided similar authority to its code enforcement officers and reports faster compliance with external sanitation violations and common nuisances. See Special Report: Municipal Home Rule Pilot Program, pg. 12. Of sixty-three citations issued, two were appealed to Municipal Court. Subsequently, similar provisions were requested by several other Home Rule cities, such as Martinsburg, Beckley, Bluefield, Buckhannon, Charles Town, Clarksburg, Elkins, Morgantown, South Charleston, and St. Albans.

B. Liens for Actions Taken in Regard to Eyesores and Dilapidated Buildings.

i. **Problem:** The Town has the ability to repair, alter, or demolish property and/or mow overgrown grass, but is limited to sending a bill to the property owner to attempt to recoup the money expended taking such action, without any further authority for collection.

ii. **Authority:** W.Va. Code § 8-12-16 governs the adoption of ordinances regulating the repair, closing, demolition, etc., of dwellings or buildings unfit for human habitation. It allows every municipality to file a lien against real property for an amount that reflects all costs incurred by the municipality for repairing, altering, improving, closing, demolishing, etc. but requires that a lawsuit be filed in order to obtain such lien.

Additionally, W.Va. Code § 8-12-5(23) vests municipalities with the authority to, by ordinance or resolution, provide for the elimination of hazards to public health and safety and abate or cause to be abated anything which a majority of the governing body finds to be a public nuisance, but does not provide any authority for filing liens against property for fees incurred in removing such hazards or nuisances.



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iii. Solution: The Town will enact an ordinance permitting it to, after due notice, repair, alter or demolish property, mow overgrown grass, and collect unlawful accumulations of garbage and rubbish, and, without court approval, place a lien on the property for the amount expended by the Town in taking such action.

iv. Other notes: Wheeling has reported the issuance of several dozen liens for property maintenance, such as mowing lawns. See Special Report: Municipal Home Rule Pilot Program, pp. 12-14. Similar provisions were requested by Beckley, Bluefield, Martinsburg, Elkins, Oak Hill, and St. Albans.

4. *Administrative Efficiency and Support.*

A. **Ability to Enter into Contracts with Other Jurisdictions by Resolution.**

i. Problem: If the Town of Shepherdstown wishes to contract with another jurisdiction, it must go through the process of enacting an ordinance, requiring several readings of a proposed ordinance at Town Council meetings and delaying the entry into such contract by several weeks.

ii. Authority: W.Va. Code § 8-11-3(10) indicates that, except where otherwise provided by code, actions of a municipality in providing for a contractual or other agreement with another jurisdiction shall be by ordinance. W. Va. Code § 8-11-4(a)(1) requires that an ordinance be read by title at no less than two meetings of the Council, with at least one week between each meeting. The Town is not required to pass an ordinance for the entry into agreements with non-governmental entities.

iii. Solution: The Town would no longer be subject to the requirement set forth in W.Va. Code § 8-11-3(10) that it enact ordinances to enter into contracts with other jurisdiction, but rather may contract with another jurisdiction via resolution, saving time expended going through the process of enacting an ordinance and expediting receipt by the Town of the services or agreement obtained through such contract.

iv. Other Notes: By H.B. 4312, H.D., 2012 Reg. Sess. (2012), the House attempted to pass a bill amending W.Va. Code § 8-11-3 by removing subsection 10, but the bill appears to have died in the Judiciary Committee. Charleston reports that, as a result of its proposal to allow contracts with other jurisdictions via resolution, thirty-five contracts have been approved at least two weeks faster than would have otherwise occurred. See Special Report: Municipal Home Rule Pilot Program, pg. 13. Similar provisions were requested by several other municipalities in their applications for participation in the Home Rule program.

B. **Fee to be Imposed Upon Persons Convicted in Town Court.**

i. Problem: The Town prosecutes many violations of Town ordinances in its municipal court, which holds court monthly. In 2015, an average of 20 defendants per month



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pled guilty to or were convicted of misdemeanor offenses. The municipal court would benefit greatly from additional funds to incorporate newer technology, permitting the court to function more efficiently. For example, with additional funds, the Town could purchase courtroom technology such as a portable scanner/printer or laptop. However, the Town does not have authority to impose additional costs on defendants to support the municipal court.

ii. Authority: No authority currently exists permitting a municipality to impose court costs that specifically benefit the municipal court. W. Va. Code § 8-10-2 provides for the establishment of municipal courts for municipalities. W. Va. Code § 8-11-1(d) permits additional costs in the amount of forty-two dollars (\$42.00) for moving violations and jailable offenses, but of those monies, forty dollars (\$40.00) must be paid into the regional jail and correctional facility development fund in the State Treasury, and two dollars (\$2.00) may be retained as administrative costs by the municipality. W. Va. Code § 8-11-1b permits the imposition of additional costs in the amount of fifty-five dollars (\$55.00) on defendants convicted of certain driving under the influence offenses, but the additional costs are to be deposited in the general revenue fund of the municipality.

iii. Solution: The Town will pass an ordinance providing for the imposition of additional costs, proposed to be between \$3.00 and \$5.00, to be collected by the municipal court clerk and used for the advancement of technology in the Town's municipal court.

iv. Other Notes: Morgantown included in its application a request to impose a fee, proposed to be between \$3.00 and \$5.00, to be assessed against each person convicted of a crime, which fee would remain with and be used for the operation of the municipal court.

v. Revenue projection: In 2015, defendants plead guilty to or were convicted of 257 offenses in Shepherdstown municipal court. If the Town imposes a \$5.00 fee on citations paid, similar numbers of convictions in future years will result in approximately \$1,285 of annual revenue to be used for municipal court expenses.



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FISCAL WORKSHEET - SALES TAX/B&O TAX

Corporation of Shepherdstown			
Business & Occupation Tax/Sales Tax Projections			
Current rate:	4%		Revenue Projection with Rate Reduction of 5%
<u>2013 B&O tax collected</u>		<u>Total</u>	Average annual B&O tax collection (for 2013 and 2014):
03/31/2013	\$24,283.81		Average annual utility sales (B&O revenue divided by 4%):
06/30/2013	\$17,053.35		Projected B&O Rate:
09/30/2013	\$16,667.84		Projected B&O tax collection with reduced rate:
12/31/2013	\$18,748.18	\$76,753.18	Projected annual reduction in B&O revenue:
<u>2014 B&O tax collected</u>			
03/31/2014	\$26,253.78		Necessary Gross Sales to Make Up for B&O Revenue Reduction:
06/30/2014	\$17,181.33		
09/30/2014	\$17,029.86		Projected sales tax rate:
12/31/2014	\$18,096.74	\$78,561.71	Necessary annual gross sales to generate \$3,882.87 net to the Town*:
			\$408,723.39
*This amount takes into account the 5% administrative fee that will be captured by the State Tax Department.			
<i>Note: The Town currently imposes a B&O tax only on utilities.</i>			
<i>To implement a 1% sales tax as part of Home Rule, the Town must reduce the B&O tax rate imposed.</i>			
<i>Once reduced, the B&O rate may not be raised without eliminating the sales tax.</i>			