

WV Supreme Court of Appeals Reverses 2013 \$1 Million Tax on United Hospital Center

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United Hospital Center in Bridgeport will not have to pay the Harrison County Assessor's Office \$1 million in taxes for the 2011 tax year, according to a final ruling issued March 26 by the West Virginia Supreme Court of Appeals.

Attorneys for United Hospital Center argued that the hospital should not be required to pay property taxes on the current hospital facility while it was under construction. Harrison County Circuit Judge Lewis Marks Jr. ruled in Jan. 2013 that a property owned by a charity that was not being used primarily and immediately for its charity purpose should not be exempt from taxes. The W.Va. Supreme Court of Appeals reversed Marks' ruling Wednesday.

United Hospital Center [told the W.Va. Supreme Court of Appeals](#) in Jan. 2014 that it should be exempt from the taxes because the building was 50 percent complete at the time and that employees were working there. The former UHC location was also still in use at that time.

"Upon a careful examination of the issues presented by this case, we are compelled to conclude that the analytical approach taken by the respondents is unduly narrow in scope," [wrote the court in its ruling](#). "To suggest that the cynosure of demonstrating an organization's charitable purpose hinges on the swinging of its doors — especially in this day of voluminous regulations which govern both qualification as a charitable organization and approval to construct and operate a hospital facility — indicates a rather myopic view of the realities of both construction and health care law.

"With full awareness of the regulatory complexity of modern corporate existence, the determination of the hospital's entitlement to exemption from ad valorem property tax requires a seemingly anachronistic examination of the historical basis of tax exemptions in this state against the purposes which they continue to serve today."

"We are very pleased with the court's ruling and we believe the court made the right ruling based upon the facts," said United Hospital Center's attorney, Michael Garrison of Spillman, Thomas, & Battle. "It's a narrow ruling that applies mainly to the specific facts of UHC's case, but we're very gratified by it," said Garrison.