

H. B. 3131

(By Delegate Manypenny)

[Introduced February 15, 2011; referred to the Committee on Energy, Industry and Labor, Economic Development and Small Business then Finance.]

**FISCAL  
NOTE**

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §11-13A-3f, relating to imposing a ten-year moratorium on severance taxes on the extracting and recovering material from refuse, slurry, gob piles or other sources of waste coal to produce energy.

*Be it enacted by the Legislature of West Virginia:*

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new section, designated §11-13A-3f, to read as follows:

**ARTICLE 13A. SEVERANCE AND BUSINESS PRIVILEGE TAX ACT.**

**§11-13A-3f. Ten-year moratorium of tax on privilege of extracting and recovering material from refuse, slurry, gob piles or other sources of waste coal to produce energy.**

(a) The Legislature hereby finds and declares the following:

1       (1) That some mining operations in this state process coal to  
2 create a saleable clean coal product;

3       (2) That the by-product, waste or residue created from  
4 processing coal is commonly deposited in what are known as slurry,  
5 refuse or gob piles;

6       (3) That, there should be an incentive for businesses to  
7 develop and implement technologies and other factors, the material  
8 contained in slurry ponds, refuse or gob piles located in this  
9 state to be recovered and further processed to produce saleable  
10 energy; and

11       (4) That, under the existing laws of this state, energy  
12 produced from processing material contained in refuse, gob piles,  
13 slurry ponds, pond fines or other sources of waste coal would be  
14 subject to the annual privilege tax imposed on the severance of  
15 coal pursuant to sections three and three-e of this article and the  
16 minimum severance tax imposed by section three, article twelve-b of  
17 this chapter.

18       Based on the findings in this subsection, the Legislature  
19 concludes that an incentive to the extracting and recovering  
20 material contained in refuse, gob piles and other sources of waste  
21 coal located in this state and subsequently processing, washing and  
22 preparing this material to produce energy should be implemented to  
23 encourage the production of energy from refuse or gob piles located  
24 in this state.

1       (b) Moratorium of taxes. -- Notwithstanding any other  
2 provision of this code to the contrary, for tax years 2011 through  
3 and including 2020, no severance tax may be imposed upon any  
4 business or person for the privilege of engaging or continuing  
5 within this state in the business of extracting and recovering  
6 material from a slurry pond, a refuse, gob pile or other sources of  
7 waste coal and subsequently processing, washing and preparing this  
8 extracted or recovered material to produce energy for sale, profit  
9 or commercial use, including, but not limited to: (i) The annual  
10 privilege tax imposed on the severance of coal imposed by sections  
11 three and three-e of this article; (ii) the additional tax on  
12 severance, extraction and production of coal imposed by section six  
13 of this article; and (iii) the minimum severance tax imposed by  
14 section three, article twelve-b of this chapter.

NOTE: The purpose of this bill is to impose a ten-year moratorium on severance taxes on the extraction and recovery of material from refuse, slurry, gob piles or other sources of waste coal to produce energy.

This section is new; therefore, it has been completely underscored.