

1 **H. B. 4457**

2
3 (By Delegate Doyle)

4 [Introduced February 8, 2012; referred to the
5 Committee on the Judiciary then Finance.]
6
7
8
9

10 A BILL to amend the Code of West Virginia, 1931, as amended, by
11 adding thereto a new section, designated §11-4-9a, relating to
12 eliminating the real property tax on nonproducing mineral
13 estates; implementing an additional one percent severance tax;
14 making findings; and providing rule-making authority.

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

16 That the Code of West Virginia, 1931, as amended, be amended
17 by adding thereto a new section, designated §11-4-9a, to read as
18 follows:

19 **ARTICLE 4. ASSESSMENT OF REAL PROPERTY.**

20 **§11-4-9a. Exemption of nonproducing mineral estates; severance**
21 **tax; findings; rulemaking.**

22 (a) Notwithstanding Article X of the Constitution of West
23 Virginia, section nine of this article and any other provision of

1 this code that concerns the taxation of minerals as a real property
2 estate, the Legislature finds that because of the difficulty of
3 ascertaining the value of a nonproducing mineral right and in order
4 to ensure fair, equal and uniform taxation throughout the state, a
5 nonproducing mineral right has zero value for the purpose of
6 property tax assessment.

7 (b) When a nonproducing mineral right begins producing
8 minerals, the mineral right shall be assessed for tax purposes in
9 accordance with the applicable provisions of this code.

10 (c) When the minerals are extracted, in addition to other
11 severance taxes permitted by this code, there is imposed an
12 additional one percent severance tax on the value of those
13 minerals. This additional tax shall be collected in same manner as
14 provided by section seventeen, article thirteen-a of this chapter.
15 Within sixty days of collection, the Tax Commissioner shall
16 transfer the proportional share of the funds to the county where
17 the minerals were produced.

18 (d) The Tax Commissioner shall propose for legislative
19 approval rules necessary to implement this section in accordance
20 with article three, chapter twenty-nine-a of this code.

NOTE: The purpose of this bill is to eliminate the real property tax on nonproducing mineral estates and replace it with an additional one percent severance tax. The bill also makes findings and provides rule-making authority.

This section is new; therefore, it has been completely

underscored.