

WEST VIRGINIA LEGISLATURE

2017 REGULAR SESSION

Introduced

House Bill 2511

**FISCAL
NOTE**

BY DELEGATES FLEISCHAUER AND HORNBUCKLE

[Introduced February 16, 2017; Referred
to the Committee on the Judiciary then Finance.]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article,
 2 designated §22-6C-1, §22-6C-2 and §22-6C-3, all relating to establishing an industrial
 3 water extraction fee; placing a ~~one-cent~~ 1¢ fee on every gallon of water extracted for
 4 industrial use; placing an additional ~~one-cent~~ 1¢ fee on every gallon of water extracted for
 5 industrial use that is transported over state roads; requiring measuring of water
 6 withdrawals by a specified method; defining terms; and providing rule-making authority.

Be it enacted by the Legislature of West Virginia:

1 That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new
 2 article, designated §22-6C-1, §22-6C-2 and §22-6C-3, all to read as follows:

ARTICLE 6C. INDUSTRIAL WATER EXTRACTION FEES.

§22-6C-1. Definitions.

1 As used in this article:

2 "Hydrant" means a pumping device capable of measuring the amount of water running
 3 through it.

4 "Hydrologic cycle" means the continuous circulation of water in the Earth's atmosphere,
 5 land and oceans.

§22-6C-2. Industrial use extraction fees.

1 (a) There is placed a 1¢ fee on every gallon of water withdrawn from the waters of the
 2 state for industrial use: *Provided*, That the withdrawn water is not intended to be returned to the
 3 hydrologic cycle. The Tax Commissioner shall collect moneys generated by this fee on a monthly
 4 basis. The commissioner shall collect moneys generated by the fee on a date not later than the
 5 first day of the month immediately following the collection period. The commissioner shall remit
 6 any moneys collected from the fee to the State Treasurer to place in the West Virginia Future
 7 Fund.

8 (b) There is placed a separate 1¢ fee on every gallon of water withdrawn when the water

9 is to be transported over any state roads. The Tax Commissioner shall collect moneys generated
10 by this fee on a monthly basis, not later than the first day of the month immediately following the
11 collection period. Moneys generated by this fee shall be deposited into the General Revenue
12 Fund of the county from which the water was extracted.

§22-6C-3. Measuring water withdrawals.

1 (a) Water withdrawal sites shall have a cradle-to-grave monitoring system to determine
2 the number of gallons withdrawn for industrial use. These sites shall be designated by the
3 Secretary of the Department of Environmental Protection. The monitoring system shall, at a
4 minimum, include the use of hydrants with a backflow preventer to protect the state's streams and
5 rivers from contamination.

6 (b) Each hydrant must have:

7 (1) A computerized electronic swipe card reader or comparable technology approved by
8 the secretary that identifies the amount of water taken, when it was taken and by whom it was
9 taken and shall include a receipt or other notification of the time the water was taken;

10 (2) A manual shutoff valve; and

11 (3) An automatic shutoff valve that will activate itself if the stream level reaches a level
12 that would be detrimental to stream aquatic life or the stream's ecosystem.

13 (c) Each water truck must have an electronic positioning system that identifies where the
14 truck is at all times along with a manual log.

15 (d) The Department of Environmental Protection shall propose rules for legislative
16 approval in accordance with the provisions of article three, chapter twenty-nine-a of this code, to
17 implement the monitoring system, including the setting of hydrant connection fees.

NOTE: The purpose of this bill is establishing industrial water extraction fees. The bill places a penny fee on every gallon of water extracted for industrial use. The bill places an additional penny fee on every gallon of water extracted for industrial use that is transported over state roads. The bill requires measuring of water withdrawals by a specified method. The bill defines terms and provides rule-making authority.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.