

WEST VIRGINIA LEGISLATURE

2019 REGULAR SESSION

Introduced

House Bill 2565

BY DELEGATE CANESTRARO, FLEISCHAUER, ZUKOFF,

FLUHARTY, DISERIO, WILLIAMS AND PYLES

[Introduced January 21, 2019; Referred

to the Committee on Industry and Labor then

Finance.]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,
 2 designated §11-13A-3f, relating to collecting a user fee from oil and gas producers who
 3 use secondary roads in the state; and providing for the distribution to the counties a
 4 proportional share of the collected fees.

Be it enacted by the Legislature of West Virginia:

ARTICLE 13A. SEVERANCE AND BUSINESS PRIVILEGE TAX ACT.

**§11-13A-3f. Imposition of user fee on privilege of severing natural gas or oil; Tax
 Commissioner to collect the fee; distribution to counties.**

1 (a) For the privilege of engaging or continuing within this state in the business of severing
 2 natural gas or oil for sale, profit or commercial use, there is hereby levied and shall be collected
 3 from every person exercising such privilege an annual user fee of \$1 million from each business
 4 for each county in which they use one or more secondary roads for their operations.

5 (b) The fee imposed by this section applies to all persons severing gas or oil in this state,
 6 and is in addition to all other fees or taxes imposed by law.

7 (c) Once the fee has been collected, and on an annual basis, the State Tax Commissioner
 8 shall transfer the fees to the Division of Highways for the sole use of maintaining and upkeeping
 9 the secondary roads in the state. The State Tax Commissioner shall also inform the Division of
 10 Highways the amount of oil and gas produced in each county. Each county shall receive its pro
 11 rata share of those fees based on the amount of oil and gas produced in that county.

NOTE: The purpose of this bill is to collect a user fee from oil and gas producers who use secondary roads in the state. The bill provides for the distribution to the counties a proportional share of the collected fees.

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