wEST virginia legislature

**FISCAL NOTE**

2023 regular session

Introduced

House Bill 2422

By Delegate Keaton

[Introduced January 11, 2023; Referred to the Committee on Finance]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §11-13A-20b, relating to the reallocation of certain severance tax proceeds to the State Road Fund, rather than the General Revenue Fund; providing for a three-year fiscal year phase-in date; and providing exceptions for counties and municipalities who receive severance tax proceeds that are not otherwise intended for the General Revenue Fund.

Be it enacted by the Legislature of West Virginia:

ARTICLE 13A. SEVERANCE AND BUSINESS PRIVILEGE TAX ACT.

§11-13A-20b. Three-year transition of severance fund money from general revenue fund to state road fund.

(a) Unless otherwise allocated in this article or elsewhere in the code, all proceeds collected from the severance tax that would have otherwise gone to the state’s General Revenue Fund shall hereby be allocated to the West Virginia State Road Fund.

(b) Beginning in fiscal year 2024, 1/3 of all severance tax money that would have gone to the state’s General Revenue Fund shall be allocated to the State Road Fund; in fiscal year 2025, 2/3 of all severance tax proceeds that would have gone to the General Revenue Fund shall be allocated to the State Road Fund; and in fiscal year 2026, the entirety of the severance tax proceeds that would have gone to the General Revenue Fund shall be allocated to the State Road Fund.

(c) These payments do not affect severance tax proceeds that are not part of the General Revenue Fund, nor do they affect proceeds that are designated for other use in code. Further, this reallocation of severance tax proceeds does not affect the control of counties and municipalities of severance tax moneys that these entities would have otherwise received.

NOTE: The purpose of this bill is to reallocate severance tax money to the State Road Fund rather than to the general revenue fund, unless otherwise apportioned.

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