

# **WEST VIRGINIA LEGISLATURE**

## **2025 REGULAR SESSION**

**Introduced**

### **House Bill 3402**

By Delegate Adkins

[Introduced March 17, 2025; referred to the  
Committee on Finance]

1 A BILL to amend and reenact §11-1C-2 and §11-1C-11a of the Code of West Virginia, 1931, as  
2 amended, relating to establishing a new classification for managed timberland leased for  
3 substantial income.

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

**ARTICLE 1C. FAIR AND EQUITABLE PROPERTY VALUATION.**

**§11-1C-2. Definitions.**

1 For the purposes of this article, the following words shall have the meanings hereafter  
2 ascribed to them unless the context clearly indicates otherwise:

3 (a) "Timberland" means any surface real property except farm woodlots of not less than 10  
4 contiguous acres which is primarily in forest and which, in consideration of their size, has sufficient  
5 numbers of commercially valuable species of trees to constitute at least 40 percent normal  
6 stocking of forest trees which are well distributed over the growing site.

7 (b) "Managed timberland" means surface real property, except farm woodlots, of not less  
8 than ten contiguous acres which is devoted primarily to forest use and which, in consideration of  
9 their size, has sufficient numbers of commercially valuable species of trees to constitute at least 40  
10 percent normal stocking of forest trees which are well distributed over the growing site and that is  
11 managed pursuant to a plan provided for in section ten of this article: *Provided*, That any tract or  
12 parcel of real estate, regardless of its size, which is subject to contract, agreement, a deed  
13 restriction, deed covenant, or zoning regulation which limits the use of that real estate in a way that  
14 precludes the commercial production and harvesting of timber upon it may not be considered as  
15 managed timberland within the meaning of this article: *Provided, however*, That a landowner  
16 whose land is subject to, or may become subject to, a conservation or preservation easement may  
17 not be prevented from entering into a timberland management plan with the West Virginia Division  
18 of Forestry. This may include managed timberland that is leased for substantial income as  
19 described in §11-1C-11a of this code.

20 (c) "Substantial Income" means a percentage of the land's assessed value or a minimum

dollar threshold consistent with Category A requirements.

~~(e)~~(d) "Tax Commissioner," "commissioner" or "tax department" means the State Tax Commissioner or a designee of the State Tax Commissioner.

~~(d)~~(e) "Valuation commission" or "commission" means the commission created in section three of this article.

~~(e)~~(f) "County board of education" or "board" means the duly elected board of education of each county.

~~(f)~~(g) "Farm woodlot" means that portion of a farm in timber but may not include land used primarily for the growing of timber for commercial purposes except that Christmas trees, or nursery stock and woodland products, such as nuts or fruits harvested for human consumption, shall be considered farm products and not timber products.

~~(g)~~(h) "Owner" means the person who is possessed of the freehold, whether in fee or for life. A person seized or entitled in fee subject to a mortgage or deed of trust securing a debt or liability is deemed the owner until the mortgagee or trust takes possession, after which such mortgagee or trustee shall be deemed the owner. A person who has an equitable estate of freehold or is a purchaser of a freehold estate who is in possession before transfer of legal title is also deemed the owner.

~~(h)~~(i) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities.

~~(i)~~(j) "Paper" means a tax map or document that is not electronic.

The definitions in subdivisions ~~(f)~~ and ~~(g)~~ (g) and (h) of this section shall apply to tax years beginning on or after January 1, 2001.

**§11-1C-11a. Certification of managed timberland or managed timberland that is leased for substantial income; assessment of property; penalty for failure to comply.**

(a) Any person who owns timberland comprising 10 or more contiguous acres may qualify for identification as managed timberland, or managed timberland that is leased for substantial

3 income, for property tax purposes as set forth in §11-1C-10(d)(1) of this code.

4 (b) The assessor, upon receipt of an appraisal or certification of the timberland from the Tax  
5 Commissioner, shall assess the property as managed timberland, or managed timberland that is  
6 leased for substantial income, beginning with the next ensuing assessment year. Except as  
7 otherwise provided in this section, the classification of timberland included in a certified managed  
8 timberland plan shall not change for property tax purposes until such time as there is: (1) A change  
9 in the use of the property which requires a change in classification; (2) a change in the  
10 classification of the property from Class III to Class IV; or (3) a change in the classification of the  
11 property from Class IV to Class III.

12 (c) In order to encourage sustainable timberland leasing and management, to provide tax  
13 consistency for landowners and lessees, and to ensure that income-generating timberland is  
14 appropriately categorized, there shall be an additional category for managed timberland that is  
15 leased for substantial income.

16 (1) Properties within this classification will be taxed at the same rate as Category A  
17 managed timberland regardless of the timber's quality or growth stage.

18 (2) To be eligible for the managed timberland that is leased for substantial income  
19 certification, the landowner must:

20 (A) Lease the property under a formal contract; and

21 (B) The lessee must use the land primarily for timber-related economic activities.

22 (3) The West Virginia Division of Forestry and the State Tax Division shall oversee  
23 classification and compliance.

24 (e)(d) If the director of the Division of Forestry determines that the owner of timberland  
25 failed to implement a certified managed timberland plan within 24 months of certifying that the  
26 property meets the definition of managed timberland, the director shall give written notice to the  
27 owner by certified mail, return receipt requested, that such certification is removed and the owner  
28 of the timberland shall pay to the sheriff of the county in which the property is located a fine equal

29 to the amount of property taxes saved due to the property being assessed as managed timberland  
30 plus interest calculated at the rate of nine percent per year. Additionally, the assessor shall  
31 reassess the property. The amount of this fine is equal to the sum of the following calculations:

32 (1) For each assessment year, the county assessor shall determine the market value of the  
33 property and subtract from that value the value at which the property was appraised as managed  
34 timberland. This amount shall be multiplied by 60 percent. This result shall then be multiplied by  
35 the applicable levy rate.

36 (2) Interest shall be imposed on the amount calculated under subdivision (1) of this  
37 subsection at the rate of nine percent per annum beginning with October 1, of the tax year in which  
38 the taxes should have been paid based upon the timberland value of the property. Interest shall  
39 continue to accrue until the day the fine is paid.

40 ~~(d)~~(e) The sheriff shall deposit and account for the fines collected under this section in the  
41 same manner as property taxes.

NOTE: The purpose of this bill is to establish a new classification for managed timberland leased for substantial income.

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