

# **WEST VIRGINIA LEGISLATURE**

## **2026 REGULAR SESSION**

**Introduced**

### **House Bill 5340**

By Delegates Adkins, Watt, and Bridges

[Introduced February 09, 2026; referred to the  
Committee on Energy and Public Works then  
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 carbon credits.

*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 of at least 1,000 acres that is leased for carbon  
 19 credit income as described in §11-1C-11a.

20 (c) "Carbon credit income" means a percentage of the land's assessed value of at least

21 \$10,000 per annum.

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

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

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

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

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

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

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

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

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

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

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 carbon credit 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 carbon credit 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 carbon credit 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 (4) Managed timberland properties receiving the discounted property tax rate and that is  
25 subsequently leased for carbon credits shall be considered a business, and not managed  
26 timberland.

27 (5) Properties that are less than \$10,000 per annum and are less than 100 acres are  
28 exempt from being reclassified.

29           ~~(e)~~(d) If the director of the Division of Forestry determines that the owner of timberland  
30 failed to implement a certified managed timberland plan within 24 months of certifying that the  
31 property meets the definition of managed timberland, the director shall give written notice to the  
32 owner by certified mail, return receipt requested, that such certification is removed and the owner  
33 of the timberland shall pay to the sheriff of the county in which the property is located a fine equal  
34 to the amount of property taxes saved due to the property being assessed as managed timberland  
35 plus interest calculated at the rate of nine percent per year. Additionally, the assessor shall  
36 reassess the property. The amount of this fine is equal to the sum of the following calculations:

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

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

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

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