

RECEIVED

00 MAR 24 PM 3:43

OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

# WEST VIRGINIA LEGISLATURE

SECOND REGULAR SESSION, 2000



# ENROLLED

## House Bill No. 4416

(By Delegates Beane, Federick, Facemyer,  
Coleman, Yeager, Michael and Kominar)



Passed March 11, 2000

In Effect Ninety Days from Passage

RECEIVED

00 MAR 24 PM 3: 44

OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

**ENROLLED**

**H. B. 4416**

(BY DELEGATES BEANE, FREDERICK, FACEMYER,  
COLEMAN, YEAGER, MICHAEL AND KOMINAR)

[Passed March 11, 2000; in effect ninety days from passage.]

AN ACT to amend and reenact article thirteen-a, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new section, designated section three-d, relating to exemptions of coalbed methane production from imposition of the severance tax.

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

That article thirteen-a, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new section, designated section three-d, to read as follows:

**ARTICLE 13A. SEVERANCE TAXES.**

**§11-13A-3d. Imposition of tax on privilege of severing coalbed methane.**

- 1       (a) The Legislature hereby finds and declares the following:
- 2       (1) That coalbed methane is underdeveloped and an
- 3       under-utilized resource within this state which, where practica-
- 4       ble, should be captured and not be vented or wasted;

5       (2) The health and safety of persons engaged in coal mining  
6 is a paramount concern to the state. The Legislature intends to  
7 preserve coal seams for future safe mining, to facilitate the  
8 expeditious, safe evacuation of coalbed methane from the  
9 coalbeds of this state, and to ensure the safety of miners by  
10 encouraging the advance removal of coalbed methane;

11       (3) The United States environmental protection agency's  
12 coalbed methane outreach program encourages United States  
13 coal mines in the United States to remove and use methane that  
14 is otherwise wasted during mining. These projects have  
15 important economic benefits for the mines and their local  
16 economies while they also reduce emissions of methane; and

17       (4) The initial costs of development of coalbed methane  
18 wells can be large in comparison to conventional wells and  
19 deoxygenation and water removal increase development  
20 expenditures.

21       The Legislature, therefore, concludes that an incentive to  
22 coalbed methane development should be implemented to  
23 encourage capture of methane gas that would otherwise be  
24 vented to the atmosphere.

25       (b) *Imposition of tax.* — In lieu of the annual privilege tax  
26 imposed on the severance of natural gas or oil pursuant to  
27 section three-a, article thirteen-a, for the privilege of engaging  
28 or continuing within this state in the business of severing  
29 coalbed methane for sale, profit or commercial use, there is  
30 hereby levied and shall be collected from every person exercis-  
31 ing such privilege an annual privilege tax: *Provided*, That  
32 effective for taxable years beginning on or after the first day of  
33 January, two thousand one, there is an exemption from the  
34 imposition of the tax provided for in this article for a maximum  
35 period of five years for all coalbed methane produced from any  
36 coalbed methane well placed in service after the first day of

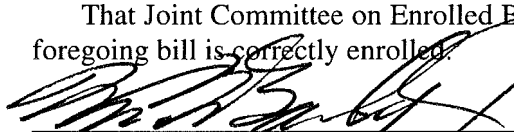
37 January, two thousand. For purposes of this section, the terms  
38 “coalbed methane” and “coalbed methane well” have the  
39 meaning ascribed to them in section two, article twenty-one,  
40 chapter twenty-two of this code. The exemption from tax  
41 provided by this section is applicable to any coalbed methane  
42 well placed in service before the first day of January, two  
43 thousand eleven.

44 (c) *Rate and measure of tax.* — The tax imposed on  
45 subsection (b) of this section is five percent of the gross value  
46 of the coalbed methane produced, as shown by the gross  
47 proceeds derived from the sale thereof by the producer, except  
48 as otherwise provided in this article.

49 (d) *Tax in addition to other taxes.* — The tax imposed by  
50 this section applies to all persons severing coalbed methane in  
51 this state, and is in addition to all other taxes imposed by law.

52 (e) Except as specifically provided in this section, applica-  
53 tion of the provisions of this article apply to coalbed methane  
54 in the same manner and with like effect as the provisions apply  
55 to natural gas.

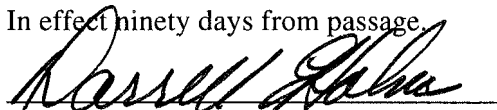
That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

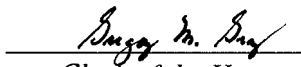
  
Chairman Senate Committee


  
Chairman House Committee


Originating in the House.

In effect ninety days from passage.

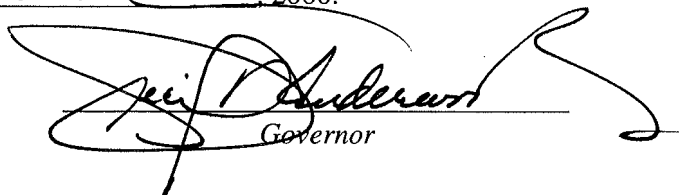
  
Clerk of the Senate

  
Clerk of the House of Delegates

  
President of the Senate

  
Speaker of the House of Delegates

The within approved this the 24th  
day of March 2000.

  
Governor

PRESENTED TO THE

GOVERNOR

Date 3/18/10

Time 12:50 p