

# WEST VIRGINIA LEGISLATURE

## 2022 REGULAR SESSION

Introduced

### Senate Bill 415

FISCAL  
NOTE

BY SENATORS TARR AND STOLLINGS

[Introduced January 18, 2022; referred  
to the Committee on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,  
 2 designated §11-13A-20b, relating to severance taxes; capping severance tax collections  
 3 in general revenue at a specified percentage and dedicating any excess above the  
 4 specified percentage to a special revenue account; creating a special revenue account;  
 5 setting out the purpose of the account and use of funds therein; and providing for  
 6 administration of the account.

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

**ARTICLE 13A. SEVERANCE AND BUSINESS PRIVILEGE TAX ACT.**

**§11-13A-20b. Diversion of specified funds; creation of Economic Development Growth  
 Encouragement Fund.**

1 (a) Effective July 1, 2022, and every year thereafter, at the end of any fiscal year when  
 2 the severance taxes collected pursuant to this article which are deposited into the state's general  
 3 revenue fund exceed eight and one-half percent of the state's general revenue collections, the  
 4 amount of taxes collected shall be distributed as provided in this section.

5 (1) The first eight and one-half percent shall remain in the general revenue fund;

6 (2) Any excess over and above the eight and one-half percent shall be deposited into a  
 7 special revenue account in the State Treasury created in subsection (b) of this section.

8 (b) A special revenue account to be known as the "Economic Development Growth  
 9 Encouragement" Fund is hereby created. The fund shall be administered by the Secretary of the  
 10 Department of Economic Development. Expenditures from this fund shall be for the purposes set  
 11 forth in §5B-2-1 et seq. of this code, as authorized from collections and by appropriation from the  
 12 Legislature, and in accordance with the provisions of §12-3-1 et seq. of this code and upon the  
 13 fulfillment of the provisions of §11B-2-1 et seq. of this code.

NOTE: The purpose of this bill is to diversify certain severance tax funds, capping severance tax collections in general revenue at a specified percentage and dedicating any excess above the specified percentage to a special revenue account; creating an

Economic Development Growth Fund; setting out the purpose of the account and use of funds therein; and providing for administration of the account.

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