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**HOUSE BILL NO. 2771**

Offered January 20, 1997

A *BILL to amend and reenact § 58.1-3286 of the Code of Virginia, relating to mineral land assessments; filing deadline.*

Patron—Phillips

Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:**

**1. That § 58.1-3286 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-3286. Mineral lands to be specially and separately assessed; severance tax.

A. The several commissioners of the revenue shall, as soon as practicable after January 1 of each year, specially and separately assess at the fair market value all mineral lands and the improvements thereon and shall enter the same on the land books of their respective counties separately from other lands charged thereon.

The commissioner, in assessing mineral lands, shall set forth upon the land book:

- 1. The area and the fair market value of such portion of each tract as is improved and under development;
- 2. The fair market value of the improvements upon each tract; and
- 3. The area and fair market value of such portion of each tract not under development.

In the alternative to the procedure outlined in subdivision 1 above, any county or city may impose by ordinance a severance tax on all coal and gases extracted from the land lying within its jurisdiction. The rate of such tax shall not exceed one percent of the gross receipts from such coal or gases. Any such county or city may further require any producer of such coal or gases and any common carrier to maintain records showing the quantities of coal and gases which they have produced or transported, respectively.

If the surface of the land is held by one person, and the coal, iron and other minerals, mineral waters, gas or oil under the surface are held by another person, the estate therein of each and the relative fair market value of their respective interests shall be ascertained by the commissioner. If the surface of the land and the coal, iron and other minerals, mineral waters, gas or oil under the surface are owned by the same person, the commissioner shall ascertain the fair market value of the land, exclusive of the coal, iron, other minerals, mineral waters, gas or oils. He shall also ascertain the fair market value of the coal, iron, other minerals, mineral waters, gas, and oils and shall assess each at such ascertained values, stating separately in every case the value of the surface of the land and the value of the coal, iron, other minerals, mineral waters, gas and oils under the surface.

*B. For each tract of land subject to assessment or severance tax pursuant to this section, depletion sheets setting forth the amount of recoverable minerals, depleted minerals, lost minerals, unminable land and remaining recoverable minerals, and such other information as may be required by the commissioner of revenue, shall be filed with the commissioner of revenue no later than March 15 of each year.*

INTRODUCED

HB2771