



Dave Hardy
Secretary of Revenue

Matthew Irby
Acting Tax Commissioner

STATE TAX DEPARTMENT

ADMINISTRATIVE NOTICE 2021-05

**PROPERTY TAX
STATE TAX COMMISSIONER'S STATEMENT
FOR VALUE ANALYSIS OF RESERVE COAL PROPERTIES
PURSUANT TO § 110 CSR 11-4.2**

On May 1, 2006, the Legislative Rule filed by the State Tax Department relating to the appraisal of producing and reserve coal properties (see §§ 110 CSR 11-1, *et seq.*) became effective. This notice will address valuation of reserve coal properties conducted by the State Tax Department pursuant to § 110 CSR 11-4.2.

DISCUSSION

Legislative Rule § 110 CSR 11-4.2 requires reserve coal properties to be appraised based upon coal bed mapping information from which a reserve coal valuation model (RCVM) is derived.

RESERVE COAL VALUATION MODEL (RCVM)

Legislative Rule § 110 CSR 11-4.2.3 requires the establishment of a reserve coal valuation model (RCVM) by the systematic analysis of Geographic Information System (GIS) data sets relating to the following: coal bed maps, mine maps, pricing and market analysis (including royalties), property transactions, environmental factors, property location, use conflicts and coal bed characteristics, including quality considerations. This analysis is designed to produce a valuation of individual coal beds per individual coal reserve properties.

Data sets for this analysis will be derived from a variety of sources, including but not limited to, the following: taxpayer annual returns, questionnaires, West Virginia Geological and Economic Survey, West Virginia Department of Environmental Protection, West Virginia Division of Natural Resources, United States Department of Interior (United States Geological Survey)*, and any other reliable source(s) which may come to the attention of the Commissioner.

* See USGS Circular 891.

For more information concerning the calculations for developing the RCVM consult §§ 110 CSR 11-1, *et seq.* or contact the State Tax Department at telephone number (304) 558-3940.

Notice of this determination will be filed in the West Virginia Register.

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Matthew Irby
Acting Tax Commissioner

State Tax Department
Property Tax Division
P. O. Box 2389
Charleston, WV 25328-2389

Operator on Duty 8:30 am - 5:00 pm
Monday through Friday
Phone: (304) 558-3940
FAX: (304) 558-1843