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## VIRGINIA



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### *I. Introduction*

The following is an update on Virginia legislative activity and case law relating to oil, gas and mineral law from August 1, 2022, to July 31, 2023.

### *II. Legislative and Regulatory Developments*

The following is a discussion of notable legislation:

#### *A. House Bill 2401 and Senate Bill 1468*

House Bill 2401 (“HB 2401”) and Senate Bill 1468 (“SB 1468”) — An Act to amend and reenact § 58.1-3713 of the Code of Virginia, relating to local gas road improvement and Virginia Coalfield Economic Development Authority tax; Coal and Gas Road Improvement Fund uses; sunset.

HB 2401 and SB 1468 amends and reenacts Virginia Code § 58.1-3713, which allows any county or city to adopt a license tax on every person engaging in the business of severing gases from the earth, extending the sunset date therefore until January 1, 2026.

SIGNED INTO LAW ON MARCH 22<sup>ND</sup>, 2023

#### *B. House Bill 1643 and Senate Bill 1121*

House Bill 1643 (“HB 1643”) and Senate Bill 1121 (“SB 1121”) — An Act to direct the Department of Energy to evaluate policy options to encourage the capture and beneficial use of coal mine methane; report.

HB 1643 and SB 1121 states that “it is the policy of the Commonwealth to encourage the capture and beneficial use of coal mine methane, defined as methane gas captured and produced from an underground gob area associated with a mined-out coal seam that would otherwise escape into the atmosphere.” In order to facilitate this policy, HB 1643 and SB 1121 direct the Department of Energy to evaluate policy options including tax incentives and carbon offset markets, in order to reduce net methane emissions. HB 1643 and SB 1121 allow the Department of Energy to retain a consultant to assist in its evaluation and requires the Department of Energy to “solicit input from interested stakeholders, including coal mine methane producers, other business interests, and environmental groups.” Finally, under HB 1643 and SB 1121 the Department of Energy is required to “report its findings and recommendations to the Governor, the Chairmen of the House Committee on Commerce and Energy and the Senate Committee on Commerce and Labor, the Secretary of Commerce and Trade, and the Secretary of Natural and Historic Resources by November 15, 2023.”

SIGNED INTO LAW ON MARCH 24<sup>TH</sup>, 2023

*III. Judicial Developments*

We did not locate any notable judicial developments during the search period.