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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 144 Session of  
2011

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INTRODUCED BY PICKETT, MAJOR, MAHER, BOYD, FLECK, GINGRICH,  
HESS, MILLARD, OBERLANDER, SAYLOR, VULAKOVICH AND MILLER,  
FEBRUARY 9, 2011

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REFERRED TO COMMITTEE ON AGRICULTURE AND RURAL AFFAIRS, FEBRUARY  
9, 2011

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AN ACT

1 Amending the act of December 19, 1974 (P.L.973, No.319),  
2 entitled "An act prescribing the procedure under which an  
3 owner may have land devoted to agricultural use, agricultural  
4 reserve use, or forest reserve use, valued for tax purposes  
5 at the value it has for such uses, and providing for  
6 reassessment and certain interest payments when such land is  
7 applied to other uses and making editorial changes," further  
8 providing for utilization of land or conveyance of rights for  
9 exploration or extraction of gas, oil or coal bed methane.

10 The General Assembly of the Commonwealth of Pennsylvania  
11 hereby enacts as follows:

12 Section 1. Section 6(c.1) of the act of December 19, 1974  
13 (P.L.973, No.319), known as the Pennsylvania Farmland and Forest  
14 Land Assessment Act of 1974, added October 27, 2010 (P.L.866,  
15 No.88), is amended to read:

16 Section 6. Split-off, Separation or Transfer; Leasing for  
17 Wireless Service; Utilization of Land or Conveyance of Rights  
18 for Exploration or Extraction of Gas, Oil or Coal Bed Methane;  
19 Utilization of Land for Commercial Alternative Energy  
20 Generation; Death of Landowner; Temporary Leases.--\* \* \*

1 (c.1) The following apply:

2 (1) Land subject to preferential assessment may be leased or  
3 otherwise devoted to the exploration for and removal of gas and  
4 oil, including the extraction of coal bed methane, and the  
5 development of appurtenant facilities, including new roads and  
6 bridges, pipelines and other buildings or structures, related to  
7 exploration for and removal of gas and oil and the extraction of  
8 coal bed methane.

9 (2) Portions of land subject to preferential assessment may  
10 be used for exploration for and removal of gas and oil,  
11 including the extraction of coal bed methane, and the  
12 development of appurtenant facilities, including new roads and  
13 bridges, pipelines and other buildings or structures, related to  
14 those activities.

15 (3) Roll-back taxes shall be imposed upon those portions of  
16 land actually devoted to activities set forth in paragraph (2),  
17 excluding land devoted to subsurface transmission or gathering  
18 lines, which shall not be subject to roll-back tax. The portion  
19 of land subject to roll-back tax shall be the [restored well  
20 site and] land which is incapable of being immediately used for  
21 the agricultural use, agricultural reserve or forest reserve  
22 activities required under section 3, as [measured from the]  
23 determined when a well [site restoration] production report  
24 [approved by] is first due to the Department of Environmental  
25 Protection as required by section 212 of the act of December 19,  
26 1984 (P.L.1140, No.223), known as the "Oil and Gas Act," and  
27 Pa. Code [78.65 (relating to site restoration)] § 78.121  
28 (relating to annual production report) or its subsequent  
29 version. A copy of this report shall be [submitted] provided by  
30 the Department of Environmental Protection to the county

1 assessor within ten days of its [approval] submission. The fair  
2 market value of the [restored well site and] land which is  
3 incapable of being immediately used for the agricultural use,  
4 agricultural reserve or forest reserve activities required under  
5 section 3 shall be adjusted retroactively to the date a permit  
6 was approved under section 201 of [the act of December 19, 1984  
7 (P.L.1140, No.223), known as] the "Oil and Gas Act." The tax  
8 calculated based on the adjusted fair market value shall be due  
9 and payable in the tax year immediately following the year in  
10 which a well production report is provided to the county  
11 assessor. Roll-back taxes shall become due upon the [filing of  
12 the approved well site restoration] receipt of a well production  
13 report [with] by the county assessor. The utilization of a  
14 portion of land for activities set forth in paragraph (2) shall  
15 not invalidate the preferential assessment of the land which is  
16 not so utilized and the land shall continue to receive  
17 preferential assessment if it continues to meet the requirements  
18 of section 3.

19 (4) Notwithstanding paragraph (3), no roll-back tax shall be  
20 imposed upon a landowner for activities related to the  
21 exploration for or removal of oil or gas, including the  
22 extraction of coal bed methane, conducted by parties other than  
23 the landowner that hold the rights to conduct such activities  
24 pursuant to an instrument, conveyance or other vesting of the  
25 rights if the transfer of the rights occurred:

26 (i) before the land was enrolled for preferential assessment  
27 under this act; and

28 (ii) before the effective date of this section.

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30 Section 2. This act shall take effect immediately.