

1 COMMITTEE SUBSTITUTE

2 FOR

3 **Senate Bill No. 225**

4 (By Senators McCabe, Browning, Unger, Foster, Jenkins, Stollings,
5 Wells, Minard and Klempa)

6 _____
7 [Originating in the Committee on Economic Development;
8 reported February 21, 2011.]
9 _____

10
11 A BILL to amend the Code of West Virginia, 1931, as amended, by
12 adding thereto a new article, designated §5E-3-1, §5E-3-2,
13 §5E-3-3, §5E-3-4, §5E-3-5, §5E-3-6, §5E-3-7, §5E-3-8, §5E-3-9,
14 §5E-3-10 and §5E-3-11; and to amend and reenact §31-15-6 of
15 said code, all relating to the creation of an innovation and
16 development program; providing short title; declaration of
17 policy; setting forth purposes; providing definitions;
18 authorizing and directing the Economic Development Authority
19 to propose rules to implement its provisions and provide for
20 the effective and efficient administration of the program;
21 authorizing the authority to provide technical and
22 professional assistance to entrepreneurs in the state;
23 authorizing the authority to make qualified investments and
24 loans; authorizing recoverable revenue credits to private
25 investors for investments in qualified investment companies
26 pursuant to rules to be promulgated by the authority;

1 authorizing tax credits to investors in qualified community
2 development entities; creating a revolving fund to deposit all
3 profits collected by the Economic Development Authority; and
4 specifying disclosure, conflict of interest and
5 confidentiality standards for the operation of the innovation
6 and development program.

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

8 That the Code of West Virginia, 1931, as amended, be amended
9 by adding thereto a new article, designated §5E-3-1, §5E-3-2,
10 §5E-3-3, §5E-3-4, §5E-3-5, §5E-3-6, §5E-3-7, §5E-3-8, §5E-3-9,
11 §5E-3-10 and §5E-3-11; and that §31-15-6 of said code be amended
12 and reenacted, all to read as follows:

13 **CHAPTER 5E. VENTURE CAPITAL COMPANY.**

14 **ARTICLE 3. INNOVATION AND DEVELOPMENT ACT.**

15 **§5E-3-1. Short title.**

16 This article may be cited as the "West Virginia Innovation and
17 Development Act."

18 **§5E-3-2. Declaration of policy.**

19 (a) The Legislature finds and declares that the West Virginia
20 economy can be strengthened by the establishment of a technology
21 based economic development program that is tailored to West
22 Virginia's specific markets, opportunities and challenges in
23 establishing innovation driven enterprises.

24 (b) The Legislature further finds that West Virginia's
25 specific markets, opportunities and challenges in establishing

1 innovation driven enterprises can best be addressed by the
2 establishment and operation of a technology based economic
3 development program as set forth in this article.

4 **§5E-3-3. Purposes.**

5 (a) The purpose of this article is to promote the development
6 of the human resources and the diversification of the economy of
7 West Virginia by strengthening the foundations of West Virginia's
8 distinctive market environment, by building on West Virginia's
9 established industrial and economic base and establishing a long
10 term program that will result in a strong, viable and high-growth
11 economy in West Virginia.

12 (b) This article establishes an economic development program
13 that is designed to:

14 (1) Help build and nurture entrepreneurial support structures
15 and attract executives to lead West Virginia-based companies;

16 (2) Support the formation and deployment of private equity at
17 all stages of the business development life cycle including seed
18 capital, venture capital and other equity and normal bank debt that
19 can help emerging as well as mature businesses remain, adapt and
20 grow in West Virginia;

21 (3) Be flexible in terms of who may access program resources;
22 how it is accessed;

23 (4) Operate according to clearly expressed standards designed
24 to grow, build and keep businesses in West Virginia;

25 (5) Provide measurable results and hold participants
26 accountable;

1 (6) Leverage existing programs and resources in all regions of
2 West Virginia;

3 (7) Operate as a "fund of funds" by investing in qualified
4 investment companies and receiving a return on such investments
5 from distributions from participating companies;

6 (8) Support angel networks and the funding of seed and venture
7 capital funds, specifically including community development venture
8 capital companies; and

9 (9) Provide for a return on the state's investment by sharing
10 the return of capital and profits with private limited partners.

11 **§5E-3-4. Definitions.**

12 As used in this article, the following terms have the meanings
13 ascribed to them in this article unless the context in which the
14 term is used clearly requires another meaning or a specific
15 different definition is provided:

16 (1) "Authority" means the West Virginia Economic Development
17 Authority established under article fifteen, chapter thirty-one of
18 this code or any successor to all or any substantial part of its
19 powers and duties.

20 (2) "Qualified Investment Company" means an angel network,
21 seed capital, venture capital or other private equity fund that has
22 been qualified by the authority.

23 (3) "Recoverable revenue credits" means credits awarded by the
24 authority pursuant to section seven of this article and entitles
25 the state to receive not less than forty percent of the profits
26 allocable to the tax-advantage portions of the investment.

1 (4) "State" means the State of West Virginia.

2 **§5E-3-5. Rules - Report of findings to Joint Committee on**
3 **Government and Finance.**

4 The authority shall propose rules for legislative approval in
5 accordance with article three, chapter twenty-nine-a of this code
6 to carry out the policy and purposes of this article, to provide
7 any necessary clarification of the provisions of this article and
8 to efficiently provide for the general administration of this
9 article. The authority may propose additional rules for
10 legislative approval in accordance with article three, chapter
11 twenty-nine-a of this code that it considers necessary to provide
12 for the efficient administration of the recoverable revenue credits
13 awarded to qualified investment companies under this article. Such
14 rules shall include provisions that create a procedure to determine
15 that all investments made by the state pursuant to section six and
16 all investments made by a taxpayer for which a recoverable revenue
17 credit is awarded pursuant to section seven is ultimately invested
18 in companies or businesses in the state. The authority shall
19 propose rules in conjunction with the Department of Commerce to
20 require persons receiving any money or recoverable tax credits
21 pursuant to this article to submit information that is necessary to
22 determine the effectiveness of this act and whether the act shall
23 be continued. Beginning July 1, 2012, and on July 1 of each
24 succeeding year, the authority shall report its findings obtained
25 from such information to the Joint Committee on Government and
26 Finance.

1 **§5E-3-6. Investments and technical assistance.**

2 (a) From moneys appropriated for such purposes to the
3 authority, the authority is authorized to provide or pay for
4 technical and professional assistance to entrepreneurs in the state
5 under rules proposed by the authority pursuant to provisions of
6 section five of this article and the policies and procedures
7 adopted by the authority to effectuate the purposes of this
8 article.

9 (b) From moneys appropriated for such purposes, the authority
10 is authorized to make seed capital, venture capital and other
11 equity investments in qualified investment companies operating in
12 the state under rules proposed by the authority pursuant to
13 provisions of section five of this article and the policies and
14 procedures adopted by the authority to effectuate the purposes of
15 this article: *Provided*, that such qualified investment company
16 must invest at least two times the amount of investment made by the
17 state pursuant to this subsection in a company or business located
18 in West Virginia.

19 (c) The authority is authorized to award a total of \$5 million
20 in each fiscal year to fulfill the purposes of this section:
21 *Provided*, that the authority may not award more than \$1 million per
22 year to any one qualified investment company or other entity for
23 such purposes. Funds disbursed or awarded under this section shall
24 be awarded by a competitive selection and award process designed to
25 further the purposes of this article under rules proposed by the
26 authority pursuant to provisions of section five of this article

1 and the policies and procedures adopted by the authority to
2 effectuate the purposes of this article.

3 **§5E-3-7. Recoverable revenue credits.**

4 (a) To encourage private investors to invest in qualified
5 investment companies, including seed capital, venture capital and
6 other private equity funds to build and support innovative
7 businesses across the state, the authority is authorized to award
8 a total of \$25 million in recoverable revenue credits to be
9 distributed within the next five years. The total amount of
10 recoverable revenue credits authorized for a single qualified
11 investment company may not exceed \$10 million per year.

12 (b) Recoverable revenue credits authorized by this section are
13 intended to provide the state with the opportunity to benefit from
14 the success of all qualified investment companies authorized under
15 this article and consists of: (1) A tax credit for private
16 investors in qualified investment companies equal to fifty percent
17 of the investor's investment to be calculated and applied as set
18 forth in this article, coupled with; (2) the right in the state to
19 receive not less than forty percent of the profits allocable to the
20 tax-advantaged portion of investments in a qualified investment
21 company authorized under this article, all pursuant to rules
22 proposed by the authority under section five of this article and
23 pursuant to policies and procedures adopted by the authority to
24 effectuate the purposes of this article.

25 (c) Recoverable revenue credits authorized by this section
26 shall be allocated pursuant to rules proposed by the authority

1 under the provisions of section five of this article and pursuant
2 to policies and procedures adopted by the authority to effectuate
3 the purposes of this article.

4 (d) Any investor, including an individual, partnership,
5 limited liability company, corporation or other entity, who makes
6 an investment in a qualified investment company authorized by the
7 authority under this article, which is independently operated by
8 qualified managers, as determined by the authority, and is not
9 directly or indirectly operated or managed by the investors, is
10 entitled to a recoverable revenue credit equal to no more than
11 fifty percent of the investor's investment in the qualified
12 investment company. No investor may receive the recoverable
13 revenue credit without the approval of the authority. The other
14 terms and conditions of the credit shall be established by the
15 authority pursuant to rules proposed by the authority under section
16 five of this article and pursuant to policies and procedures
17 adopted by the authority to effectuate the purposes of this
18 article.

19 (e) The recoverable revenue credits allowed by this article
20 shall be taken after all other credits allowed by chapter eleven of
21 this code have been taken. The credits shall be taken against the
22 same taxes and in the same order as set forth in subsections (c)
23 through (i), inclusive, section five, article thirteen-c, chapter
24 eleven of this code. The credit for investments by a partnership,
25 a limited liability company, a corporation electing to be treated
26 as a subchapter S corporation or other entity which is treated as

1 a pass through entity under federal and state income tax laws may
2 be divided pursuant to election of the partners, members,
3 shareholders or owners.

4 (f) The recoverable revenue credits allowed under this section
5 are to be credited against the taxpayer's tax liability for the
6 taxable year in which the investment is made. If the amount of the
7 recoverable revenue credit exceeds the taxpayer's tax liability for
8 the taxable year, the amount of the credit which exceeds the tax
9 liability for the taxable year may be carried to succeeding taxable
10 years until used in full or until forfeited. Recoverable revenue
11 credits may not be carried forward more than ten years.
12 Recoverable revenue credits may not be carried back to prior
13 taxable years. Any recoverable revenue credit remaining after the
14 tenth taxable year is forfeited.

15 (g) Recoverable revenue credits allowed under this section may
16 not be used against any liability the taxpayer may have for
17 interest, penalties or additions to tax.

18 (h) All money invested in a qualified investment company by a
19 taxpayer eligible to receive recoverable revenue credits that is
20 utilized to determine the amount of the recoverable revenue credits
21 must be invested by the qualified investment companies in companies
22 or businesses located in the state. If the authority or the tax
23 commissioner determines that such moneys are not invested in
24 companies or businesses located in the state, the recoverable
25 revenue credit is subject to recapture, elimination or reduction,
26 in whole or in part, in the tax year in which it was claimed by the

1 taxpayer.

2 (h) Notwithstanding any provision in this code to the
3 contrary, the Tax Commissioner shall publish in the State Register
4 the name and address of every taxpayer and the amount, by category,
5 of any recoverable revenue credit awarded under this article. The
6 categories by dollar amount of credit received are as follows:

7 (1) More than **one-dollar** but not more than \$50,000;

8 (2) More than \$50,000 but not more than \$100,000;

9 (3) More than \$100,000 but not more than \$250,000;

10 (4) More than \$250,000 but not more than \$500,000;

11 (5) More than \$500,000 but not more than \$1 million;

12 (6) More than \$1 million but not more than \$3 million; and

13 (7) More than \$3 million.

14 **§5E-3-8. Creation of revolving fund.**

15 (a) The authority shall deposit all profits collected from
16 investors receiving recoverable revenue credits, pursuant to
17 section seven of this article, into a special State Treasury Fund
18 to be known as "The Innovation and Development Revolving Fund."
19 The revolving fund is a permanent and perpetual fund administered
20 by the economic development authority. Expenditures from the fund
21 shall be for the purposes set forth in this section and made and
22 are authorized from collection and not legislative appropriations.

23 (b) (1) The revolving fund shall be governed, administered and
24 accounted for by the directors, officers and managerial staff of
25 the Economic Development Authority as a special revenue account,
26 separate and distinct from any other moneys, funds or funds owned

1 and managed by the Economic Development Authority. The revolving
2 fund shall consist of sub-accounts, as deemed necessary by the
3 Economic Development Authority, for the deposit of:

4 (A) All profits collected from investors receiving recoverable
5 revenue credits pursuant to section seven of this article;

6 (B) All income earned on moneys held in the revolving fund;
7 and

8 (C) Any other monies granted to the fund by any other entity.

9 (2) Revolving fund amounts not expended at the close of the
10 fiscal year do not lapse or revert to the General Fund but are
11 carried forward to the next fiscal year. Interest earnings on the
12 revolving fund becomes a part of the revolving fund and do not
13 lapse or revert to the General Fund.

14 (c) Revolving fund moneys shall be used by the Economic
15 Development Authority to award moneys for the purposes of section
16 six or section seven of this article in an amount not to exceed \$5
17 million annually and then to reimburse the state for any
18 recoverable tax credits awarded pursuant to section seven of this
19 article.

20 **§5E-3-9. Conflict of interest.**

21 No officer, member or employee of the authority may be
22 financially interested, directly or indirectly, in any company or
23 business receiving technical assistance, investments or recoverable
24 revenue credits pursuant to the provisions of this article.

25 **§5E-3-10. Confidentiality.**

26 (a) The authority shall, by rule, determine which records,

1 reports or information obtained from any person or entity under
2 this article are to be treated by the agency as confidential and
3 not subject to disclosure, except as hereinafter provided in
4 subsection (c) of this section. Notwithstanding any other provision
5 of law to the contrary, the authority shall make available to the
6 public the identity of all qualified investment companies receiving
7 technical assistance or investments under this article.

8 (b) Any other records, reports or information obtained from a
9 person or entity under this article shall be made available to the
10 public except that upon a showing at the time of submission,
11 satisfactory to the authority, by a person or entity, that records,
12 reports or information, or a particular part thereof, to which the
13 authority or any officer, employee or representative thereof has or
14 will have access under this section, if made public, would divulge
15 information entitled to protection under 18 U.S.C. §1905 as that
16 section read on December 20, 1999, such information or particular
17 portion is confidential in accordance with the purposes of this
18 section. In submitting data under this article, a person required
19 to provide such data may designate the data which he or she
20 believes is entitled to protection under this subsection and submit
21 such designated data separately from other data submitted under
22 this article. A designation under this subsection shall be made in
23 writing and in such manner as the authority prescribes.

24 (c) Notwithstanding the foregoing provisions of this section,
25 any record, report, document, or information may be disclosed to
26 other officers, employees, or authorized representatives of this

1 state charged with administering the provisions of this article.
2 Notwithstanding the previous sentence, and notwithstanding any
3 provision of this article, the provisions of this code regarding
4 confidentiality and the disclosure of tax returns and tax
5 information, including specifically section five-d, article ten,
6 chapter eleven of this code, apply to the authority, its agents and
7 employees and to information submitted to the authority under this
8 article.

9 **CHAPTER 31. CORPORATIONS.**

10 **ARTICLE 15. WEST VIRGINIA ECONOMIC DEVELOPMENT AUTHORITY.**

11 **§31-15-6. General powers of authority.**

12 The authority, as a public corporation and governmental
13 instrumentality exercising public powers of the state, shall have
14 and may exercise all powers necessary or appropriate to carry out
15 the purposes of this article, including the power:

16 (a) To cooperate with industrial development agencies in
17 efforts to promote the expansion of industrial, commercial,
18 manufacturing and tourist activity in this state.

19 (b) To determine, upon the proper application of an industrial
20 development agency or an enterprise, whether the declared public
21 purposes of this article have been or will be accomplished by the
22 establishment by such agency or enterprise of a project in this
23 state.

24 (c) To conduct examinations and investigations and to hear
25 testimony and take proof, under oath or affirmation, at public or

1 private hearings, on any matter relevant to this article and
2 necessary for information on the establishment of any project.

3 (d) To issue subpoenas requiring the attendance of witnesses
4 and the production of books and papers relevant to any hearing
5 before such authority or one or more members appointed by it to
6 conduct any hearing.

7 (e) To apply to the circuit court having venue of such offense
8 to have punished for contempt any witness who refuses to obey a
9 subpoena, to be sworn or affirmed, ~~or~~ to testify or who commits any
10 contempt after being summoned to appear.

11 (f) To authorize any member of the authority to conduct
12 hearings, administer oaths, take affidavits and issue subpoenas.

13 (g) To financially assist projects by insuring obligations in
14 the manner provided in this article through the use of the
15 insurance fund.

16 (h) To finance ~~any~~ projects by making loans to industrial
17 development agencies or enterprises upon such terms as the
18 authority ~~shall deem~~ deems appropriate: *Provided*, That nothing
19 contained in this subsection (h) or under any other provision in
20 this article shall be construed as permitting the authority to make
21 loans for working capital: *Provided, however*, That nothing
22 contained in this article shall be construed as prohibiting the
23 authority from insuring loans for working capital made to
24 industrial development agencies or to enterprises by financial
25 institutions: *Provided further*, That nothing contained in this
26 subsection or any other provision of this article shall be

1 construed as permitting the authority to refinance existing debt
2 except when such refinancing will result in the expansion of the
3 enterprise whose debt is to be refinanced or in the creation of new
4 jobs.

5 (i) To issue revenue bonds or notes to fulfill the purposes of
6 this article and to secure the payment of such bonds or notes, all
7 as hereinafter provided.

8 (j) To issue and deliver revenue bonds or notes in exchange
9 for a project.

10 (k) To borrow money for its purposes and issue bonds or notes
11 for the money and provide for the rights of the holders of the
12 bonds or notes or other negotiable instruments, to secure the bonds
13 or notes by a deed of trust on, or an assignment or pledge of, any
14 or all of its property and property of the project, including any
15 part of the security for loans. ~~and~~ The authority may issue and
16 sell its bonds and notes, by public or private sale, in such
17 principal amounts as it ~~shall deem~~ deems necessary to provide funds
18 for ~~any~~ purposes under this article including the making of loans.
19 ~~for the purposes set forth in this article.~~

20 (l) To maintain such sinking funds and reserves as the board
21 ~~shall determine~~ determines appropriate for the purposes of meeting
22 future monetary obligations and needs of the authority.

23 (m) To sue and be sued, implead and be impleaded and complain
24 and defend in any court.

25 (n) To adopt, use and alter, at will, a corporate seal.

26 (o) To make, amend, repeal and adopt both bylaws and rules ~~and~~

1 ~~regulations~~ for the management and regulation of its affairs.

2 (p) To appoint officers, agents and employees and to contract
3 for and engage the services of consultants.

4 (q) To make contracts of every kind and nature to execute all
5 instruments necessary or convenient for carrying on its business.

6 (r) To accept grants and loans from and enter into contracts
7 and other transactions with any federal agency.

8 (s) To take title by conveyance or foreclosure to any project
9 where acquisition is necessary to protect any loan previously made
10 by the authority and to sell, by public or private sale, transfer,
11 lease or convey such project to any enterprise.

12 (t) To participate in any reorganization proceeding pending
13 pursuant to the United States Code (being the act of Congress
14 establishing a uniform system of bankruptcy throughout the United
15 States, as amended) or in any receivership proceeding in a state or
16 federal court for the reorganization or liquidation of an
17 enterprise. The authority may file its claim against any such
18 enterprise in ~~any~~ of the foregoing proceedings, vote upon any
19 questions pending therein which requires the approval of the
20 creditors participating in ~~any~~ a reorganization proceeding or
21 receivership, exchange ~~any~~ evidence of such indebtedness for ~~any~~
22 property, security or evidence of indebtedness offered as a part of
23 the reorganization of such enterprise or of any other entity formed
24 to acquire the assets thereof and may compromise or reduce the
25 amount of any indebtedness owing to it as a part of any such
26 reorganization.

1 (u) To acquire, construct, maintain, improve, repair, replace
2 and operate projects within this state, as well as streets, roads,
3 alleys, sidewalks, crosswalks and other means of ingress and egress
4 to and from projects located within this state.

5 (v) To acquire, construct, maintain, improve, repair and
6 replace and operate pipelines, electric transmission lines,
7 waterlines, sewer lines, electric power substations, waterworks
8 systems, sewage treatment and disposal facilities and any
9 combinations thereof for the use and benefit of any enterprise
10 located within this state.

11 (w) To acquire watersheds, water and riparian rights,
12 rights-of-way, easements, licenses and ~~any~~ and all other property,
13 property rights and appurtenances for the use and benefit of any
14 enterprise located within this state.

15 (x) To acquire, by purchase, lease, donation or eminent domain,
16 ~~any~~ real or personal property, or ~~any~~ a right or interest therein,
17 as may be necessary or convenient to carry out the purposes of the
18 authority. Title to all property, property rights and interests
19 acquired by the authority shall be taken in the name of the
20 authority.

21 (y) To issue renewal notes or security interests, to issue
22 bonds to pay notes or security interests and, whenever it deems
23 refunding expedient, to refund ~~any~~ bonds or notes by the issuance
24 of new bonds or notes whether the bonds or notes to be refunded have
25 or have not matured and whether or not the authority originally
26 issued the bonds or notes to be refunded.

1 (z) To apply the proceeds from the sale of renewal notes,
2 security interests or refunding bonds or notes to the purchase,
3 redemption or payment of the notes, security interests or bonds or
4 notes to be refunded.

5 (aa) To accept gifts or grants of property, funds, security
6 interests, money, materials, labor, supplies or services from the
7 United States of America or from any governmental unit or any
8 person, firm or corporation, and to carry out the terms or
9 provisions of, or make agreements with respect to, or pledge, any
10 gifts or grants, and to do ~~any and~~ all things necessary, useful,
11 desirable or convenient in connection with the procuring, acceptance
12 or disposition of gifts or grants.

13 (bb) To the extent permitted under its contracts with the
14 holders of bonds, security interests or notes of the authority, to
15 consent to any modification of the rate of interest, time of payment
16 of any installment of principal or interest, security or any other
17 term of any bond, security interests, note or contract or agreement
18 of any kind to which the authority is a party.

19 (cc) To sell loans, security interests or other obligations in
20 the loan portfolio of the authority. Such security interests shall
21 be evidenced by instruments issued by the authority. Proceeds from
22 the sale of loans, security interests or other obligations may be
23 used in the same manner and for the same purposes as bond and note
24 revenues.

25 (dd) To procure insurance against ~~any~~ losses in connection with
26 its property, operations or assets in ~~such~~ amounts and from ~~such~~

1 insurers as the authority deems desirable.

2 (ee) To sell, license, lease, mortgage, assign, pledge or
3 donate its property, both real and personal, or ~~any a~~ a right or
4 interest therein, to another or authorize the possession, occupancy
5 or use of such property or ~~any a~~ a right or interest therein, by
6 another, ~~in such manner and upon such terms as~~ upon terms it deems
7 appropriate.

8 (ff) To participate with the state and federal agencies in
9 efforts to promote the expansion of commercial and industrial
10 development in this state.

11 (gg) To finance, organize, conduct, sponsor, participate and
12 assist in the conduct of special institutes, conferences,
13 demonstrations and studies relating to the stimulation and formation
14 of business, industry and trade endeavors.

15 (hh) To conduct, finance and participate in technological,
16 business, financial and other studies related to business and
17 economic development.

18 (ii) To conduct, sponsor, finance, participate and assist in
19 the preparation of business plans, financing plans and other
20 proposals of new or established businesses suitable for support by
21 the authority.

22 (jj) To prepare, publish and distribute, with or without charge
23 as the authority ~~may determine, such~~ determines, technical studies,
24 reports, bulletins and other materials ~~as~~ it deems appropriate
25 subject only to the maintenance and respect for confidentiality of
26 client proprietary information.

1 (kk) To exercise ~~such other and~~ additional powers as ~~may be~~
2 necessary or appropriate for the exercise of the powers herein
3 conferred.

4 (ll) To exercise all of the powers which a corporation may
5 lawfully exercise under the laws of this state.

6 (mm) To contract for the provision of legal services by private
7 counsel, and notwithstanding the provisions of article three,
8 chapter five, such counsel may, but is not limited to, represent the
9 authority in court, negotiate contracts and other agreements on
10 behalf of the authority, render advice to the authority on ~~any~~
11 ~~matter relating thereto,~~ a related matter, prepare contracts and
12 other agreements and provide such other legal services as ~~may be~~
13 requested by the authority.

14 (nn) To develop, maintain, operate and apply for the
15 establishment of foreign trade zones pursuant to and in accordance
16 with all applicable provisions of federal law.

17 (oo) To award funds, tax credits and recoverable revenue
18 credits and to collect profits on behalf of the state in accordance
19 with the recoverable revenue credits pursuant to article three,
20 chapter five-e of this code.

NOTE: The purpose of this bill is to establish a West Virginia innovation and development program, to attract and support capital investment in innovation-driven enterprises in West Virginia through a combination of direct annual investment by the state in seed capital, venture capital and other equity and debt investments in West Virginia; technical support and assistance to entrepreneurs in the state; and recoverable revenue credits to private investors to encourage private investment in seed capital, venture capital and

other private equity funds, such program to be run and such funding to be awarded through a competitive selection process to be managed by the West Virginia Economic Development Authority.

§5E-3-1, §5E-3-2, §5E-3-3, §5E-3-4, §5E-3-5, §5E-3-6, §5E-3-7, §5E-3-8, §5E-3-9, §5E-3-10 and §5E-3-11 are new; therefore, strike-throughs and underscoring have been omitted.

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