WEST virginia legislature

2025 regular session

Enrolled

Committee Substitute

for

Senate Bill 825

By Senators Jeffries and Woelfel

[Passed April 12, 2025; in effect from passage]

AN ACT to amend and reenact §18B-12-1 and §18B-12-2 of the Code of West Virginia, 1931, as amended; and to amend the code by adding a new section, designated §18B-12-11, relating to permitting higher education institutions to enter into agreements with certain nonprofit organizations; defining terms; clarifying legislative findings and purpose to facilitate economic development and foster and enhance the operational success and competitive nature of intercollegiate athletics; permitting agreements for purposes of economic development and job creation; and establishing powers to govern the business relationship of any state higher education institution and nonprofit corporation contracting for such economic development purposes.

Be it enacted by the Legislature of West Virginia:

ARTICLE 12. RESEARCH AND DEVELOPMENT, Economic development, and athletics AGREEMENTS FOR STATE INSTITUTIONS OF HIGHER EDUCATION.

§18B-12-1. Definitions.

The following words used in this article shall, unless the context clearly indicates a different meaning, be construed as follows:

(1) "Agreement" means any agreement being entered into between a governing board and a corporation pursuant to §18B-12-4 or §18B-12-11 of this code.

(2) "Corporation" means a nonstock, not-for-profit corporation established under the general corporation laws of the state which meets the description presented by §18B-12-3 or §18B-12-11 of this code.

(3) "Corporate directors" means the board of directors of a corporation.

**§18B-12-2. Legislative findings and purpose.**

(a) The Legislature finds and determines that the future economic development in the state will depend in part upon research developed at the state institutions of higher education, and enhanced research opportunities for state institutions of higher education will promote the general economic welfare of the citizens of the state. In order to enhance the competitive position of state institutions of higher education in the current environment for research and development, expenditures for equipment and material for research projects must be handled in an expeditious fashion, and the acquisition and utilization of research grants can be simplified and expedited through the utilization of private corporations.

(b) The interest of the citizens of the state will be best met by agreements entered into and carried out by the governing boards and corporations to provide research assistance for state institutions of higher education. Therefore, in order to facilitate research and development grants, economic development, and opportunities for state institutions of higher education, it is appropriate to authorize the governing boards to contract with private corporations organized for the purpose of providing such services to state institutions of higher education or established exclusively for purposes of economic development and job creation.

(c) The Legislature further finds and determines that in order to foster and enhance the operational success and competitive nature of intercollegiate athletics in the current environment, the state institutions of higher education will benefit from utilization of private corporations to conduct operational, economic, fiscal, and educational development activities and services related to intercollegiate athletics’ programs.

**§18B-12-11. Agreements with corporations solely for economic development.**

(a) Notwithstanding any other provision of this article to the contrary, any state institution of higher education may enter into an agreement with a nonstock, not-for-profit corporation which qualifies as an exempt organization under section 501(c) of the Internal Revenue Code of 1986, as amended, established under corporation laws of the state exclusively for purposes of economic development and job creation.

(b) Each governing board for a state institution of higher education may enter into agreements and any other contractual relationships with one or more corporations described in subsection (a) of this section under such terms as are mutually agreed upon to foster future economic development in the state. For purposes of this section:

(1) The president and the president's appointees from the institution may, but are not required to, serve as the corporation’s voting corporate directors;

(2) The meetings of the corporate directors are exempt from the provisions of §6-9A-3 of this code;

(3) The assets of the corporation are not subject to the provisions of §18B-12-3 of this code;

(4) The corporation and agreements between the corporation and the state institution of higher education are not subject to the provisions of §18B-12-4 of this code; and

(5) The corporation may be designated as the economic development entity for the state institution of higher education.

The Clerk of the Senate and the Clerk of the House of Delegates hereby certify that the foregoing bill is correctly enrolled.

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*Clerk of the Senate*

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*Clerk of the House of Delegates*

Originated in the Senate.

In effect from passage.

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*President of the Senate*

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*Speaker of the House of Delegates*

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Day of ..........................................................................................................., 2025.

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*Governor*