

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Committee Substitute

for

Senate Bill 825

BY SENATORS JEFFRIES AND WOELFEL

[Reported March 25, 2025, from the Committee on
Economic Development]

1 A BILL to amend and reenact §18B-12-1 and §18B-12-2 of the Code of West Virginia, 1931, as
2 amended; and to amend the code by adding a new section, designated §18B-12-11,
3 relating to permitting higher education institutions to enter into agreements with certain
4 nonprofit organizations for purposes of economic development and job creation; defining
5 terms; clarifying legislative findings and purpose; and establishing powers to govern the
6 business relationship of any state higher education institution and nonprofit corporation
7 contracting for such economic development purposes.

Be it enacted by the Legislature of West Virginia:

**ARTICLE 12. RESEARCH AND DEVELOPMENT AGREEMENTS FOR STATE
INSTITUTIONS OF HIGHER EDUCATION.**

§18B-12-1. Definitions.

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

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

5 (2) "Corporation" means a nonstock, not-for-profit corporation established under the
6 general corporation laws of the state which meets the description presented by ~~section three~~
7 §18B-12-3 or §18B-12-11 of this ~~article~~ code.

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

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

1 (a) The Legislature finds and determines that the future economic development in the
2 state will depend in part upon research developed at the state institutions of higher education,
3 and enhanced research opportunities for state institutions of higher education will promote the
4 general economic welfare of the citizens of the state. In order to enhance the competitive position
5 of state institutions of higher education in the current environment for research and development,

6 expenditures for equipment and material for research projects must be handled in an expeditious
7 fashion, and the acquisition and utilization of research grants can be simplified and expedited
8 through the utilization of private corporations.

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

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

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

6 (1) Be exempt from the requirements of §18B-12-3 and §18B-12-4 of this code;

7 (2) Be designated as the economic development entity for the state institution of higher
8 education;

9 (3) Have corporate officers, directors, and employees of a governing board and the
10 affected state institution of higher education which hold appointments to offices of the corporation
11 or a governing board of a state institution of higher education;

12 (4) Have such contractual arrangements with the state institution of higher education as
13 may be agreed to between the parties; and

14 (5) Have such powers and authorizations as permitted by law.