

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

House Bill 4006

**FISCAL
NOTE**

By Delegates Hornby, Fehrenbacher, Dean,
Rohrbach, Hite, Masters, Pinson, Hall, Leavitt, Watt,
and Browning

[Introduced January 14, 2026; referred to the
Committee on Government Organization]

A BILL to amend and reenact §11-6F-1, §11-6F-2, and §11-6F-4 of the Code of West Virginia, 1931, as amended; and to amend the code by adding four new articles designated §5B-12-1, §5B-12-2, §5B-12-3, §5B-13-1, §5B-13-2, §5B-13-3, §5B-13-4, §5B-13-5, §5B-13-6, §5B-13-7, §5B-13-8, §5B-13-9, §5B-13-10, §5B-13-11, §5B-13-12, §5B-14-1, §5B-14-2, §5B-14-3, §5B-14-4, §5B-14-5, §5B-14-6, §5B-14-7, §18B-23-1, §18B-23-2, §18B-23-3, §18B-23-4, §18B-23-5, §18B-23-6, §18B-23-7, §18B-23-8, §18B-23-9, and §18B-23-10, relating to economic development; providing legislative findings, intent, and title; providing definitions; creating a grant program; establishing an aerospace development program; providing tax credits and incentives; creating a fund account; clarifying economic development agreements; creating reporting requirements; creating a workforce training program; and authorizing rule-making authority.

Be it enacted by the Legislature of West Virginia:

CHAPTER 5B. ECONOMIC DEVELOPMENT ACT OF 1985.

ARTICLE 12. WEST VIRGINIA AEROSPACE AND ADVANCED MANUFACTURING

GROWTH

ACT.

§5B-12-1. Legislative findings and intent; title.

(a) The Legislature hereby finds and declares:

(1) The aerospace industry is critical to national infrastructure and security and will continue to be a growing sector of the United States' economy, generating substantial economic activity, including jobs, infrastructure investments, and technological innovation;

(2) The aerospace sector has emerged as one of West Virginia's most strategically valuable industries, characterized by significant growth, high wages, strong export orientation, workforce development opportunities, and regionally transformative job clusters;

(3) Having over 20 core aerospace companies and additional suppliers operating in the state, West Virginia is well positioned such that targeted legislative action can meaningfully

influence long-term economic outcomes for the people of this state;

(4) The state has a large interest in encouraging the development and expansion of the aerospace industry to serve as drivers of broader economic growth to advance prosperity, aligning with the Legislature's goal of fostering a competitive, forward-thinking economy; and

(5) By enactment of this article the Legislature intends to implement a competitive aerospace manufacturing, maintenance, repair, and overhaul program to incentivize continued economic development in the industry and provide opportunities for the citizens of West Virginia.

(b) This act shall be known and cited as the "West Virginia Aerospace and Advanced Manufacturing Growth Act."

§5B-12-2. Program establishment, identification, record keeping, assistance, state government liaison.

(a) Program established. — The Aerospace Development Program is hereby created and is to be administered as a broad program within the Department of Commerce to encourage the attraction, development, construction, operation, maintenance, and expansion of all facets of the aerospace economy and its facilities in West Virginia.

(b) Identification. — The Department shall broadly identify impactful aerospace operations and development projects in this state, including without limitation, research and development; assembly and production; and maintenance, repair, and overhaul of aircraft and spacecraft and their components and assemblies, including avionics and control systems, software, turbines, engines, and propulsion systems, composite and other raw materials, used for both manned and unmanned applications.

(c) Record keeping. — The Department shall maintain an accurate file of all impactful aerospace operations and development projects with all relevant information that can be made available to the Governor and Legislature upon request, identifying and removing confidential information to ensure privacy of any such information as identified by the respective private aerospace project management.

16 (d) Assistance Provided — The Department shall broadly assist all identified projects
17 through the planning, development, and operational stages. The Department shall designate one
18 of their personnel as "Aerospace Development Liaison" to serve as a single point-of-contact for
19 these operations and development projects to assist and expedite development, including, but not
20 limited to financing, site selection, permitting, and identification of applicable state, federal, and
21 private programs available including, without limitation, tax incentives, loans, grants, etc.

§5B-12-3. Available West Virginia programs and tax incentives.

1 (a) The Department shall strive to ensure that qualifying aerospace development projects
2 are informed and afforded the opportunity to enjoy all current and future applicable tax and non-tax
3 incentives, such as, without limitation:

4 (1) Special Method for Valuation of Certain Manufacturing Production Property, and all
5 amendments thereto, being §11-6E-1 et seq. of this code;

6 (2) Special Method for Appraising Qualified Capital Additions to Manufacturing Facilities,
7 and all amendments thereto, being §11-6F-1 et seq. of this code;

8 (3) Valuation of Special Aircraft Property, and all amendments thereto, being §11-6H-1 et
9 seq. of this code;

10 (4) Business Investment and Jobs Expansion Tax Credit, and all amendments thereto,
11 being §11-13C-1 et seq. of this code;

12 (5) Tax Credits for Industrial Expansion and Revitalization, Research and Development
13 Projects, Certain Housing Development Projects, Management Information Services Facilities,
14 Industrial Facilities Producing Coal-Based Liquids Used to Produce Synthetic Fuels, and
15 Aerospace Industrial Facility Investments, being §11-13D-1 et seq. of this code;

16 (6) West Virginia Economic Opportunity Tax Credit Act, and all amendments thereto, being
17 §11-13Q-1 et seq. of this code;

18 (7) Strategic Research and Development Tax Credit, and all amendments thereto, being
19 §11-13R-1 et seq. of this code;

20 (8) West Virginia Manufacturing Investment Tax Credit Act, and all amendments thereto,
21 being §11-13S-1 et seq. of this code;

22 (9) High-Growth Business Investment Tax Credit, and all amendments thereto, being §11-
23 13U-1 et seq. of this code;

24 (10) Apprenticeship Training Tax Credits, and all amendments thereto, being §11-13W-1 et
25 seq. of this code;

26 (11) West Virginia Manufacturing Property Tax Adjustment Act, and all amendments
27 thereto, being §11-13Y-1 et seq. of this code;

28 (12) Commercial Patent Incentives Tax Act, and all amendments thereto, being §11-13AA-
29 1 et seq. of this code;

30 (13) The High-Wage Growth Business Tax Credit Act, and all amendments thereto, being
31 §11-13II-1 et seq. of this code;

32 (14) Industrial Advancement Act, and all amendments thereto, being §11-13LL-1 et seq. of
33 this code;

34 (15) Post-Coal Mine Site Business Credit, and all amendments thereto, being §11-28-1 et
35 seq. of this code;

36 (16) The Freeport Constitutional Amendment, being section one-c, article ten, of the West
37 Virginia Constitution, and its legislative statutory implementation, and all amendments thereto,
38 being §11-5-13 and §11-5-13a of this code, concerning the property tax exemption for tangible
39 personal property moving in interstate commerce; and

40 (17) All other current and future applicable tax and non-tax incentives, without limitation,
41 which may benefit aerospace development projects under the Code of West Virginia and the Code
42 of State Rules.

43 (b) The Department shall strive to ensure that qualifying aerospace operations and
44 development projects are informed and afforded the opportunity to enjoy all other current and
45 future available programs, such as, without limitation, West Virginia Economic Develop Authority's

46 applicable direct and indirect financing, industrial revenue bonds, expedited permitting, workforce
47 development, infrastructure development, and available sites and buildings.

ARTICLE 13. WEST VIRGINIA JOB DEVELOPMENT INVESTMENT GRANT
PROGRAM.

§ 5B-13-1. Legislative findings and purpose.

1 The Legislature finds that:

2 (1) It is the policy of the State of West Virginia to stimulate economic activity and to create
3 new jobs for the citizens of the State by encouraging and promoting the expansion of existing
4 business and industry within the State and by recruiting and attracting new business and industry
5 to the State.

6 (2) The enactment of this Article is necessary to stimulate the economy, facilitate economic
7 recovery, and create new jobs in West Virginia; and this Article will confer benefits on citizens
8 throughout the State through the creation of new jobs, an enlargement of the overall tax base, an
9 expansion and diversification of the State's industrial base, and an increase in revenue to the
10 State and its political subdivisions.

11 (3) Nothing in this Article shall be construed to constitute a guarantee or assumption by the
12 State of any debt of any business or to authorize the taxing power or the full faith and credit of the
13 State to be pledged.

§ 5B-13-2. Definitions.

1 The following terms are defined as follows in this Article:

2 "Agreement" means a community economic development agreement.

3 "Base period" means the period of time set by the Division during which new employees
4 are to be hired for the positions on which the grant is based.

5 "Business" means a corporation, sole proprietorship, cooperative association,
6 Partnership, S corporation, limited liability company, nonprofit corporation, or other form of
7 business organization, located either within or outside this state.

8 "Division" means the Division of Economic Development.

9 "Development tier" means the classification assigned to a county pursuant to an annual
10 review by the Division of Economic Development ranking West Virginia counties based on
11 economic well-being. The 20 most distressed counties are designated as Tier 1, the next 20 as
12 Tier 2, and the 15 most prosperous as Tier 3. This tier system is incorporated into this Article to
13 encourage economic activity in the less prosperous areas of the state.

14 "Eligible position" means a position created by a business and filled by a new full-time
15 employee in this State during the base period. For purposes of high-yield projects, transitional
16 projects, and transformative projects:

17 (A) Positions created in the year the business achieves the minimum requirements set
18 forth in this section may be considered eligible positions even if created outside the base period
19 and

20 (B) In a year other than during the base period, an eligible position must be filled for at least
21 30 weeks of the applicable grant year.

22 "Expansion position" means a position created by a business and filled by a new full-time
23 employee in this State in Phase II of a transitional project or for a transformative project in any year
24 in which the business receives the enhanced percentage of the withholdings of eligible positions
25 pursuant to the provisions of this Code.

26 "Full-time employee" means a person who is employed for consideration for at least 35
27 hours a week, whose wages are subject to withholding under any provision of this Code, who is
28 not a worker with an H-1B visa or with H-1B status, and who is determined by the Division to be
29 employed in a permanent position according to criteria it develops. Except as allowed by this

Article for system contractors, the term does not include any person who works as an independent contractor or on a consulting basis for the business.

"High-yield project" means a project for which the agreement requires that a business invest at least \$500 million in private funds and create at least 1,750 eligible positions.

"New employee" means a full-time employee who represents a net increase in the number of the business's employees statewide.

"Overdue tax debt" means any article of a tax debt that remains unpaid 60 days or more after it becomes collectible

"System contractor" means a person employed by an entity that contracts with a business with which an agreement for a high-yield, transitional, or transformative project was entered into for the purpose of providing full-time employees exclusively located at and directly engaged in the primary operations of the project if all of the following criteria are met:

(A) The number of system contractors used does not exceed 15 percent of the eligible positions and is not used to fill expansion positions;

(B) System contractors, other than in designation, meet all other requirements applicable to full-time employees of the business filling eligible positions;

(C) The entity providing system contractors certifies to the business that it meets the same requirements imposed by this article on the business with respect to system contractors provided at the project site, and the business agrees to procure from the entity and provide to either the Department of Revenue or the Division, upon request, any documentation needed to verify the requirements; and

(D) The entity providing the system contractors and the business are not related members and are not, directly or indirectly, affiliated in any way.

"Transformative project" means a project for which the agreement requires that a business invest at least \$1 billion dollars in private funds and create at least 3,000 eligible positions.

"Transitional project" means a project for which the agreement requires the following:

56 (A) Phase I. – That a business invest at least \$1 billion in private funds and create at least
57 1,750 eligible positions; and

58 (B) Phase II. – That a business, upon exercising an option in the agreement during the first
59 36 months of the agreement term to expand the project, increase the investment of private funds
60 to at least \$3 billion and increase job creation to at least 3,875 eligible positions. Exercise of an
61 option under this sub-subdivision is contingent upon the business meeting and maintaining Phase
62 I requirements at and beyond the end of the applicable base period for Phase I set forth in the
63 agreement. Notice of exercising the option must be in writing to the Division.

64 "Withholdings" means the amount withheld by a business from the wages of employees
65 in eligible positions and, if applicable, expansion positions.

§ 5B-13-3. Job Development Investment Grant Program.

1 (a) Program. - There is established the Job Development Investment Grant Program to be
2 administered by the Division of Economic Development. In order to foster job creation and
3 investment in the economy of this state, the Division may enter into agreements with businesses to
4 provide grants in accordance with the provisions of this article. The Division, in consultation with
5 the Attorney General, shall develop criteria to be used in determining whether the conditions of this
6 section are satisfied and whether the project described in the application is otherwise consistent
7 with the purposes of this article. Before entering into an agreement, the Division must find that all
8 the following conditions are met:

9 (1) The project proposed by the business will create, during the term of the agreement, a
10 net increase in employment in this state by the business;

11 (2) The project will benefit the people of this state by increasing opportunities for
12 employment and by strengthening this state's economy by, for example, providing worker training
13 opportunities, constructing and enhancing critical infrastructure, increasing development in
14 strategically important industries, or increasing the state and local tax base;

15 (3) The project is consistent with economic development goals for the state and for the

area where it will be located;

(4) The financial security and stability of the grantee have been reviewed and confirmed to be acceptable;

(5) A grant under this article is necessary for the completion of the project in this state;

(6) The total benefits of the project to the state outweigh its costs and render the grant appropriate for the project; and

(7) For a project located in a Tier 3 development area, the affected local governments have participated in recruitment and offered incentives in a manner appropriate to the project.

(b) Priority. - In selecting between applicants, a project that is located in a lower tier development county shall have priority over a comparable project that is located in a higher tier development county.

(c) Multilocation projects. - Except as otherwise provided, if a project will be located in more than one development tier area, the location with the highest area designation determines the standards applicable to the project.

(d) Award Limitations. - The following limitations apply to grants awarded under this article:

(1) Maximum liability. - The maximum amount of total annual liability for grants awarded in any single calendar year under this article, including amounts transferred to the Utility Development Account is \$12 million for a year in which no grants are awarded for a high-yield project and is \$15 million for a year in which a grant is awarded for a high-yield project. No agreement may be entered into that, when considered together with other existing agreements governing grants awarded during a single calendar year, could cause the state's potential total annual liability for grants awarded in a single calendar year to exceed the applicable amount. The limitation in this subdivision does not apply to:

(A) The difference in the award of a transitional project elevating the project from Phase I to Phase II or

(B) Transformative projects.

(2) Semiannual commitment limitations. - Of the amount authorized in subdivision (1) of this subsection, no more than 50 percent, excluding roll-over amounts, may be awarded in any single calendar semiannual period. A roll-over amount is any amount from a previous semiannual period in the same calendar year that was not awarded as a grant. The limitation of this subdivision does not apply to a grant awarded to a high-yield, transitional, or transformative project.

(e) Measuring Employment. - For the purposes of this article, the Division may designate that the increase or maintenance of employment is measured at the level of a division or another operating unit of a business, rather than at the business level, if both of the following conditions are met:

(1) The Division makes an explicit finding that the designation is necessary to secure the project in this State.

(2) The agreement contains terms to ensure that the business does not create eligible positions by transferring or shifting to the project existing positions from another project of the business or a related member of the business.

(f) Notwithstanding any provision of this code to the contrary, or any municipality's home rule powers with respect to ordinances and ordinance procedures, including any authority pursuant to the Municipal Home Rule Program under §8-1-5a of this code, any project for which a Job Development Investment Grant is tendered may not be subject to the following:

(1) County or municipal zoning, horticultural, noise, viewshed, lighting, development, or land use ordinances, restrictions, limitations, or approvals;

(2) County or municipal building permitting, inspection, or code enforcement;

(3) County or municipal license requirements;

(4) The legal jurisdiction of the county or municipality in which the project is entirely or partially located, except as specifically provided in this article; or

(5) Any requirement under state law for the consent or approval of the municipality in which the project is entirely or partially located of any state or county action pursuant to this code,

specifically including, but not limited to, §7-11B-1 *et seq.* of this code, for formal consent of the governing body of a municipality for county or state action regarding the establishment of tax increment financing development or redevelopment districts or the approval of tax increment financing development or redevelopment plans.

§ 5B-13-4. Applications; fees; criteria; reports; study.

(a) Application. - A business shall apply, under oath, to the Division for a grant on a form prescribed by the Division that includes at least all of the following:

(1) The name of the business, the proposed location of the project, and the type of activity in which the business will engage at the project site or sites;

(2) The names and addresses of the principals or management of the business, the nature of the business, and the form of business organization under which it is operated;

(3) The financial statements of the business prepared by a certified public accountant and any other financial information the Division considers necessary;

(4) The number of eligible positions proposed to be created for the project and the salaries for these positions;

(5) An estimate of the total withholdings;

(6) Certification that the business will provide health insurance to full-time employees of the project as required by law;

(7) Information concerning other locations, including locations in other states and countries, being considered for the project and the nature of any benefits that would accrue to the business if the project were to be located in one of those locations;

(8) Information concerning any other State or local government incentives for which the business is applying or that it has an expectation of receiving; and

(9) Any other information necessary for the Division to evaluate the application.

A business may apply, in one consolidated application in a form and manner determined by the Division, for a grant that may include performance by related members of the business who

22 may qualify under this article.

23 The Division will consider an application by a business for a grant that includes
24 performance of its related members only if the related members for whom the application is
25 submitted assign to the business any claim of right the related members may have under this
26 article to apply for grants individually during the term of the agreement and agree to cooperate with
27 the business in providing to the Division all the information required for the initial application and
28 the agreement, and any other information the Division may require for the purposes of this article.
29 The applicant business is responsible for providing to the Division all the information required
30 under this article.

31 If a business applies for a grant that includes performance by its related members, the
32 related members included in the application may be permitted to meet the qualifications for a grant
33 collectively by participating in a project that meets the requirements of this article. The amount of a
34 grant may be calculated under the terms of this article as if the related members were all
35 collectively one business entity. Any conditions for a grant, other than the number of eligible
36 positions created, apply to each related member who is listed in the application as participating in
37 the project. The grant awarded shall be paid to the approved grantee business only. A grant
38 received under this Article by a business may be apportioned to the related members in a manner
39 determined by the business. In order for an agreement to be executed, each related member
40 included in the application must sign the agreement and agree to abide by its terms.

41 (b) Application Fee. - When filing an application under this section, the business must pay
42 the Division a fee of:

43 (1) \$10,000 dollars if the project is a high-yield, transitional, or transformative project,
44 regardless of location in the State, or is located in a Tier 3 development area;

45 (2) \$5,000 dollars if the project is located in a Tier 2 development area; or

46 (3) \$1,000 dollars if the project is located in a Tier 1 development area.

47 The fee is due at the time the application is filed. The Secretary of Commerce, the

Secretary of Revenue, and the Director of the State Budget Office shall determine the allocation of the fee imposed by this section among their agencies. The proceeds of the fee are receipts of the agency to which they are credited. Within 30 days of receipt of an application under this section but prior to any award being made, the Department of Commerce shall notify each governing body of an area where a submitted application proposes locating a project of the information listed in this subsection, provided that the governing body agrees, in writing, to any confidentiality requirements imposed by the Division. The information required by this subsection includes all of the following:

(A) The estimated amount of the grant anticipated to be awarded to the applicant for the project;

(B) Any economic impact data submitted with the application or prepared by the Division; and

(C) Any economic impact estimated by the Division to result from the project.

(c)(1) Grants shall be evaluated on criteria that involves balancing direct financial gains as well as broader economic benefits against the project costs, including these grants and any other grants or credits offered by the state. Calculation of these shall involve comparing these project benefits to costs of the incentives and infrastructure, using metrics such as return on investment over a 10 to 20 year period, internal rates of return, or other qualitative measures to assess the impact of the proposed project to ensure the expenditure of public money yields significant economic growth and aligns with state goals.

(2) The Division shall have the authority to receive internal financial data from the applicant. This data must be kept confidential.

(d) Annual Reports. - The Division shall publish a report on the Job Development Investment Grant Program on or before April 30 of each year. The Division shall submit the report electronically to the Finance Committee of the House of Delegates, the Senate Finance Committee and the Regulatory and Fiscal Affairs Division. The report shall include the following:

74 (1) A listing of each grant awarded during the preceding calendar year, including the name
75 of the business, the cost/benefit analysis conducted by the Division during the application process,
76 a description of the project, the term of the grant, the percentage of withholdings used to determine
77 the amount of the grant, the annual maximum state liability under the grant, and the maximum total
78 lifetime state liability under the grant;

79 (2) An update on the status of projects under grants awarded before the preceding
80 calendar year;

81 (3)(A) The number and development tier area of eligible positions to be created by projects
82 with respect to which grants have been awarded; and

83 (B) A listing of the employment level for all businesses receiving a grant and any changes
84 in those levels from the level of the next preceding year;

85 (4) The wage levels of all eligible positions to be created by projects with respect to which
86 grants have been awarded, aggregated and listed in increments of \$10,000 dollars or other
87 appropriate increments;

88 (5) The amount of new income tax revenue received from withholdings related to the
89 projects for which grants have been awarded;

90 (6) For the first annual report after adoption of the criteria developed by the Division, in
91 consultation with the Attorney General, to implement this article, a copy of such criteria, and, for
92 subsequent reports, identification of any changes in those criteria from the previous calendar year;

93 (7) The number of awards made to new businesses and the number of awards made to
94 existing, expanding businesses in the preceding calendar year;

95 (8) The geographic distribution of grants, by number and amount, awarded under the
96 program;

97 (9) A listing of all businesses making an application under this article and confirmation of
98 whether each business ultimately located the project in this state regardless of whether the
99 business was awarded a grant for the project under this article;

100 (10) A listing, itemized by development tier, of the number of offers that have been
101 calculated, estimated, or extended but were not accepted and the total award value of the offers;
102 and

103 (11) The total amount transferred to the Utility Account under this article during the
104 preceding year.

105 (e) Study. - The Division shall conduct a study to determine the minimum funding level
106 required to implement the Job Development Investment Grant Program successfully.

§ 5B-13-5. Utility Development Account.

1 (a) (1) Creation and Purpose of Fund. – There is hereby created in the Department of
2 Commerce the Industrial Utility Development Fund Account ("Utility Development Account"). The
3 fund shall be administered by the Department of Commerce and shall consist of all moneys made
4 available for the purposes and from the sources set forth in this section of the code.

5 (2) The fund consists of moneys received from the following sources:

6 (A) All moneys received pursuant to relevant provisions of this code;

7 (B) All appropriations provided by the Legislature;

8 (C) Any moneys available from external sources; and

9 (D) All interest and other income earned from investment of moneys in the fund.

10 (3) The Department of Commerce shall use moneys in the fund to provide funds to assist
11 the local government units of the most economically distressed counties in the State in creating
12 jobs.

13 (4) Any balance, including accrued interest and any other returns, in the Utility
14 Development Account at the end of each fiscal year may not expire to the General Revenue Fund
15 but remain in the fund and be expended for the purposes provided by this section.

16 (5) Fund balances may be invested with the state's Consolidated Investment Fund.
17 Earnings on the investments shall be used solely for the purposes defined in §5B-13-11, et seq. of
18 this code.

19 (6) In order to effectuate the purposes of this section, the Department of Commerce may
20 propose rules, including emergency rules, in accordance with §29A-3-1 et seq. of this code.

21 (b) The funds distributed shall be used for construction of or improvements to new or
22 existing water, sewer, gas, telecommunications, high-speed broadband, electrical utility
23 distribution lines or equipment, or transportation infrastructure for existing or new or proposed
24 buildings. To be eligible for funding, the water, gas, telecommunications, high-speed broadband,
25 electrical utility lines or facilities, or transportation infrastructure shall be located on the site of the
26 building or, if not located on the site, shall be directly related to the operation of the job creation
27 activity. To be eligible for funding, the sewer infrastructure shall be located on the site of the
28 building or, if not located on the site, shall be directly related to the operation of the job creation
29 activity, even if the sewer infrastructure is located in a county other than the county in which the
30 building is located.

31 (c) The funds shall be used for projects located in economically distressed counties except
32 that the Secretary of Commerce may use up to \$100,000 dollars to provide emergency economic
33 development assistance in any county that is documented to be experiencing a major economic
34 dislocation, meaning the actual or imminent loss of 500 or more manufacturing jobs in the county,
35 or, of a number of manufacturing jobs equal to at least 10 percent of the existing manufacturing
36 workforce in the county.

37 (d) The funds shall be used by the city and county governments for projects that are
38 reasonably anticipated to result in the creation of new jobs. There shall be no maximum funding
39 amount per new job to be created or per project.

40 (e) There shall be no local match requirement if the project is located in a Tier 1 county as
41 defined in § 5B-13-2 of this Code.

42 (f) The Department may authorize a local government that receives funds under this
43 section to use up to 2 two percent of the funds, if necessary, to verify that the funds are used only in
44 accordance with law and to otherwise administer the grant or loan.

45 (g) No project shall be funded unless the Secretary of Commerce finds that the proposed
46 project will not have a significant adverse effect on the environment. The Secretary of Commerce
47 shall not make this finding unless the Secretary has first received a certification from the
48 Department of Environmental Protection.

49 (h) The funds shall not be used for any retail, entertainment, or sports projects. The funds
50 shall not be used for any nonmanufacturing project that does not equal or exceed the median
51 wage for the county in which the project is located: *Provided*, there is no wage standard for a Tier 1
52 county as defined in § 5B-13-2 of this code.

53 (i) Priority for the use of funds shall be given to the following eligible industries.

54 (1) Aerospace industry means any business activity classified as having a sector identifier,
55 consisting of the first five digits of the six-digit North American Industry Classification System code
56 number of 33641. It further includes; repairing repair of aircraft or aircraft engines (except
57 overhauling, conversion, and rebuilding) under North American Industry Classification System
58 code number 48819, Other Support Activities for Air Transportation; all research and development
59 establishments primarily engaged in aerospace R&D (except prototype production) under North
60 American Industry Classification System code number 54171, Research and Development in the
61 Physical, Engineering, and Life Sciences; and all other forms of manufacturing or repairing
62 aerospace components undertaken as business activity classified as having a sector identifier,
63 consisting of the first two digits of the six-digit North American Industry Classification System code
64 number of 33.

65 (2) Air courier services. – The furnishing of air delivery of individually addressed letters and
66 packages for compensation, in interstate commerce, except by the United States Postal Service.

67 (3) Company headquarters. – A corporate, subsidiary, or regional managing office, as
68 defined by the North American Industry Classification System as industry 551114, that is
69 responsible for strategic or organizational planning and decision making for the business on an
70 international, national, or multistate regional basis.

(4) Information technology and services. – An industry in one of the following, as defined by the North American Industry Classification System:

(A) Data processing industry group 518.

(B) Software publishers industry group 5112.

(C) Computer systems design and related services industry group 5415.

(D) An Internet activity included in industry group 519130.

(5) Manufacturing. – An industry in manufacturing sectors 31 through 33, as defined by the North American Industry Classification System, but not including quick printing or retail bakeries.

(6) Warehousing. – An industry in warehousing and storage subsector 493 as defined by the North American Industry Classification System.

(7) Wholesale trade. – An industry in wholesale trade sector 42 as defined by the North American Industry Classification System.

§ 5B-13-6. Calculation of maximum grants; factors considered.

(a) Maximum Percentage - Subject to the provisions of subsection (d) of this section, the amount of the grant awarded in each case shall be a percentage of the withholdings of positions governed by the agreement for a period of years. The percentage used to determine the amount of the grant shall be based on criteria developed by the Division, in consultation with the Attorney General, after considering, at a minimum:

(1) The number of positions governed by the agreement to be created;

(2) The expected duration of those positions;

(3) The type of contribution the business can make to the long-term growth of the state's economy;

(4) The amount of other financial assistance the project will receive from the state or local governments;

(5) The total dollar investment the business is making in the project;

(6) Whether the project utilizes existing infrastructure and resources in the community;

(7) Whether the project is located in a development zone;

(8) The number of positions governed by the agreement that would be filled by residents of a development zone;

(9) The projected return on the state's economic investment; and

(10) The extent to which the project will mitigate unemployment in the state and locality.

The percentage shall be no more than the following:

(1) General rule. - 80 percent of the withholdings of eligible positions for a Tier 1 development area and 75 percent of the withholdings of eligible positions for any other area.

(2) High-yield project. - Notwithstanding the percentage in subdivision (1) of this subsection, if the project is a high-yield project, the business has met the investment and job creation requirements, and, for three consecutive years, the business has met all terms of the agreement, the amount of the grant awarded shall be no more than 100 percent of the withholdings of eligible positions for each year the business maintains the minimum job creation requirement and meets all terms of the agreement. A business that fails to maintain the minimum job creation requirement or meet all terms of the agreement required to qualify as a high-yield project will be disqualified from receiving the enhanced percentage of withholdings under this subdivision and will have the applicable percentage set forth in subdivision (1) of this subsection applied in the year in which the failure occurs and all remaining years of the grant term.

(3) Transitional project. - Notwithstanding the percentage in subdivision (1) of this subsection, a transitional project shall be treated as a high-yield project pursuant to subdivision (2) of this subsection until the business meets the requirements for Phase II, at which time the amount of the grant awarded shall be no more than 100 percent of the withholdings of eligible and expansion positions for each year the business maintains the minimum job creation requirement for Phase II and meets all terms of the agreement. A business that fails to maintain the minimum job creation requirement or meet all terms of the agreement required for Phase II but remains in

39 compliance with the requirements for Phase I will be disqualified from receiving the enhanced
40 percentage of withholdings under this subdivision and will have the applicable percentage set forth
41 in subdivision (2) of this subsection applied in the year in which the failure occurs and all remaining
42 years of the grant term; provided that, if the business fails to meet the requirements for Phase I, the
43 business is disqualified from receiving an enhanced percentage of withholdings, and the
44 percentage set forth in subdivision (1) of this subsection shall be applied in the year in which the
45 failure occurs and all remaining years of the grant term.

46 (4) Transformative project. - If the project is a transformative project and the business has
47 met the investment and job creation requirements and all terms of the agreement, the amount of
48 the grant awarded shall be no more than 100 percent. If the withholdings of eligible and expansion
49 positions for each year the business maintains the minimum job creation requirement and meets
50 all terms of the agreement. A business that fails to maintain the minimum job creation requirement
51 or meet all terms of the agreement required to qualify as a transformative project will be
52 disqualified from receiving the enhanced percentage of withholdings under this subsection and will
53 have the applicable percentage set forth in subdivision (1) of this subsection applied in the year in
54 which the failure occurs and all remaining years of the grant term.

55 (b) Base Period - The maximum number of years in the base period for which grant
56 payments may be made shall not exceed the following:

57 (1) For transformative projects, 10 years.

58 (2) For transitional projects, five years for purposes of eligible positions required for Phase
59 I of the project and 10 years for purposes of the additional positions required for Phase II of the
60 project under the agreement.

61 (3) For all other projects, five years.

62 (c) Grant Term - The term of the grant shall not exceed the duration listed in this
63 subsection. The first grant payment must be made within six years after the date on which the
64 grant was awarded. Maximum durations are as follows:

(1) For high-yield projects in which the business receives the enhanced percentage pursuant to subsection (a) of this section, 20 years starting with the first year a grant payment is made. If a business is disqualified from the enhanced percentage in one of the first 12 years, the term of the grant shall not exceed 12 years starting with the first year a grant payment is made. If a business is disqualified from receiving the enhanced percentage after the first 12 years, the term of the grant ends in the year the disqualification occurs.

~~(1)~~ (2) For transitional projects in which the business receives the enhanced percentage for Phase II pursuant to subsection (a) of this section, the base period plus 30 years starting with the first year a grant payment is made. If a business is disqualified from the enhanced percentage allowed for Phase II but meets the requirements for Phase I, the term of the grant shall not exceed 20 years starting with the first year a grant payment is made. If a business is disqualified from the enhanced percentage allowed for Phase I, the term of the grant shall not exceed 12 years starting with the first year a grant payment is made. If a disqualification occurs after the maximum term provided in this subdivision, the term of the grant ends in the year the disqualification occurs.

~~(2)~~ (3) For transformative projects in which the business receives the enhanced percentage pursuant to subsection (a) of this section, the base period plus 30 years starting with the first year a grant payment is made. If a business is disqualified from the enhanced percentage in one of the first 12 years, the term of the grant shall not exceed 12 years starting with the first year a grant payment is made. If a business is disqualified from receiving the enhanced percentage after the first 12 years, the term of the grant ends in the year the disqualification occurs.

~~(3)~~ (4) For all other projects, 12 years starting with the first year a grant payment is made.

~~(e)~~ (d) Utility Development Account - For any eligible position that is located in a Tier 3 development area, 75 percent of the annual grant approved for disbursement shall be payable to the business, and 25 percent shall be payable to the Utility Development Account established by §5B-13-5 of this code for:

(1) Any business that receives an enhanced percentage pursuant to subsection (a) of this section; and

(2) Any eligible position that is located in a Tier 2 development area, 90 percent of the annual grant approved for disbursement shall be payable to the business, and 10 percent shall be payable to the Utility Development Account established by §5B-13-5 of this code. A position is located in the development tier area that has been assigned to the county in which the project is located at the time the application is filed with the Division.

~~(d)~~ (e) Grant Coordination - A business that is receiving any other grant by operation of state law may not receive an amount as a grant pursuant to this article that, when combined with any other grants, exceeds the applicable maximum percentage of the withholdings of the business, as provided in subsection (a) of this section, unless the Division makes an explicit finding that the additional grant is necessary to secure the project.

~~(e)~~ (f) Per Job Maximum - For projects other than transformative projects, the amount of a grant associated with any specific eligible position, including any amount transferred to the Utility Development Account established by §5B-13-5 of this code, may not exceed ~~\$16 thousand~~ \$16,000 in any year.

§ 5B-13-7. Economic development agreements.

(a) Terms. – Each economic development agreement entered into under authority of this Chapter shall include at least the following:

(1) A detailed description of the proposed project that will result in job creation and the number of new employees to be hired;

(2) The term of the grant and the criteria used to determine the first year for which the grant may be claimed;

(3) The number of eligible positions that are subjects of the grant and a description of those positions and the location of those positions;

(4) The amount of the grant;

10 (5) A method for determining the number of new employees hired during a grant year;

11 (6) A method for the business to report annually to the Division the number of eligible
12 positions and, if applicable, expansion positions for which the grant is to be made;

13 (7) A requirement that the business report to the Division annually the aggregate amount of
14 withholdings during the grant year;

15 (8) A provision permitting an audit of the payroll records of the business by the Division
16 from time to time as the Division considers necessary;

17 (9) A provision that requires the business to maintain operations at the project location or
18 another location approved by the Division for at least 150% of the term of the grant and a provision
19 to require the Division to recapture an appropriate portion of the grant if the business does not
20 remain at the site for the required term;

21 (10) A provision that requires the business to maintain employment levels in this state at
22 the greater of the level of employment on the date of the application, or, the level of employment on
23 the date of the award;

24 (11) A provision establishing the conditions under which the grant agreement maybe
25 terminated, in addition to those specified in this code, and under which grant funds may be
26 recaptured by the Division;

27 (12) A provision stating that unless the agreement is terminated pursuant to the provisions
28 of this code, the agreement, including any amendments, is binding and constitutes a continuing
29 contractual obligation of the state and the business;

30 (13) A provision setting out any allowed variation in the terms of the agreement that will not
31 subject the business to grant reduction, amendment, or termination of the agreement;

32 (14) A provision that prohibits the business from manipulating or attempting to manipulate
33 data with the purpose of increasing the amount of the grant and that requires the Division to
34 terminate the agreement and take action to recapture grant funds if the Division finds that the

business has manipulated or attempted to manipulate data with the purpose of increasing the amount of the grant;

(15) A provision requiring that the business engage in fair employment practices as required by state and federal law;

(16) A provision encouraging the business to hire West Virginia residents;

(17) A provision stating that the state is not obligated to make any annual grant payment unless and until the state has received benefits from the business in an amount that exceeds the amount of the grant payment;

(18) A provision describing the manner in which the amount of a grant will be measured and administered to ensure compliance with the provisions of this code;

(19) A provision stating that any recapture of a grant and any reduction in the amount of the grant or the term of the agreement must, at a minimum, be proportional to the failure to comply measured relative to the condition or criterion with respect to which the failure occurred;

(20) A provision stating that any disputes over interpretation of the agreement shall be submitted to binding arbitration;

(21) A provision stating that the business agrees to submit to an audit at any time that the Division requires one; and

(22) A provision encouraging the business to contract with small businesses headquartered in the state for goods and services.

(b) Approval of Attorney General. – The Attorney General shall review the terms of all proposed agreements entered into by the Division. To be effective against the state, an agreement entered into under this chapter must be signed by the Attorney General.

(c) Agreement Binding. – A community economic development agreement is a binding obligation of the State and is not subject to State funds being appropriated by the legislature.

§ 5B-13-8. Reporting requirements.

1 (a) No later than March 1 of each year, for the preceding grant year, as a condition of its
2 continuation in the grant program every business that is awarded a grant under this chapter shall
3 submit to the Division of Economic Development all data required by the conditions of the grant,
4 including but not limited to, an annual payroll report showing withholdings and identifying eligible
5 positions that have been created during the base period that remain filled at the end of each year
6 of the grant and a copy of its state and federal tax returns.

7 (b) The reporting procedures of this section are in addition to any other general reporting
8 requirements relating to private entities that receive state funds.

§ 5B-13-9. Failure to comply with agreement.

1 (a) If the business receiving a grant fails to meet or comply with any condition or
2 requirement set forth in an agreement or with criteria developed by the Division in consultation with
3 the Attorney General, the Division shall reduce the amount of the grant or the term of the
4 agreement, may terminate the agreement, or both. The reduction in the amount or the term must,
5 at a minimum, be proportional to the failure to comply measured relative to the condition or
6 criterion with respect to which the failure occurred. The Division may reduce the amount or term of
7 a grant by formally approving a motion to reduce such grant in accordance with program policies
8 adopted by the Division for the treatment of failures by businesses to meet or comply with a
9 condition or requirement set forth in the grant agreement, and it shall not be necessary to execute
10 an amendment to the applicable grant agreement. The Division shall notify any such affected
11 business of the reduction to its grant payment, reflected in any such motion.

12 (b) (1) If a business fails to maintain employment at the levels stipulated in the agreement
13 or otherwise fails to comply with any condition of the agreement for any two consecutive years and
14 if the business is still within the base period established by the Division, the Division shall withhold
15 the grant payment for any consecutive year after the second consecutive year remaining in the
16 base period in which the business fails to comply with any condition of the agreement, and the
17 Division may extend the base period for up to 24 additional months. Under no circumstances may

the Division extend the base period by more than a total of 24 months. In no event shall the term of the grant be extended beyond the date set by the Division at the time the Division awarded the grant.

(2) If the business is no longer within the base period established by the Division, the Division shall terminate the agreement.

(c) Notwithstanding the provisions of subsections (a) and (b) of this section, if the Division finds that the business has manipulated or attempted to manipulate employee withholdings with the purpose of increasing the amount of a grant, the Division shall immediately terminate the agreement and take action to recapture any grant funds disbursed in any year in which the Division finds the business manipulated or attempted to manipulate employee withholdings with the purpose of increasing the amount of the grant.

§ 5B-13-10. Disbursement of grant.

A business may not receive an annual disbursement of a grant if, at the time of disbursement, the business has received a notice of an overdue tax debt and that overdue tax debt has not been satisfied or otherwise resolved. A business may receive an annual disbursement of a grant only after the Division has certified that there are no outstanding overdue tax debts and that the business has met the terms and conditions of the agreement. No amount shall be disbursed to a business as a grant under this article in any year until the Secretary of Revenue has certified to the Division:

(1) That there are no outstanding overdue tax debts of the business;

(2) The amount of withholdings received in that year by the Department of Revenue from the business; and

(3) The average wage of workers in the business.

A business that has met the terms of the agreement shall make an annual certification of this to the Division. The Division shall require the business to provide any necessary evidence of compliance to verify that the terms of the agreement have been met. The Division shall certify the

15 grant amount for which the business is eligible under the agreement and the grant amount for
16 which the business would be eligible under the agreement. The Division of Economic
17 Development shall remit a check to the business in the amount of the certified grant amount within
18 90 days of the certification.

§ 5B-13-11. Transfer to Industrial Development Fund Utility Account.

1 At the time the Department of Commerce remits a check to a business under the
2 provisions of this article, if applicable, the Department of Commerce shall transfer to the Utility
3 Development Account an amount equal to the amount certified by the Division as the difference
4 between the amount of the grant and the amount of the grant for which the business would be
5 eligible without regard to any other provision of this Code.

§ 5B-13-12. Job Development Investment Grant Program cash flow requirements.

1 Notwithstanding any other provision of law, grants made through the Job Development
2 Investment Grant Program shall be budgeted and funded on a cash flow basis. The Department of
3 Commerce shall disburse funds in an amount sufficient to satisfy grant obligations and amounts to
4 be transferred, pursuant to the provisions of this article, to be paid during the fiscal year. It is the
5 intent of the Legislature to appropriate funds annually to the Job Development Investment Grant
6 Program established in this Article in amounts sufficient to meet the anticipated cash requirements
7 for each fiscal year.

ARTICLE 14. WEST VIRGINIA MRO WORKFORCE & AVIATION DEVELOPMENT
ACT.

§5B-14-1. Legislative Findings.

1 (a) The Legislature finds that:
2 (1) The Maintenance, Repair, and Overhaul (MRO) and aerospace sector represents one
3 of the fastest-growing industrial clusters in the United States.
4 (2) Oklahoma, Kansas, Florida, and North Carolina have successfully developed aviation

5 overhaul hubs using targeted workforce and payroll-based incentives.

6 (3) West Virginia possesses strategic airfields, available hangar capacity, transportation
7 infrastructure, and a willing rural labor force capable of supporting aircraft overhaul and repair
8 operations.

9 (4) A dedicated workforce pipeline, including A&P certification, avionics training, and
10 aerospace engineering recruitment, is essential to competitiveness.

11 (5) It is in the public interest to stimulate aerospace job creation, retraining of West Virginia
12 workers, and long-term economic development in rural counties.

13 (b) Therefore, the Legislature declares the purpose of this article is to attract, expand, and
14 sustain MRO operations and aerospace engineering employment in West Virginia.

§5B-14-2. Definitions.

1 As used in this article:

2 "Average county wage" means the most recent wage published by WorkForce WV for the
3 county of employment.

4 "MRO employer" means an entity aircraft or aerospace maintenance, repair, overhaul,
5 refurbishment, or part servicing operations in West Virginia.

6 "New payroll" means total payroll attributed to new jobs created in or relocated to West
7 Virginia after July 1, 2026.

8 "Qualified employee" means an individual employed full-time by an MRO employer in an
9 occupation relating to aerospace engineering, A&P mechanic service, avionics technology,
10 composite repair, or aircraft systems maintenance.

§5B-14-3. Aerospace Workforce Income Tax Credit.

1 (a) A qualified employee who works for a MRO employer shall be allowed an annual
2 income tax credit of up to \$5,000 for each year of employment, for a period not to exceed five
3 years.

4 (b) An MRO employer hiring such employee shall be allowed:

- 5 (1) An income tax credit of up to \$12,500 annually per qualified employee, for five years;
6 and
7 (2) A tax credit equal to 50% of tuition or credential costs paid toward A&P licensing,
8 avionics certification, or aerospace engineering degrees.
9 (c) Credits are non-refundable but may be carried forward for up to 10 years.

§5B-14-4. Payroll-Based Job Creation Incentive.

- 1 (a) Upon certification by the Department of Economic Development, an MRO employer
2 creating new payroll in the state may receive rebates equal to five percent of new annual payroll
3 for a period of up to 10 years.
4 (b) Employers paying average wages exceeding 175% of county average wage may
5 qualify for a rebate of up to 10% of payroll.
6 (c) Small employers, 500 employees or fewer, may qualify for a seven-year incentive term.

§5B-14-5. MRO Career Pipeline & A&P Technician Training Fund.

- 1 (a) There is created in the State Treasury the MRO Workforce Development Fund,
2 administered by the Secretary of Economic Development.
3 (b) Expenditures may be used for:
4 (1) CareerTech-style A&P curriculum buildout in partnership with the WV Community &
5 Technical College System;
6 (2) Scholarships for A&P, avionics, and aerospace engineering students;
7 (3) Equipment purchases for aircraft maintenance training; or
8 (4) Paid internship programs with MRO employers.
9 (c) The fund may receive legislative appropriations, federal funds, gifts, and private match

10 contributions.

§5B-14-6. Reporting Requirements.

- 1 The secretary shall submit an annual report to the Joint Committee on Government and
2 Finance detailing:

(1) Number of employees utilizing tax credits:

(2) Payroll and job creation totals;

(3) Training fund disbursements;

(4) Economic impact estimations; and

(5) Recommendations for continuation or modification.

§5B-14-7. Rules.

The secretary may propose legislative rules for implementation of this article pursuant to

§29A-3-1 et seq. of this code.

CHAPTER 11. TAXATION.

ARTICLE 6F. SPECIAL METHOD FOR APPRAISING QUALIFIED CAPITAL
ADDITIONS TO MANUFACTURING AND AEROSPACE FACILITIES

§11-6F-1. Legislative findings.

The Legislature finds that the encouragement of economic growth and development in this state is in the public interest and promotes the general welfare of the people of this state. The Legislature further finds that the ad valorem property tax valuation set forth in this article for certified capital addition property, as defined in section two of this article, will help preserve the tax base and preserve and create jobs attributable to manufacturing and aerospace facilities existing in _____ this _____ state.

§11-6F-2. Definitions.

As used in this article, the term:

"Certified capital addition property" means all real property and personal property included within or to be included within a qualified capital addition to a manufacturing facility that has been certified by the State Tax Commissioner in accordance with §11-6F-4 of this code: *Provided*, That airplanes and motor vehicles licensed by the Division of Motor Vehicles are not certified capital addition property.

7 "Aerospace" means any business activity classified as having a sector identifier, consisting
8 of the first five digits of the six-digit North American Industry Classification System code number of
9 33641. It further includes; repairing repair of aircraft or aircraft engines (except overhauling,
10 conversion, and rebuilding) under North American Industry Classification System code number
11 48819, Other Support Activities for Air Transportation; all research and development
12 establishments primarily engaged in aerospace R&D (except prototype production) under North
13 American Industry Classification System code number 54171, Research and Development in the
14 Physical, Engineering, and Life Sciences; and all aircraft or aerospace maintenance, repair,
15 overhaul, refurbishment, or part servicing operations or other forms of manufacturing or repairing
16 aerospace components undertaken as business activity classified as having a sector identifier,
17 consisting of the first two digits of the six-digit North American Industry Classification System code
18 number of 33.

19 "Aerospace facility" means a specialized location for undertaking aerospace business
20 activity including, but not limited to, designing, researching, manufacturing, testing, or maintaining
21 aircraft, spacecraft, rockets, and related systems, and all aircraft or aerospace maintenance,
22 repair, overhaul, refurbishment, or part servicing operations, including land on which it is located,
23 and all machinery, equipment, improvements, and other real property and personal property
24 located at or within the facility used in connection with the operation of the facility in a aerospace
25 business.

26 "Manufacturing" means any business activity classified as having a sector identifier,
27 consisting of the first two digits of the six-digit North American Industry Classification System code
28 number of 31, 32, or 33. For purposes of this article, manufacturing also includes the processing of
29 raw natural gas or oil to recover or extract liquid hydrocarbons, which activity is classified under
30 North American Industry Classification System code number 211130. This definition does not
31 mean or include any other processes or activities classified, categorized, grouped, or identified
32 under North American Industry Classification System code number 211130.

"Manufacturing facility" means any factory, mill, chemical plant, refinery, warehouse, building or complex of buildings, including land on which it is located, and all machinery, equipment, improvements, and other real property and personal property located at or within the facility used in connection with the operation of the facility in a manufacturing business.

"Personal property" means all property specified in §2-2-10(q) of this code and includes, but is not limited to, furniture, fixtures, machinery, and equipment, pollution control equipment, computers, and related data processing equipment, spare parts, and supplies.

"Qualified capital addition to a manufacturing facility" means either:

(1) All real property and personal property, the combined original cost of which exceeds \$50 million to be constructed, located, or installed at or within two miles of a manufacturing facility owned or operated by the person making the capital addition that has a total original cost before the capital addition of at least \$100 million. If the capital addition is made in a steel, chemical, or polymer alliance zone as designated from time-to-time by executive order of the Governor, then the person making the capital addition may, for purposes of satisfying the requirements of this subsection, join in a multiparty project with a person owning or operating a manufacturing facility that has a total original cost before the capital addition of at least \$100 million if the capital addition creates additional production capacity of existing or related products or feedstock or derivative products respecting the manufacturing facility, consists of a facility used to store, handle, process, or produce raw materials for the manufacturing facility, consists of a facility used to store, handle, or process natural gas to produce fuel for the generation of steam or electricity for the manufacturing facility or consists of a facility that generates steam or electricity for the manufacturing facility, including, but not limited to, a facility that converts coal to a gas or liquid for the manufacturing facility's use in heating, manufacturing or generation of electricity. When the new capital addition is a facility that is or will be processing raw natural gas or oil to recover or extract liquid hydrocarbons, or is a manufacturing facility that uses product produced at a facility engaged in processing of raw natural gas or oil to recover or extract liquid hydrocarbons, then

wherever the term "100 million" is used in this subsection, the term "20 million" shall be substituted and where the term "50 million" is used, the term "10 million" shall be substituted; and where the term "50 million" is used, the term "10 million" shall be substituted; and that beginning on and after July 1, 2021, when the new capital addition is a facility that is or may be classified under the North American Industry Classification System with a six-digit North American Industry Classification System code for a product produced at a facility with code numbers 332992 or 332994, as defined on January 1, 2021, then wherever the term "100 million" is used in this subsection, the term "2 million" shall be substituted and where the term "50 million" is used, the term "1 million" shall be substituted; or

(2)(A) All real property and personal property, the combined original cost of which exceeds \$2 billion to be constructed, located, or installed at a facility, or a combination of facilities by a single entity or combination of entities engaged in a unitary business, that:

(i) Is or will be engaged in processing of raw natural gas or oil to recover or extract liquid hydrocarbons; or

(ii) Is a manufacturing facility that uses one or more products produced at a facility described in subparagraph (i) above; or

(iii) Is a manufacturing facility that uses one or more products produced at a facility described in subparagraph (ii) of this subdivision.

(B) All real property and personal property, the combined original cost of which exceeds \$2 million to be constructed, located, or installed at a facility, or a combination of facilities by a single entity or combination of entities engaged in a unitary business, that is or may be classified under North American Industry Classification System with a six-digit code number 332992 or 332994 as defined on January 1, 2021.

(C) No preexisting investment made, or in place before the capital addition is required for property specified in this subdivision. The requirements set forth in subdivision (1) of this subsection do not apply to property specified in this subdivision relating to:

(i) Location or installation of investment at or within two miles of a manufacturing facility owned or operated by the person making the capital addition;

(ii) Total original cost of preexisting investment before the capital addition of at least \$100 million or \$20 million; or

(iii) Multiparty projects.

(h) "Real property" means all property specified in §2-2-10(p) of this code and includes, but is not limited to, lands, buildings, and improvements on the land such as sewers, fences, roads, paving, and leasehold improvements: *Provided*, That for capital additions certified on or after July 1, 2011, the value of the land before any improvements shall be subtracted from the value of the capital addition and the unimproved land value shall not be given salvage value treatment.

§11-6F-4. Application and certification.

Any person seeking designation of property as certified capital addition property shall first make a sworn application to the State Tax Commissioner on forms prescribed by the State Tax Commissioner on or before the date the property is first required to be reported on an annual return for ad valorem property tax purposes. The State Tax Commissioner shall within ninety days of the application determine in writing whether the property is or will be part of a qualified capital addition to a manufacturing facility or aerospace facility as defined in section two of this article and shall provide a copy of the written determination to the applicant and the assessor or assessors in the county or counties in which the manufacturing facility or aerospace facility is located. The applicant may file an appeal with the State Tax Commissioner to have a formal hearing for a review and redetermination on qualified capital additions to a manufacturing facility or aerospace facility which have been disallowed by the State Tax Commissioner within ~~thirty~~ 30 days of the official written notification from the State Tax Commissioner. After the State Tax Commissioner determines that property is or will be part of a qualified capital addition to a manufacturing facility or aerospace facility, the property is and remains certified capital addition property for purposes of this article until the earlier of:

(a) The disposition of the property to an unrelated third party other than a transferee who continues to operate the manufacturing facility or aerospace facility;

(b) the cessation of all business at the manufacturing facility or aerospace facility; or

(c) with regard to:

(1) Property described in §11-6F-2(g)(1), the tenth year succeeding the year in which the qualified capital addition to a manufacturing facility or aerospace facility to which the property relates is first placed in service; or

(2) property described in §11-6F-2(g)(2) of this article, the twenty-fifth year succeeding the year in which the qualified capital addition to a manufacturing facility or aerospace facility to which the property relates is first placed in service.

All applications and determinations under this section constitute return information and are subject to §11-1A-23. The State Tax Commissioner shall report annually the number of applications filed, certified, denied and pending pursuant to this section for the preceding year along with recommendations regarding the structure, benefits and costs of the valuation method specified in this article to the Joint Committee on Government and Finance and to the Governor: *Provided*, That identifying characteristics and facts about applicants may not in any event be disclosed under this section.

CHAPTER 18B. HIGHER EDUCATION.

ARTICLE 23. WEST VIRGINIA MRO WORKFORCE AND AVIATION MAINTENANCE

EDUCATION

ACT.

§18B-23-1. Short title.

This article shall be known and may be cited as the "West Virginia MRO Workforce and Aviation Maintenance Education Act."

§18B-23-2. Legislative findings; purpose.

(a) The Legislature finds that:

(1) The Maintenance, Repair, and Overhaul (MRO) aerospace sector represents a significant growth opportunity for West Virginia, supported by available workforce, airspace, and industrial capacity;

(2) Other states have demonstrated that coordinated career-technical aviation programming produces measurable workforce outcomes, high credential attainment, and strong employer participation;

(3) Expansion of airframe and powerplant (A&P) licensure pathways, dual-credit aviation curriculum, and regional technical hubs is necessary for statewide aviation workforce development; and

(4) It is in the public interest to develop a unified MRO workforce system to meet industry demand, increase wages, retain workers, and encourage aerospace investment.

(b) The purpose of this article is to establish and fund statewide aviation maintenance education programs that lead directly to credential completion and employment.

§18B-23-3. Definitions.

These terms are defined:

"A&P credential" means a Federal Aviation Administration-recognized Airframe and Powerplant Certificate.

"Council" means the West Virginia Council for Community and Technical College Education;

"Eligible institution" means a public community and technical college or career/technical center approved by the council to deliver aviation maintenance training, Marshall University, and West Virginia University;

"Industry partner" means an aviation or aerospace employer engaged or planning [et to](#) engage in maintenance, overhaul, manufacturing, or training activity within West Virginia; and

"MRO" means aircraft or aerospace maintenance, repair, overhaul, refurbishment, or part servicing operations.

§18B-23-4. West Virginia MRO Workforce Training Program created.

1 (a) The MRO Workforce Training Program is created and shall be directed by the council.

2 (b) The program shall develop aviation workforce pipelines aligned with employer demand
3 and shall prioritize:

4 (1) A&P licensure and FAA-aligned training;

5 (2) Avionics, DME, and component-repair instruction;

6 (3) Paid apprenticeship or employer-partnered training models;

7 (4) Veterans, displaced workers, and rural workforce recruitment; and

8 (5) Credential attainment and wage outcome improvement.

§18B-23-5. Regional Aviation Workforce Hubs.

1 (a) The council may designate up to four regional aviation workforce hubs, geographically
2 aligned with airports or industry clusters.

3 (b) Hubs may receive programmatic or capital support for:

4 (1) Training aircraft, powerplant equipment, and avionics labs;

5 (2) Hangar or classroom construction and modernization;

6 (3) Instructor credential development and workforce certification;

7 (4) FAA testing capacity designed for A&P credential attainment; and

8 (5) Any other activities deemed necessary by the council.

§18B-23-6. Funding and performance-based allocation.

1 (a) The council shall develop a competitive award structure for eligible institutions based
2 on:

3 (1) Enrollment growth in aviation programs;

4 (2) Credential attainment (A&P, avionics, DME);

5 (3) Employer placement and in-state wage outcomes; and

6 (4) Retention metrics at 6, 12, and 24 months.

7 (b) Additional weighting may be applied for veterans, rural learners, and high-need

8 specialty _____ tracks.

§18B-23-7. Employer partnership incentives.

1 (a) Industry partners may qualify for:
 2 (1) Tuition reimbursement or cost-share training grants;
 3 (2) On-site apprenticeship implementation assistance; and
 4 (3) Program participation agreements tied to workforce hiring commitments.
 5 (b) The council may propose incentives, including payroll-rebate or income-tax credit
 6 structures modeled on other state MRO workforce programs, subject to legislative approval.

§18B-23-8. Dual-credit secondary integration.

1 The council, in coordination with the State Board of Education, shall develop dual-credit
 2 high-school aviation pathways that transfer directly into A&P, avionics, and aerospace
 3 maintenance _____ post-secondary _____ tracks.

§18B-23-9. Reporting.

1 Beginning January 1, 2027, and annually thereafter, the council shall report to the
 2 Legislative Oversight Commission on Education Accountability covering:
 3 (1) Enrollment and credential completion rates;
 4 (2) Workforce placement and wage outcomes;
 5 (3) Regional hub expenditures;
 6 (4) Employer participation;
 7 (5) _____ Recommended _____ statutory _____ adjustments.

§18B-23-10. Rulemaking.

1 The council may propose rules for legislative approval pursuant to §29A-3-1 *et seq.* of this
 2 code, and may promulgate emergency rules if necessary to implement this article.

NOTE: The purpose of this bill is to foster the operations and growth of all facets of the aerospace industry in West Virginia.

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