

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Committee Substitute

for

Committee Substitute

for

House Bill 4006

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

[Originating in the Committee on Finance, February
20, 2026]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding three 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-13-13, §18B-23-1, §18B-23-2, §18B-23-3, §18B-23-4, §18B-23-5, §18B-23-6, §18B-23-7, §18B-23-8 and §18B-23-9, relating to encouraging economic development in West Virginia in the aerospace industry; providing short titles; providing definitions; establishing an aerospace development program; creating a grant program; providing economic development agreements; creating reporting requirements; creating special revenue funds; 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 GROWTH ACT.

§5B-12-1. Short title.

This article shall be known and may be cited as the "West Virginia Aerospace 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, manufacturing, and expansion of all facets of the aerospace economy and its facilities in West Virginia.

(b) Identification. — The Department of Commerce 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, rotocraft, 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 of Commerce 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.

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

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

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

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

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

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

(4) West Virginia Economic Opportunity Tax Credit Act, and all amendments thereto, provided in §11-13Q-1 *et seq.* of this code;

(5) West Virginia Manufacturing Investment Tax Credit Act, and all amendments thereto,

provided in §11-13S-1 et seq. of this code;

(6) Apprenticeship Training Tax Credits, and all amendments thereto, provided in §11-13W-1 et seq. of this code;

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

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

(9) Industrial Advancement Act, and all amendments thereto, provided in §11-13LL-1 et seq. of this code;

(10) Post-Coal Mine Site Business Credit, and all amendments thereto, provided in §11-28-1 et seq. of this code;

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

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

(b) The Department of Commerce shall strive to ensure that qualifying aerospace operations and development projects are informed and afforded the opportunity to enjoy all other current and future available programs, such as, without limitation, West Virginia Economic Development Authority's applicable direct and indirect financing, industrial revenue bonds, expedited permitting, workforce development, infrastructure development, and available sites and buildings.

ARTICLE 13. WEST VIRGINIA AVIATION & AEROSPACE JOB DEVELOPMENT

INVESTMENT

GRANT

PROGRAM.

§5B-13-1. Short title.

This article shall be known and may be cited as the “West Virginia Aviation & Aerospace

Job Development Investment Grant Program.”

§5B-13-2. Definitions.

The words defined in this section have the meanings given to them for purposes of this article unless the context clearly requires otherwise:

"Agreement" means an aviation and aerospace economic development agreement.

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

"Base period" means the period of time set by the Division in the agreement with a grant recipient during which new employees are to be hired for the positions on which the grant is based.

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

“Council” means the West Virginia Infrastructure and Jobs Development Council.

“Department” means the Department of Commerce.

"Division" means the Division of Economic Development.

"Development tier" means the classification assigned to a county pursuant to an annual review by the Division of Economic Development ranking West Virginia counties based on economic well-being, taking into account each county's average unemployment rate, median household income, percentage growth in population, and adjusted property tax base per capita. The 20 most distressed counties are designated as Tier 1, the next 20 as Tier 2, and the 15 most prosperous as Tier 3.

"Eligible position" means a position created by a business and filled by a new full-time employee in this state and is created in the year the business achieves the minimum requirements set forth in this article, even if created outside the base period.

"Expansion/Transitional project" means a project for which the agreement requires that a business invest at least \$250 million in private funds and create at least 300 eligible positions.

"Full-time employee" means a person who is employed for consideration for at least 35 hours a week; whose wages are subject to withholding under any provision of this code; who is not a worker with an H-1B visa or with H-1B status; and who is determined by the division to be 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 600 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 amount of a state tax debt that remains unpaid 60 days or more after it becomes collectible.

"Project" means a high yield project, transformative project or an expansion/transitional project.

"System contractor" means a person employed by an entity that contracts with a business that is a party to an agreement for an expansion/transitional, high-yield, or transformative project 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:

(1) The number of system contractors used does not exceed 15 percent of the eligible positions;

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

(3) The entity providing system contractors certifies to the business that it meets the same requirements imposed by this article and the agreement 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

(4) 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 1,200 eligible positions.

"Withholdings" means the amount withheld by a business from the wages of employees in eligible positions for the payment of the employee's personal income tax as required by §11-21-1 et seq. of the code.

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

(a) Program. - There is established the Aviation and Aerospace Job Development Investment Grant Program to be administered by the Division of Economic Development. In order to foster job creation and investment in the economy of this state, the division may enter into agreements with businesses that are primarily engaged in the aerospace industry to provide grants to support the development of a project in accordance with the provisions of this article. The

division shall develop criteria to be used in determining whether the conditions of this article are satisfied and whether the project described in the application is otherwise consistent with the purposes of this article. Before entering into an agreement, the division must find that all the following conditions are met:

(1) The project proposed by the business will create, during the term of the agreement, a net increase in the number of employees employed by the business in this state;

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

(3) The project is consistent with economic development goals of the state and for the area where it will be located;

(4) The financial security and stability of the business 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 total amount of any grants awarded to an employer pursuant

to the provisions of this article in any year may not exceed the total amount of withholdings the employer paid into the Aviation and Aerospace Job Development Investment Grant Program Fund created in §5B-13-7 of this code in that year.

(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.

§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 in any year and over the term of any grant;

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

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

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

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

20 (b) The division shall have the authority to receive internal financial data from the applicant.
21 This data must be kept confidential.

22 (c) A business may apply, in one consolidated application in a form and manner
23 determined by the division, for a grant that may include performance by related members of the
24 business who may qualify under this article. The division will consider an application by a
25 business for a grant that includes performance of its related members only if the related members
26 for whom the application is submitted assign to the business any claim of right the related
27 members may have under this article to apply for grants individually during the term of the
28 agreement and agree to cooperate with the business in providing to the division all the information
29 required for the initial application and the agreement, and any other information the division may
30 require for the purposes of this article. The applicant business is responsible for providing to the
31 division all the information required under this article. If a business applies for a grant that includes
32 performance by its related members, the related members included in the application may be
33 permitted to meet the qualifications for a grant collectively by participating in a project that meets
34 the requirements of this article. The amount of a grant may be calculated under the terms of this
35 article as if the related members were all collectively one business entity. Any conditions for a
36 grant, other than the number of eligible positions created or amount of investment required, apply
37 to each related member who is listed in the application as participating in the project. The grant
38 awarded shall be paid to the approved grantee business only. A grant received under this article by
39 a business may be apportioned to the related members in a manner determined by the business.

In order for an agreement to be executed, each related member included in the application must sign the agreement and agree to abide by its terms.

(d) Application Fee. - When filing an application under this section, the business must pay the division a fee of:

(1) \$10,000 dollars if the project is located in a Tier 3 development area;

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

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

The fee is due at the time the application is filed.

(e) Within 30 days of receipt of an application under this section but prior to any award being made, the division shall notify each governing body where the project is to be located. The application may be provided to the governing body, if the governing body agrees, in writing, to any confidentiality requirements imposed by the division. The division shall provide the following to the governing body with the required notice:

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

(2) Any economic impact data submitted with the application or prepared by the division;
and

(3) Information regarding any economic impact estimated by the division to result from the project.

(f) Grants shall be evaluated on criteria that involve balancing direct financial gains, as well as broader economic benefits, against the project costs, including the grants and any other grants or credits offered by the state. Evaluation shall involve comparing these project benefits to the 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 grant yields significant economic growth and aligns with state economic development goals.

66 (g) Annual Reports. - The division shall publish a report on the Aviation and Aerospace Job
67 Development Investment Grant Program on or before April 30 of each year. The division shall
68 submit the report electronically to the Joint Committee on Government and Finance. The report
69 shall include the following:

70 (1) A listing of each grant awarded during the preceding calendar year, including the name
71 of the business, the cost-benefit analysis conducted by the division during the application process,
72 a description of the project, the term of the grant, the percentage of withholdings used to determine
73 the amount of the grant, the amount of the grant and a schedule of the annual grant payments;

74 (2) An update on the status of projects awarded grants in prior years;

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

77 (B) The total number of employees for all businesses receiving grants and changes in that
78 total as compared to previous years;

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

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

84 (6) For the first annual report after adoption of the criteria developed by the division to
85 implement this article, a copy of such criteria, and, for subsequent reports, identification of any
86 changes in those criteria from the previous calendar year;

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

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

91 (9) A listing of all businesses making an application under this article and confirmation of

whether each business ultimately located the project in this state regardless of whether the business was awarded a grant for the project under this article;

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

(11) The total amounts transferred to the Aviation and Aerospace Job Development Investment Grant Program Fund created in §5B-13-7 of this code, the Aviation and Aerospace Utility Development Fund created in §5B-13-8 of this code, and the Aviation and Aerospace Workforce Development Fund created in §18B-23-7 of this code, during the preceding year; and

(12) Any recommendations for improvements to the program, including the division's recommendation for minimum funding levels required to implement the program successfully.

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

(a) Maximum Percentage - Subject to the limitations provided in subsection (f) of this section, the amount of the grant awarded to any business shall be a percentage of the business' withholdings for a period of years. The percentage used to determine the amount of the grant shall be based on criteria developed by the division after considering, at a minimum:

(1) The number of positions 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;

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

17 (10) The extent to which the project will mitigate unemployment in the state and locality
18 where the project will be located. The percentage may be up to 85 percent of the withholdings of a
19 business located in a Tier 1 development area and 75 percent of the withholdings of a business
20 located in any other area.

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

23 (1) For transformative projects, 10 years.

24 (2) For high yield projects, 7 years.

25 (3) For expansion/transitional projects, 5 years.

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

29 (1) For expansion/transitional projects, 15 years starting with the first year a grant payment
30 is made.

31 (2) For high-yield projects, 20 years starting with the first year a grant payment is made.

32 (3) For transformative projects, the base period plus 30 years starting with the first year a
33 grant payment is made.

34 (d) Distribution of fund proceeds –

35 (1) For any eligible position that is located in a Tier 3 development area, 80 percent of the
36 annual grant approved for disbursement shall be payable to the business, and 10 percent shall be
37 transferred to the Aviation and Aerospace Utility Development Fund established by §5B-13-8 of
38 this code, and 10 percent shall be transferred to the Aviation and Aerospace Workforce
39 Development Fund established in §18B-23-7 of this code.

40 (2) For any eligible position that is located in a Tier 2 development area, 85 percent of the
41 annual grant approved for disbursement shall be payable to the business, and 10 percent shall be

transferred to the Aviation and Aerospace Utility Development Fund established by §5B-13-8 of this code, and 5 percent shall be payable to the Aviation and Aerospace Workforce Development Fund established in §18B-23-7 of this code.

(3) For any eligible position that is located in a Tier 1 development area, 90 percent of the annual grant approved for disbursement shall be payable to the business, and 5 percent shall be transferred to the Aviation and Aerospace Utility Development Fund established by §5B-13-8 of this code and 5 percent shall be transferred to the Aviation and Aerospace Workforce Development Fund established in §18B-23-7 of this code.

(e) Per Job Maximum - For projects other than transformative projects, the amount of a grant, including any amount transferred to the Utility Development Fund established by §5B-13-8 of this code or to the Workforce Development Fund established in §18B-23-7 of this code, may not exceed \$16,000 per eligible position in any year.

§5B-13-6. Aviation and Aerospace economic development agreements.

Terms. – Each grant recipient shall enter into an aviation and aerospace economic development grant agreement. Each agreement 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 to be created by the business during the base period and a description of those positions and the location of those positions;

(4) The amount of the grant;

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

(6) A method for the business to report annually to the division the number of eligible 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 may be
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 requiring the business to affirm that it has not manipulated or attempted to
33 manipulate the termination, rehiring, or transfer of employees, or data related thereto, with the
34 purpose of receiving a grant, and requiring the division to terminate the agreement and take action
35 to recapture grant funds if the division finds that the business has manipulated the termination,
36 rehiring, or transfer of employees, or data related thereto, with the purpose of receiving a grant;

37 (15) A provision that prohibits the business from manipulating or attempting to manipulate
38 data with the purpose of increasing the amount of the grant and that requires the division to

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;

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

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

(18) 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;

(19) 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;

(20) 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;

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

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

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

§5B-13-7. Aviation and Aerospace Job Development Investment Grant Program Fund.

(a) There is hereby created a special revenue account in the State Treasury designated the Aviation and Aerospace Job Development Investment Grant Program Fund, which consists of all state income tax withholdings received from businesses that have entered into an agreement with the state pursuant to §5B-13-6 of this code, as well as all interest and income earned from investment of received withholdings. The fund also consists of any appropriations provided by the

6 Legislature and any monies from external sources that may be received. The fund shall be
7 administered by the Department of Commerce, and all transfers and expenditures shall be made
8 for the purposes set forth in this article, including providing grants to businesses participating in
9 and compliant with the Aviation and Aerospace Job Development Investment Grant Program and
10 transfers to the Aviation and Aerospace Utility Development fund created in §5B-13-7 of this code,
11 or the Aviation and Aerospace Workforce Development fund pursuant to §18B-23-7 of this code.

12 (b) Any balance, including accrued interest and any other returns, in the Aviation and
13 Aerospace Job Development Investment Grant Program Fund at the end of each fiscal year may
14 not expire to the General Revenue Fund but shall remain in the fund and be expended for the
15 purposes provided by this article.

16 (c) Fund balances may be invested with the Investment Management Board. Earnings on
17 the investments shall be used solely for the purposes defined in this article.

§5B-13-8. Aviation and Aerospace Utility Development Fund.

1 (a) (1) Creation and Purpose of Fund. – There is hereby the Aviation and Aerospace Utility
2 Development Fund. The fund shall be administered by the Department of Commerce and shall
3 consist of all moneys made available for the purposes and from the sources set forth in this section
4 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, in conjunction with the West Virginia Infrastructure and
11 Jobs Development Council, shall use moneys in the fund to provide funds to assist local
12 government units of the most economically distressed counties in the state in creating jobs in the
13 aerospace industry.

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

17 (5) Fund balances may be invested with the Investment Management Board. Earnings on
18 the investments shall be used solely for the purposes defined in this article.

19 (6) In order to effectuate the purposes of this article, the Department of Commerce or the
20 West Virginia Infrastructure and Jobs Development Council, or both, may propose rules, including
21 emergency rules, in accordance with §29A-3-1 et seq. of this code.

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

32 (c) The funds shall be used for the benefit of a new or expanding business in the aerospace
33 industry that are reasonably anticipated to result in the creation of new jobs. There shall be no
34 maximum funding amount per new job to be created or per project.

35 (d) There shall be no local match requirement if the project is located in a Tier 1 county as
36 defined in §5B-13-2 of this code.

37 (e) The department may authorize the council to use up to two percent of the funds, if
38 necessary, to verify that the funds are used only in accordance with law and to otherwise
39 administer the grant or loan.

40 (f) No project shall be funded unless the Secretary of Commerce finds that the proposed
41 aerospace project will not have a significant adverse effect on the environment. The Secretary of
42 Commerce shall not make this finding unless the secretary has first received a certification from
43 the Department of Environmental Protection.

§5B-13-9. Reporting requirements.

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

§5B-13-10. Failure to comply with agreement.

7 (a) If the business receiving a grant fails to meet or comply with any condition or
8 requirement set forth in an agreement or with criteria developed by the division, the division shall
9 reduce the amount of the grant or the term of the agreement, may terminate the agreement, or
10 both. The reduction in the amount or the term must, at a minimum, be proportional to the failure to
11 comply measured relative to the condition or criterion with respect to which the failure occurred. It
12 shall not be necessary to execute an amendment to the applicable grant agreement. The division
13 shall notify any such affected business of the reduction to its grant payment.

14 (b) (1) If a business fails to maintain employment at the levels stipulated in the agreement
15 or otherwise fails to comply with any condition of the agreement for any two consecutive years and
16 if the business is still within the base period established by the division, the division shall withhold
17 the grant payment for any consecutive year after the second consecutive year remaining in the
18 base period in which the business fails to comply with any condition of the agreement, and the
19 division may extend the base period for up to 24 additional months. Under no circumstances may
20 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 manipulated or attempted to manipulate the termination, rehiring, or transfer of an employee, or data related thereto, with the purpose of receiving 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 the termination, hiring, or transfer of the business's employees, or data related thereto.

(d) Notwithstanding the provisions of subsections (a) and (b) of this section, if the division finds that the business has manipulated or attempted to manipulate the number of eligible positions or 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 the number of eligible positions or employee withholdings with the purpose of increasing the amount of the grant.

§5B-13-11. 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 grant amount for which the business is eligible under the agreement and the grant amount for which the business would be eligible under the agreement. The Division of Economic Development shall remit a check to the business in the amount of the certified grant amount less the amounts transferred to the Aviation and Aerospace Utility Fund and the Aviation and Aerospace Workforce Fund within 90 days of the certification.

§5B-13-12. Transfer to Aviation and Aerospace Utility Development Fund and the Aviation and Aerospace Workforce Development Fund.

At the time the Department of Commerce provides annual grant funds to a business under the provisions of this article, if applicable, the Department of Commerce shall transfer to the Aviation and Aerospace Utility Development Fund created in §5B-13-7 of this code and the Aviation and Aerospace Workforce Development fund created in §18B-23-7 of this code an amount equal to the amount required by §5B-13-5 of this code.

§5B-13-13. Aviation and Aerospace Job Development Investment Grant Program cash flow requirements.

Notwithstanding any other provision of law, grants made through the Aviation and Aerospace Job Development Investment Grant Program shall be budgeted and funded on a cash flow basis. The Department of Commerce shall disburse funds in an amount sufficient to satisfy grant obligations and amounts to be transferred, pursuant to the provisions of this article, to be paid during the fiscal year.

CHAPTER 18B. HIGHER EDUCATION.

ARTICLE 23. WEST VIRGINIA AEROSPACE 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 Aerospace MRO Workforce and Aviation Maintenance Education Act."

§18B-23-2. Definitions.

These words defined in this section have the meanings given to them for purposes of this article, unless the context clearly requires otherwise:

"A&P credential" means a FAA recognized Airframe and Powerplant Certificate.

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

"DME" means distance measuring equipment;

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

"FAA" means federal aviation administration;

"Industry partner" means an aviation or aerospace employer engaged or planning 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-23-3. West Virginia Aerospaced MRO Workforce Training Program created.

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

(b) The program shall develop aviation and aerospace workforce pipelines aligned with

employer demand and shall prioritize:

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

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

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

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

(5) Credential attainment and wage outcome improvement.

(c) The council shall conduct the program to maximize the receipt of federal training dollars to supplement moneys provided by the West Virginia Aerospace Job Development Investment Grant Program.

§18B-23-4. Funding and performance-based allocation.

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

(1) Enrollment growth in aviation programs;

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

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

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

(b) The council may develop a competitive award structure for eligible employers for tuition reimbursement or cost-sharing training grants or on-site apprenticeship implementation assistance.

(c) Additional weighting may be applied for veterans, rural learners, and high-need specialty tracks.

§18B-23-5. Employer partnership incentives.

(a) Industry partners may qualify for:

(1) Tuition reimbursement or cost-share training grants;

(2) On-site apprenticeship implementation assistance; and

(3) Program participation agreements tied to workforce hiring commitments.

(b) The council may propose incentives, including payroll-rebate or income-tax credit structures modeled on other state MRO workforce programs, subject to legislative approval.

§18B-23-6. Dual-credit secondary integration.

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

<u>§18B-23-7.</u>	<u>Workforce</u>	<u>Development</u>	<u>Fund.</u>
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(a) Creation and Purpose of Fund. – There is hereby created a special revenue fund in the State Treasury to be known as the Workforce Development Fund. The fund shall be administered by the Council and shall consist of all moneys made available for the purposes and from the sources set forth in this section of the code.

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

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

(2) All appropriations provided by the Legislature;

(3) Any moneys available from external sources; and

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

(c) The Council, shall use moneys in the fund for the purposes of this article.

(d) Any balance, including accrued interest and any other returns, in the fund at the end of each fiscal year may not expire to the General Revenue Fund but remain in the fund and be expended to fulfill the purposes of this article.

§18B-23-8. Reporting.

Beginning January 1, 2027, and annually thereafter, the council shall report to the Legislative Oversight Commission on Education Accountability and the Joint Committee on Government and Finance concerning:

(1) Enrollment and credential completion rates;

(2) Workforce placement and wage outcomes;

6 (3) Employer participation;

7 (4) _____ Recommended _____ statutory _____ adjustments.

§18B-23-9. Rulemaking.

1 The council may propose rules for legislative approval pursuant to §29A-3A-1 et seq. of

2 this code, and may promulgate emergency rules if necessary to implement this article.