

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

House Bill 5129

**FISCAL
NOTE**

By Delegate Young

[Introduced February 03, 2026; referred to the
Committee on Energy and Public Works then
Finance]

1 A BILL to amend and reenact §22C-1-6a of the Code of West Virginia, 1931, as amended, relating
2 to powers of the Water Development Authority; removing power to fund infrastructure
3 projects recommended by the Secretary of Commerce, the Secretary of Economic
4 Development and/or the Secretary of Tourism; and providing that funding may only be
5 used for in-state eligible projects.

Be it enacted by the Legislature of West Virginia:

ARTICLE 1. WATER DEVELOPMENT AUTHORITY.

§22C-1-6a. Additional powers of the West Virginia Water Development Authority; Creation of Economic Enhancement Grant Fund.

1 (a) The Water Development Authority shall create and establish a special fund of moneys
2 made available by appropriations, grants, contributions or other sources to be known as the West
3 Virginia Economic Enhancement Grant Fund. This fund shall be governed, administered and
4 accounted for by the directors, officers and management staff of the Water Development Authority
5 as a special program account separate and distinct from any other money, fund or funds owned
6 and/or managed by the Water Development Authority and may only be used for in-state eligible
7 projects. The Economic Enhancement Grant Fund shall consist of subaccounts as deemed
8 necessary by the Water Development Authority for the deposit of any appropriations, grants, gifts,
9 contributions or other moneys received by the Economic Enhancement Grant Fund from any
10 source, public or private, and all income earned on moneys held in the Economic Enhancement
11 Grant Fund. Amounts in the Economic Enhancement Grant Fund shall be administered by the
12 Water Development Authority separate and apart from its other assets and programs. Amounts in
13 the Economic Enhancement Grant Fund may not be transferred to any other fund or account or
14 used for the payment of any other programs of the Water Development Authority except the Water
15 Development Authority may use funds in the Economic Enhancement Grant Fund to reimburse
16 itself for any administration costs incurred by it. Pending distribution of any money in the
17 Economic Enhancement Grant Fund the Water Development Authority shall invest and reinvest

the money subject to the limitations of §22C-1-15 of this code.

(b) The Water Development Authority shall establish the Matching Grant Subaccount in the Economic Enhancement Grant Fund to be expended to provide the local or state match for any federal or other programs that require a match for projects and infrastructure projects as defined in §31-15A-2 of this code and where the commitment of the matching funds is required to be made and submitted with the application for the federal or other grant. Upon receipt of a recommendation from the West Virginia Infrastructure and Jobs Development Council and/or the West Virginia Department of Economic Development, the Water Development Authority shall review the application of a governmental agency or not-for-profit and if the governmental agency or not-for-profit is eligible for the federal or other matching grant funding, set aside moneys in the subaccount and provide a written binding commitment to the governmental agency or not-for-profit to submit with its application. If the federal or other programs subsequently approve funding to the governmental agency or not-for-profit, the Water Development Authority shall enter into a grant agreement with the governmental agency or not-for-profit providing the grant funding if the governmental agency or not-for-profit is in compliance with §12-4-14 of this code. The Water Development Authority shall disperse funds under the grant agreement from time to time to comply with the terms of the other funding sources.

(c) The Water Development Authority shall establish the Enhancement Grant Subaccount in the Economic Enhancement Grant Fund to be expended as grants to governmental agencies or not-for-profits to cover all or a portion of the costs of projects or infrastructure projects as defined in §31-15A-2 of this code and more specifically:

(1) To cover the cost of bid overruns for projects and infrastructure projects approved by the West Virginia Infrastructure and Jobs Development Council;

(2) To cover all or a portion of the costs of extending or expanding water, stormwater and/or wastewater service to enhance economic development and/or tourism when recommended by the Secretary of Commerce, the Secretary of Economic Development and/or the Secretary of

44 Tourism;

45 (3) To cover the costs of facilitating the merger and/or consolidation of water or wastewater
46 providers where all parties to the proposed merger make joint applications to the West Virginia
47 Infrastructure and Jobs Development Council;

48 (4) To cover the cost of water, stormwater and/or wastewater projects for governmental
49 agencies where the combined rates for water, stormwater and wastewater exceed 1.5% of the
50 governmental agency's Median Household Income;

51 (5) To cover the startup costs for governmental utilities that are providing or extending
52 service to unserved areas of the State;

53 (6) To provide a commitment to cover the difference between the cost of funded projects
54 and the updated cost estimate, and when the project is bid, to provide a grant for the dollar
55 difference between the committed funding and the bid results; and

56 ~~(7) To cover all or a portion of the infrastructure projects to enhance economic~~
57 ~~development and/or tourism when recommended by the Secretary of Commerce, the Secretary of~~
58 ~~Economic Development and/or the Secretary of Tourism~~

59 (d) The Water Development Authority ~~is hereby authorized to~~ may enter into grant
60 agreements with governmental agencies and not-for-profits to evidence the grant which
61 agreements shall include the following provisions:

62 (1) The estimated cost of the project or infrastructure project, the amount of the grant and
63 the other funding sources;

64 (2) The specific purpose for which the grant proceeds shall be expended and the
65 conditions and procedures for distributing the grant proceeds;

66 (3) The duties and obligations imposed regarding the acquisition, construction,
67 improvement, or operation of the project or infrastructure project; and

68 (4) The agreement of the governmental agency or not-for-profit to comply with all
69 applicable federal and state laws, and all rules and regulations issued or imposed by the Water

70 Development Authority or other state, federal, or local bodies regarding the acquisition,
71 construction, improvement, or operation of the infrastructure project or project.

72 (e) The Water Development Authority shall cause an annual audit to be made by an
73 independent certified public accountant of its books, accounts and records with respect to the
74 system and distributions and all matters relating to the financial application of the Economic
75 Enhancement Grant Fund including all subaccounts therein. The Water Development Authority
76 shall provide copies of the audit report to the Legislature.

NOTE: The purpose of this bill is to remove the power of the Water Development Authority;
to fund infrastructure projects recommended by the Secretary of Commerce, the Secretary
of Economic Development and/or the Secretary of Tourism; and providing that funding may
only be used for in-state eligible projects.

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