

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

House Bill 5359

FISCAL
NOTE

By Delegates Linville, G. Howell, Hornby, Zatezalo,

Hillenbrand, and Phillips

[Introduced February 09, 2026; referred to the

Committee on Finance]

1 A BILL to amend and reenact § 5B-2N-2a of the Code of West Virginia, 1931, as amended; and to
 2 amend the code by adding a new article designated §11-6M-1, §11-6M-2, §11-6M-3, and
 3 §11-6M-4, relating to high voltage transmission line property; continuing the Electric Grid
 4 Stabilization and Security Fund and clarifying funding; providing definitions; requiring
 5 returns be filed with the Board of Public Works; establishing rules for tax distribution; and
 6 clarifying which high voltage transmission line properties apply to the article.

Be it enacted by the Legislature of West Virginia:

CHAPTER 5B. ECONOMIC DEVELOPMENT ACT OF 1985.

ARTICLE 2N. GRID STABILIZATION AND SECURITY ACT OF 2023.

§5B-2N-2a. Creating the Electric Grid Stabilization and Security Fund.

1 (a) The Electric Grid Stabilization and Security Fund is hereby ~~created~~ continued. The
 2 fund shall be administered by the Department of Commerce and shall consist of all moneys made
 3 available for the purposes and from the sources expressly set forth in ~~this section~~ of the code.

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

5 (1) All moneys received pursuant to §11-6N-4(b)(4)(C) of this code;

6 (2) All appropriations provided by the Legislature;

7 (3) Any moneys available from external sources; ~~and~~

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

9 (5) All moneys received pursuant to §11-6M-1 et seq. of this code.

10 (c) The Department of Commerce shall use moneys in the fund to provide support for
 11 electric grid stabilization for regulated utilities and grid security, including development, efficiency,
 12 and environmental upgrades, but not decommissioning and replacement of existing facilities;
 13 maintenance of utility owned and operated coal and natural gas electric generation, regardless of
 14 unit or plant ownership by different regulatory jurisdictions; and transmission resources which
 15 solely serve West Virginia rate payers.

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

19 (e) Fund balances may be invested with the state's Consolidated Investment Fund.
20 Earnings on the investments shall be used solely for the purposes defined in §5B-2-16(c) of this
21 code.

22 (f) In order to effectuate the purposes of this section, the Department of Commerce may
23 promulgate legislative rules, including emergency rules, in accordance with §29A-3-1 *et seq.* of
24 this code.

CHAPTER 11. TAXATION.

ARTICLE 6M. SPECIAL TAX METHOD FOR HIGH VOLTAGE ELECTRIC TRANSMISSION LINE PROPERTY.

§11-6M-1. Definitions.

1 (a) Definitions — For purposes of this section, the following terms shall mean:

2 "Affiliated group" means one or more chains of corporations, limited liability entities, or
3 partnerships, or any combination thereof, connected through the ownership of stock or ownership
4 interests with a common parent which is a corporation, limited liability entity, or partnership, but
5 only if the common parent owns directly, or indirectly, a controlling interest in each of the members
6 of the group.

7 "Base assessed value" means the taxable assessed value of all personal property used by
8 a company to operate and all real property owned by a company or rights thereto upon which a
9 company operates a high voltage electric transmission line as shown upon the landbooks and
10 personal property books of the assessor on July 1 of the year immediately preceding the date the
11 company places the high voltage electric transmission line in regular and continuous service.

12 "Current assessed value" means the annual taxable assessed value of all personal

13 property used by a company to operate and all real property owned by a company or rights thereto
14 upon which and a company will operate a high voltage electric transmission line as shown upon
15 the landbook and personal property records of the assessor.

16 "High voltage electric transmission line property" means all property used exclusively to
17 operate, support, maintain, or protect a high voltage electric transmission line. The term includes,
18 but is not limited to, all parcels of land owned by a company or rights thereto, rights of way,
19 easements, component parts, machinery, equipment, computers, servers, installations,
20 redundancies, buildings, contiguous substations, towers, conductors, and facilities, including any
21 replacements and upgrades of such property, regardless of whether the property is a fixture or is
22 otherwise affixed to or incorporated into real property, which is owned, operated, or leased by an
23 entity or affiliated group of entities;

24 "Incremental value", for any high voltage electric transmission line, means the difference
25 between the base assessed value and the current assessed value. The incremental value will be
26 positive if the current value exceeds the base value, and the incremental value will be negative if
27 the current value is less than the base assessed value.

28 "Situs county" means the county or counties in which any high voltage electric
29 transmission line property subject to tax is located, in relative proportion to the amount of property
30 located therein.

31 "Tax increment" means the amount of regular levy property taxes attributable to the
32 amount by which the current assessed value of real and tangible personal property that is high
33 voltage electric transmission line property exceeds the base assessed value of the property.

§11-6M-2. Returns of property high voltage electric transmission line property.

1 (a) On or before May 1 in each year, a return in writing shall be filed with the Board of Public
2 Works by the owner or operator of any company holding high voltage electric transmission line
3 property.

4 (b) The return shall be signed and sworn to by the owner or operator if a natural person, or,

5 if the owner or operator shall be a corporation, shall be signed and sworn to by its president, vice
6 president, secretary, or principal accounting officer.

7 (c) The return required by this section of every owner or operator shall cover the year
8 ending on December 31, next preceding, and shall be made on forms prescribed by the Board of
9 Public Works, which board is hereby invested with full power and authority and it is hereby made
10 its duty to prescribe the forms required from any owner or operator herein mentioned information
11 as in the judgment of the board may be of use to it in determining the true and actual value of the
12 properties of the owners or operators.

13 (d) Except for the special rules for tax distribution provided in §11-6M-3 of this code, the
14 provisions of this article are subject to the Assessment of Public Service Businesses, set forth in
15 §11-6-1, et seq. of this code, as if the provisions thereof were set forth in extenso in this article.

§11-6M-3. Special Rules for Tax Distribution of high voltage electric transmission line
property.

1 (a) On and after July 1, 2026, any property placed in service and subject to valuation under
2 §11-6M-2 of this code shall be subject to the rules on tax distribution provided under this section.

3 (b) The State Auditor shall maintain a separate and discrete accounting of each high
4 voltage electric transmission line project regarding tax distribution provided in this article and any
5 distribution to which a county is entitled as provided by this section shall be distributed directly to
6 the situs county for each project.

7 (c) Ad Valorem Property Tax Distribution — The provisions of this section are applicable to
8 all high voltage electric transmission line property placed in regular and continuous service on or
9 after July 1, 2026.

10 (1) For so long as the high voltage electric transmission line exists, the State Auditor shall
11 divide the ad valorem property tax revenue collected, with respect to taxable property of a high
12 voltage electric transmission line as follows:

13 (A) The amount of ad valorem property tax revenue that should be generated by

14 multiplying the assessed value of the property for the then current tax year by the aggregate of
15 applicable levy rates for the tax year;

16 (B) The amount of ad valorem property tax revenue that should be generated by
17 multiplying the base assessed value of the property by the applicable regular ad valorem levy
18 rates for the tax year;

19 (C) The amount of ad valorem tax revenue that should be generated by multiplying the
20 base assessed value of the property for the current tax year by the applicable levy rates for
21 general obligation bond debt service for the tax year;

22 (D) The amount of ad valorem property tax revenue that should be generated by
23 multiplying the current assessed value of the property for the current tax year by the applicable
24 excess levy rates for the tax year; and

25 (E) The amount of ad valorem property tax revenue that should be generated by
26 multiplying the incremental value by the applicable regular levy rates for the tax year.

27 (2) The State Auditor shall determine from the calculations set forth in subdivision (1) of
28 this subsection the percentage share of total ad valorem revenue for each levying body according
29 to paragraphs (B) through (D), inclusive, of said subdivision by dividing each of such amounts by
30 the total ad valorem revenue figure determined by the calculation in paragraph (A) of said
31 subdivision; and

32 (3) On each date on which ad valorem tax revenue is to be distributed to the levying
33 bodies, such revenue shall be distributed by:

34 (A) Applying the percentage share determined according to paragraph (B), subdivision (1)
35 of this subsection to the revenues received and distributing such share to the levying bodies
36 entitled to such distribution pursuant to current law;

37 (B) Applying the percentage share determined according to paragraph (C), subdivision (1)
38 of this subsection to the revenues received and distributing such share to the levying bodies
39 entitled to such distribution by reason of having general obligation bonds outstanding;

40 (C) Applying the percentage share determined according to paragraph (D), subdivision (1)
41 of this subsection to the revenues received and distributing such share to the levying bodies
42 entitled to such distribution by reason of having excess levies in effect for the tax year; and

43 (D) Applying the percentage share determined according to paragraph (E), subdivision (1)
44 of this subsection to the revenues received and distributing such share to a fund dedicated at the
45 time of construction of a high voltage electric transmission line.

46 (4) In each year for which there is a positive tax increment, the State Auditor shall remit that
47 portion of the ad valorem property taxes collected that consists of the tax increment and shall be
48 distributed as follows:

49 (A) 80 percent of the increment shall be placed in the Electric Grid Stabilization and
50 Security Fund provided in §5B-2N-2a of this code and used for the purposes stated therein.

51 (B) 10 percent of the increment to the situs county as defined in this article; and

52 (C) 10 percent of the increment to all counties on a per capita basis according to the most
53 recent census.

54 (5) (A) Payment In Lieu Of Taxes, Increment Property — Notwithstanding the provisions of
55 §5D-1-14, §7-5-13, §7-11B-3(b), §7-11B-8(c)(4), §7-11B-15(a)(7), §7-11B-15(a)(15), §7-11B-18,
56 §8-19-4, §8-29A-7, §8A-12-12, §11-13-2p, §11-13C-5(l)(1)(A), §16-13A-21, §16-15-18(b)(6), §17-
57 16A-16(b), §17-16B-20(b), §18-9A-12(c), §31-21-5, and §31-21-15 of this code, or any other
58 provision of this code, no payment in lieu of taxes shall be entered into with relation to any property
59 subject to this article or any leasehold interest related thereto, or any other property interest
60 related thereto; and

61 (B) Tax Increment Financing, Increment Property — Notwithstanding the provisions of §7-
62 11B-1 et seq. of this code, or any other provision of this code, no tax increment financing project,
63 plan or arrangement shall be entered into or undertaken with relation to any property subject to this
64 article.

§11-6M-4. Applicability to high voltage electric transmission line property.

1 This article is applicable only to high voltage electric transmission line property placed in
2 regular and continuous service on or after July 1, 2026. High voltage electric transmission line
3 property placed in regular and continuous service before July 1, 2026, is expressly excluded from
4 the applicability of this article.

NOTE: The purpose of this bill is to provide a funding stream from property taxes collected as a result of new high voltage electric transmission projects being constructed to lower electric rates to benefit West Virginians.

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