

# **WEST VIRGINIA LEGISLATURE**

## **2026 REGULAR SESSION**

**Introduced**

### **Senate Bill 1058**

By Senator Rose

[Introduced February 21, 2026; referred  
to the Committee on Economic Development; and  
then to the Committee on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding a new article,  
 2 designated §11-13NN-1, §11-13NN-2, §11-13NN-3, §11-13NN-4, §11-13NN-5, §11-13NN-  
 3 6, §11-13NN-7, §11-13NN-8, §11-13NN-9, §11-13NN-10, §11-13NN-11, §11-13NN-12,  
 4 §11-13NN-13, and §11-13NN-14, relating to creating the Economic Freedom Zones Act  
 5 grounded in equal treatment under law; and providing a broad-based tax reduction,  
 6 regulatory simplification, and fiscal neutrality.

*Be it enacted by the Legislature of West Virginia:*

**ARTICLE 13NN. ECONOMIC FREEDOM ZONES ACT.**

**§11-13NN-1. Short title.**

1 This article shall be known and may be cited as the "Economic Freedom Through Equal  
 2 Treatment Act."

**§11-13NN-2. Legislative findings and intent.**

1 (a) The Legislature finds that:

2 (1) Economic growth is best achieved through equal application of law, low taxation,  
 3 protection of private property, and limited government;

4 (2) Targeted subsidies and selective incentives distort markets and promote cronyism; and

5 (3) Regulatory barriers disproportionately harm small and startup businesses.

6 (b) It is the intent of this article to remove barriers to voluntary exchange and  
 7 entrepreneurship in distressed areas without creating preferential treatment for specific industries  
 8 or firms.

**§11-13NN-3. Definition.**

1 For the purposes of this article:

2 "Department" means the West Virginia Department of Economic Development.

3 "Distressed area" means a census tract with:

4 (A) An unemployment rate at least 150 percent of the statewide average;

5 (B) A poverty rate of at least 20 percent.

6 "Qualified taxpayer" means any individual or lawful business entity physically operating  
7 within a Zone.

8 "Zone" means a geographic area designated pursuant to this article.

**§11-13NN-4. Zone designation; legislative approval required.**

1 (a) No zone may be designated except by act of the Legislature.

2 (b) No more than five zones may exist statewide at any time.

3 (c) Designation shall expire after eight years unless renewed by legislative act.

4 (d) No executive agency may expand or modify zone boundaries without legislative  
5 approval.

**§11-13NN-5. Broad-based tax rate reductions.**

1 (a) For income derived from within a zone:

2 (1) The corporate net income tax rate shall be reduced by 50 percent; and

3 (2) The personal income tax rate applicable to sole proprietors and pass-through business  
4 income shall be reduced by 50 percent.

5 (b) Reductions apply uniformly to all qualified taxpayers and shall not be conditioned upon  
6 job creation quotas, industry type, or political approval.

7 (c) No refundable credits shall be permitted under this article.

**§11-13NN-6. Revenue neutrality safeguard.**

1 (a) The State Tax Commissioner shall annually certify the aggregate fiscal impact of this  
2 article.

3 (b) If total foregone revenue exceeds 0.5 percent of General Revenue Fund collections in  
4 any fiscal year, rate reductions shall be proportionally adjusted for the following tax year to  
5 maintain fiscal neutrality.

6 (c) No borrowing or bonded indebtedness may be issued to finance this article.

**§11-13NN-7. Regulatory reduction requirements.**

1 (a) For each new state administrative rule applicable within a zone, two existing rules of

2 equivalent economic burden shall be repealed statewide.

3 (b) State agencies shall complete permit reviews for qualified taxpayers within 30 days.

4 (c) Failure to act within 30 days shall result in automatic approval, except where prohibited  
5 by federal law.

**§11-13NN-8. Occupational licensing reciprocity.**

1 (a) Any individual licensed in another state shall be recognized as licensed in this state for  
2 purposes of working within a zone, unless federal law requires otherwise.

3 (b) No new occupational licensing requirement may be imposed within a zone unless  
4 approved by a two-thirds vote of the Legislature.

**§11-13NN-9. Protection of private property.**

1 (a) No property within a zone may be taken by eminent domain for the purpose of  
2 economic development or transfer to a private entity.

3 (b) Any regulatory action reducing property value by more than 25 percent shall require just  
4 compensation.

**§11-13NN-10. Equal treatment clause.**

1 Benefits under this article shall apply equally to all lawful businesses and individuals within  
2 a zone and shall not be awarded based on industry, political contribution, or negotiated  
3 agreement.

**§11-13NN-11. Transparency.**

1 (a) The Department shall publish an annual report detailing:

2 (1) Total tax reductions;

3 (2) Changes in employment levels; and

4 (3) Net migration into zones.

5 (b) No confidential business data shall be disclosed.

**§11-13NN-12. Prohibition on corporate subsidies.**

1 Nothing in this article shall authorize grants, loans, loan guarantees, tax increment

2 financing, or cash subsidies to any private entity.

**§11-13NN-13. Severability.**

1 If any provision of this article is held invalid, the remaining provisions shall remain in full

2 force and effect.

**§11-13NN-14. Sunset.**

1 This article shall terminate July 1, 2035, unless reauthorized by act of the Legislature.

NOTE: The purpose of this bill is to remove barriers to voluntary exchange and entrepreneurship in distressed areas without creating preferential treatment for specific industries or firms.

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