

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

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 Government
Organization; Reported on January 22, 2026]

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

<u>§5B-12-1.</u>	<u>Short</u>	<u>title.</u>
1 <u>This article shall be known and may be cited as the “West Virginia Aerospace and</u>		
2 <u>Advanced Manufacturing Growth Act.”</u>		

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

government liaison.

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

5 (b) Identification. — The Department shall broadly identify impactful aerospace operations
6 and development projects in this state, including without limitation, research and development;

7 assembly and production; and maintenance, repair, and overhaul of aircraft and spacecraft and
8 their components and assemblies, including avionics and control systems, software, turbines,
9 engines, and propulsion systems, composite and other raw materials, used for both manned and
10 unmanned applications.

11 (c) Record keeping. —The Department shall maintain an accurate file of all impactful
12 aerospace operations and development projects with all relevant information that can be made
13 available to the Governor and Legislature upon request, identifying and removing confidential
14 information to ensure privacy of any such information as identified by the respective private
15 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 Development
46 Authority's applicable direct and indirect financing, industrial revenue bonds, expedited permitting,
47 workforce development, infrastructure development, and available sites and buildings.

ARTICLE 13. WEST VIRGINIA JOB DEVELOPMENT INVESTMENT GRANT

PROGRAM.

§5B-13-1. Short title.

1 This article shall be known and may be cited as the "West Virginia Job Development
2 Investment Grant Program."

§5B-13-2. Definitions.

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

3 "Agreement" means a community economic development agreement.

4 "Aerospace industry" means any business activity classified as having a sector identifier,
5 consisting of the first five digits of the six-digit North American Industry Classification System code
6 number of 33641. It further includes: repair of aircraft or aircraft engines (except overhauling,
7 conversion, and rebuilding) under North American Industry Classification System code number
8 48819, Other Support Activities for Air Transportation; all research and development

9 establishments primarily engaged in aerospace R&D (except prototype production) under North
10 American Industry Classification System code number 54171, Research and Development in the
11 Physical, Engineering, and Life Sciences; and all other forms of manufacturing or repairing
12 aerospace components undertaken as business activity classified as having a sector identifier,
13 consisting of the first two digits of the six-digit North American Industry Classification System code
14 number of 33.

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

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

20 "Council" means the West Virginia Infrastructure and Jobs Development Council.

21 "Department" means the Department of Commerce.

22 "Division" means the Division of Economic Development.

23 "Development tier" means the classification assigned to a county pursuant to an annual
24 review by the Division of Economic Development ranking West Virginia counties based on
25 economic well-being, taking into account each county's average unemployment rate, median
26 household income, percentage growth in population, and adjusted property tax base per capita.
27 The 20 most distressed counties are designated as Tier 1, the next 20 as Tier 2, and the 15 most
28 prosperous as Tier 3. This tier system is incorporated into this article to encourage economic
29 activity in the less prosperous areas of the state.

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

33 (1) Positions created in the year the business achieves the minimum requirements set
34 forth in this section may be considered eligible positions even if created outside the base period
35 and

36 (2) In a year other than during the base period, an eligible position must be filled for at least
37 30 weeks of the applicable grant year.

38 "Expansion position" means a position created by a business and filled by a new full-time
39 employee in this state in Phase II of a transitional project or for a transformative project in any year
40 in which the business receives the enhanced percentage of the withholdings of eligible positions
41 pursuant to the provisions of this code.

42 "Expansion project" means a project, the agreement for which provides the following:

43 (1) The business must have at least 300 current employees as of the date on which the
44 agreement is entered into; and

45 (2) The business must invest at least \$500 million in private funds and create at least 600
46 eligible positions: *Provided*, That a business that enters into an expansion-project agreement may
47 count 300, but no more than 300, of its employees as eligible positions for the purpose of
48 achieving the minimum requirements set forth in this section: *Provided, however*, That an
49 employee who was employed by the business prior to the base period may not be considered an
50 "eligible employee" for purposes of determining the percentage of withholdings placed into the Job
51 Development Investment Grant Program or the amount of any grant received from the Department
52 of Commerce pursuant to this article.

53 "Full-time employee" means a person who is employed for consideration for at least 35
54 hours a week, whose wages are subject to withholding under any provision of this code, who is not
55 a worker with an H-1B visa or with H-1B status, and who is determined by the division to be
56 employed in a permanent position according to criteria it develops. Except as allowed by this
57 article for system contractors, the term does not include any person who works as an independent
58 contractor or on a consulting basis for the business.

59 "High-yield project" means a project for which the agreement requires that a business
60 invest at least \$500 million in private funds and create at least 600 eligible positions.

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

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

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

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

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

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

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

80 "Transformative project" means a project for which the agreement requires that a business
81 invest at least \$1 billion dollars in private funds and create at least 1,200 eligible positions.

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

83 (1) Phase I. – That a business invest at least \$250 million in private funds and create at
84 least 300 eligible positions; and

85 (2) Phase II. – That a business, upon exercising an option in the agreement during the first
86 36 months of the agreement term to expand the project, increase the investment of private funds
87 to at least \$500 million and increase job creation to at least 600 eligible positions. Exercise of an
88 option under this paragraph is contingent upon the business meeting and maintaining Phase I
89 requirements at and beyond the end of the applicable base period for Phase I set forth in the
90 agreement. Notice of exercising the option must be in writing to the division.

91 "Withholdings" means the amount withheld by a business from the wages of employees
92 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
4 that are primarily engaged in the aerospace industry to provide grants in accordance with the
5 provisions of this article. The division shall develop criteria to be used in determining whether the
6 conditions of this section are satisfied and whether the project described in the application is
7 otherwise consistent with the purposes of this article. Before entering into an agreement, the
8 division must find that all 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
16 area where it will be located;

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

18 be acceptable;

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

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

22 (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.

24 (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.

27 (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.

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

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

42 (B) Transformative projects.

43 (2) Semiannual commitment limitations. - Of the amount authorized in subdivision (1) of

44 this subsection, no more than 50 percent, excluding roll-over amounts, may be awarded in any
45 single calendar semiannual period. A roll-over amount is any amount from a previous semiannual
46 period in the same calendar year that was not awarded as a grant. The limitation of this subdivision
47 does not apply to a grant awarded to an expansion, high-yield, transitional, or transformative
48 project.

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

53 (1) The division makes an explicit finding that the designation is necessary to secure the
54 project in this state.

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

§5B-13-4. Job Development Investment Grant Program Account.

1 (a) There is hereby created a special revenue account in the State Treasury designated
2 the Job Development Investment Grant Program Account, which consists of all state income tax
3 withholdings received from businesses that have entered into an economic development
4 agreement with the state pursuant to §5B-13-3 of this code, as well as all interest and income
5 earned from investment of received withholdings. The fund also consists of any appropriations
6 provided by the Legislature and any monies from external sources that may be received. The fund
7 shall be administered by the Department of Commerce, and all transfers and expenditures shall be
8 made for the purposes set forth in this article, including providing grants to businesses
9 participating in and compliant with the Job Development Investment Grant Program and transfers
10 to the Utility Development Account fund pursuant to §5B-13-6 of this code.

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

15 (c) Fund balances may be invested with the state's Consolidated Investment Fund.
16 Earnings on the investments shall be used solely for the purposes defined in this article.

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

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

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

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

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

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

11 (5) An estimate of the total withholdings;

12 (6) Certification that the business will provide health insurance to full-time employees of
13 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 A business may apply, in one consolidated application in a form and manner determined by
21 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 an expansion, high-yield, transitional, or transformative
44 project, 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
48 Secretary of Revenue, and the Director of the State Budget Office shall determine the allocation of
49 the fee imposed by this section among their agencies. The proceeds of the fee are receipts of the
50 agency to which they are credited. Within 30 days of receipt of an application under this section but
51 prior to any award being made, the Department of Commerce shall notify each governing body of
52 an area where a submitted application proposes locating a project of the information listed in this
53 subsection, provided that the governing body agrees, in writing, to any confidentiality
54 requirements imposed by the division. The information required by this subsection includes all of
55 the following:

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

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

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

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

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

70 (d) Annual Reports. - The division shall publish a report on the Job Development
71 Investment Grant Program on or before April 30 of each year. The division shall submit the report

72 electronically to the Finance Committee of the House of Delegates, the Senate Finance
73 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 to
91 implement this article, a copy of such criteria, and, for subsequent reports, identification of any
92 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 Job Development Investment Grant Program
104 Account and the Utility Development Account under this article during the 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.

<u>§5B-13-6.</u>	<u>Utility</u>	<u>Development</u>	<u>Account.</u>
-------------------------	-----------------------	---------------------------	------------------------

1 (a) (1) Creation and Purpose of Fund. – There is hereby created in the Department of
2 Commerce the Industrial Development Fund Utility 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, in conjunction with the West Virginia Infrastructure and
11 Jobs Development Council, shall use moneys in the fund to provide funds to assist the local
12 government units of the most economically distressed counties in the state in creating 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 this article.

18 (6) In order to effectuate the purposes of this article, the Department of Commerce or the

19 West Virginia Infrastructure and Jobs Development Council, or both, may propose rules, including

20 emergency rules, in accordance with §29A-3-1 et seq. of this code.

21 (b) Funds shall be used only in accordance with this section.

22 (c) 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 building or, if not located on the site, shall be directly related to the operation of

28 the job creation activity. To be eligible for funding, the sewer infrastructure shall be located on the

29 site of the building or, if not located on the site, shall be directly related to the operation of the job

30 creation activity, even if the sewer infrastructure is located in a county other than the county in

31 which the building is located.

32 (c) The funds shall be used for projects located in economically distressed counties except

33 that the council may use up to \$100,000 dollars to provide emergency economic development

34 assistance in any county that is documented to be experiencing a major economic dislocation,

35 meaning the actual or imminent loss of 500 or more manufacturing jobs in the county, or, of a

36 number of manufacturing jobs equal to at least 10 percent of the existing manufacturing workforce

37 in the county.

38 (d) The funds shall be used by the council for projects that are reasonably anticipated to

39 result in the creation of new jobs. There shall be no maximum funding amount per new job to be

40 created or per project.

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

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

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

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

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

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

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

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

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

74 (A) Data processing industry group 518.

75 (B) Software publishers industry group 5112.

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

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

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

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

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

§5B-13-7. Calculation of maximum grants; factors considered.

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

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

6 (2) The expected duration of those positions;

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

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

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

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

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

14 (8) The number of positions governed by the agreement that would be filled by residents of
15 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 The percentage shall be no more than the following:

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

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

32 (C) Transitional project. - Notwithstanding the percentage in subdivision (1) of this

33 subsection, a transitional project shall be treated as a high-yield project pursuant to subdivision (2)
34 of this subsection until the business meets the requirements for Phase II, at which time the amount
35 of the grant awarded shall be no more than 100 percent of the withholdings of eligible and
36 expansion positions for each year the business maintains the minimum job creation requirement
37 for Phase II and meets all terms of the agreement. A business that fails to maintain the minimum
38 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 (D) 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 of 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:

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

71 (2) For transitional projects in which the business receives the enhanced percentage for
72 Phase II pursuant to subsection (a) of this section, the base period plus 30 years starting with the
73 first year a grant payment is made. If a business is disqualified from the enhanced percentage
74 allowed for Phase II but meets the requirements for Phase I, the term of the grant shall not exceed
75 20 years starting with the first year a grant payment is made. If a business is disqualified from the
76 enhanced percentage allowed for Phase I, the term of the grant shall not exceed 12 years starting
77 with the first year a grant payment is made. If a disqualification occurs after the maximum term
78 provided in this subdivision, the term of the grant ends in the year the disqualification occurs.

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

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

86 (d) Utility Development Account - For any eligible position that is located in a Tier 3
87 development area, 75 percent of the annual grant approved for disbursement shall be payable to
88 the business, and 25 percent shall be payable to the Utility Development Account established by
89 §5B-13-6 of this code for:

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

92 (2) Any eligible position that is located in a Tier 2 development area, 85 percent of the
93 annual grant approved for disbursement shall be payable to the business, and 10 percent shall be
94 payable to the Utility Development Account established by §5B-13-6 of this code. A position is
95 located in the development tier area that has been assigned to the county in which the project is
96 located at the time the application is filed with the division.

97 (3) Any eligible position that is located in a Tier 1 development area, 90 percent of the
98 annual grant approved for disbursement shall be payable to the business, and 10 percent shall be
99 payable to the Utility Development Account established by §5B-13-6 of this code. A position is
100 located in the development tier area that has been assigned to the county in which the project is
101 located at the time the application is filed with the division.

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

107 (f) Per Job Maximum - For projects other than transformative projects, the amount of a
108 grant associated with any specific eligible position, including any amount transferred to the Utility
109 Development Account established by §5B-13-6 of this code, may not exceed \$16,000 in any year.

§5B-13-8. Economic development agreements.

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

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

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

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

9 (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 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
39 terminate the agreement and take action to recapture grant funds if the Division finds that the
40 business has manipulated or attempted to manipulate data with the purpose of increasing the
41 amount of the grant;

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

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

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

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

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

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

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

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

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

§5B-13-9. 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-13-10. 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, the division shall
3 reduce the amount of the grant or the term of the agreement, may terminate the agreement, or
4 both. The reduction in the amount or the term must, at a minimum, be proportional to the failure to
5 comply measured relative to the condition or criterion with respect to which the failure occurred.
6 The division may reduce the amount or term of a grant by formally approving a motion to reduce
7 such grant in accordance with program policies adopted by the division for the treatment of failures
8 by businesses to meet or comply with a condition or requirement set forth in the grant agreement,

9 and it shall not be necessary to execute an amendment to the applicable grant agreement. The
10 division shall notify any such affected business of the reduction to its grant payment, reflected in
11 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
18 the division extend the base period by more than a total of 24 months. In no event shall the term of
19 the grant be extended beyond the date set by the division at the time the division awarded the
20 grant.

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

23 (c) Notwithstanding the provisions of subsections (a) and (b), if the division finds that the
24 business manipulated or attempted to manipulate the termination, rehiring, or transfer of an
25 employee, or data related thereto, with the purpose of receiving a grant, the division shall
26 immediately terminate the agreement and take action to recapture any grant funds disbursed in
27 any year in which the division finds the business manipulated or attempted to manipulate the
28 termination, hiring, or transfer of the business's employees, or data related thereto.

29 (d) Notwithstanding the provisions of subsections (a) and (b) of this section, if the division
30 finds that the business has manipulated or attempted to manipulate the number of eligible
31 positions or employee withholdings with the purpose of increasing the amount of a grant, the
32 division shall immediately terminate the agreement and take action to recapture any grant funds
33 disbursed in any year in which the division finds the business manipulated or attempted to

34 manipulate the number of eligible positions or employee withholdings with the purpose of
35 increasing the amount of the grant.

§5B-13-11. Disbursement of grant.

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

8 (1) That there are no outstanding overdue tax debts of the business;
9 (2) The amount of withholdings received in that year by the Department of Revenue from
10 the business; and
11 (3) The average wage of workers in the business.

12 A business that has met the terms of the agreement shall make an annual certification of
13 this to the division. The Division shall require the business to provide any necessary evidence of
14 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-13-12. 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-13-13. 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.

CHAPTER 11. TAXATION.

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

§11-6F-1. Legislative findings.

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

§11-6F-2. Definitions.

1 As used in this article, the term:

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

33 "Manufacturing facility" means any factory, mill, chemical plant, refinery, warehouse,
34 building or complex of buildings, including land on which it is located, and all machinery,

35 equipment, improvements, and other real property and personal property located at or within the
36 facility used in connection with the operation of the facility in a manufacturing business.

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

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

41 (1) All real property and personal property, the combined original cost of which exceeds
42 \$50 million to be constructed, located, or installed at or within two miles of a manufacturing facility
43 owned or operated by the person making the capital addition that has a total original cost before
44 the capital addition of at least \$100 million. If the capital addition is made in a steel, chemical, or
45 polymer alliance zone as designated from time-to-time by executive order of the Governor, then
46 the person making the capital addition may, for purposes of satisfying the requirements of this
47 subsection, join in a multiparty project with a person owning or operating a manufacturing facility
48 that has a total original cost before the capital addition of at least \$100 million if the capital addition
49 creates additional production capacity of existing or related products or feedstock or derivative
50 products respecting the manufacturing facility, consists of a facility used to store, handle, process,
51 or produce raw materials for the manufacturing facility, consists of a facility used to store, handle,
52 or process natural gas to produce fuel for the generation of steam or electricity for the
53 manufacturing facility or consists of a facility that generates steam or electricity for the
54 manufacturing facility, including, but not limited to, a facility that converts coal to a gas or liquid for
55 the manufacturing facility's use in heating, manufacturing or generation of electricity. When the
56 new capital addition is a facility that is or will be processing raw natural gas or oil to recover or
57 extract liquid hydrocarbons, or is a manufacturing facility that uses product produced at a facility
58 engaged in processing of raw natural gas or oil to recover or extract liquid hydrocarbons, then
59 wherever the term "100 million" is used in this subsection, the term "20 million" shall be substituted
60 and where the term "50 million" is used, the term "10 million" shall be substituted; and where the

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

68 (2)(A) All real property and personal property, the combined original cost of which exceeds
69 \$2 billion to be constructed, located, or installed at a facility, or a combination of facilities by a
70 single entity or combination of entities engaged in a unitary business, that:

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

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

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

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

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

85 (i) Location or installation of investment at or within two miles of a manufacturing facility
86 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

88 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

91 is not limited to, lands, buildings, and improvements on the land such as sewers, fences, roads,

92 paving, and leasehold improvements: *Provided*, That for capital additions certified on or after July

93 1, 2011, the value of the land before any improvements shall be subtracted from the value of the

94 capital addition and the unimproved land value shall not be given salvage value treatment.

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

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

16 (a) The disposition of the property to an unrelated third party other than a transferee who

17 continues to operate the manufacturing facility or aerospace facility;

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

19 (c) with regard to:

20 (1) Property described in §11-6F-2(g)(1), the tenth year succeeding the year in which the

21 qualified capital addition to a manufacturing facility or aerospace facility to which the property

22 relates is first placed in service; or

23 (2) property described in §11-6F-2(g)(2) of this article, the twenty-fifth year succeeding the

24 year in which the qualified capital addition to a manufacturing facility or aerospace facility to which

25 the property relates is first placed in service.

26 All applications and determinations under this section constitute return information and are

27 subject to §11-1A-23. The State Tax Commissioner shall report annually the number of

28 applications filed, certified, denied and pending pursuant to this section for the preceding year

29 along with recommendations regarding the structure, benefits and costs of the valuation method

30 specified in this article to the Joint Committee on Government and Finance and to the Governor:

31 *Provided*, That identifying characteristics and facts about applicants may not in any event be

32 disclosed under this section.

CHAPTER 18B. HIGHER EDUCATION.

ARTICLE 23. WEST VIRGINIA MRO WORKFORCE AND AVIATION MAINTENANCE

EDUCATION

ACT.

§18B-23-1. Short title.

1 This article shall be known and may be cited as the "West Virginia MRO Workforce and

2 Aviation Maintenance Education Act."

§18B-23-2. Definitions.

1 These terms are defined:

2 "A&P credential" means a Federal Aviation Administration-recognized Airframe and

3 Powerplant Certificate.

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

"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;

9 "Industry partner" means an aviation or aerospace employer engaged or planning to
10 engage in maintenance, overhaul, manufacturing, or training activity within West Virginia; and

§18B-23-3. 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 and aerospace workforce pipelines aligned with
3 employer demand 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-23-4. 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

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

§18B-23-5. 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) Additional weighting may be applied for veterans, rural learners, and high-need

specialty _____ **tracks.** _____

§18B-23-6. 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-23-7. 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.**

§18B-23-8. Reporting.

Beginning January 1, 2027, and annually thereafter, the council shall report to the

Legislative Oversight Commission on Education Accountability covering:

(1) Enrollment and credential completion rates:

(2) Workforce placement and wage outcomes:

(3) Regional hub expenditures;

(4) Employer participation;

7 (5) Recommended statutory adjustments.

§18B-23-9. 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.