

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

House Bill 4822

By Delegates Hansen, Hornbuckle, Garcia, Hamilton,

Pushkin, Young, Williams, Lewis, and Fluharty

[Introduced January 26, 2026; referred to the

Committee on Energy and Public Works then

Finance]

1 A BILL to amend and reenact §5B-2N-2a and §11-6N-4 of the Code of West Virginia, 1931, as
2 amended; relating to High Impact Data Centers; requiring any monies generated for grid
3 stabilization and maintenance be used to preserve all generation sources; reallocation of
4 any positive tax increment ad valorem property taxes collected from High Impact Data
5 Centers; and including funding to local school boards and the Public Insurance Financial
6 Stability Fund.

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. The fund shall be
2 administered by the Department of Commerce and shall consist of all moneys made available for
3 the purposes and from the sources 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.

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

15 (d) Any balance, including accrued interest and any other returns, in the Electric Grid

16 Stabilization and Security Fund at the end of each fiscal year may not expire to the General
17 Revenue Fund but remain in the fund and be expended for the purposes provided by this section.

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

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

CHAPTER 11. TAXATION.

ARTICLE 6N. SPECIAL METHOD FOR VALUATION OF CERTAIN HIGH- TECHNOLOGY PROPERTY.

§11-6N-4. Special Rules for Tax Distribution of High Impact Data Centers.

1 (a) On and after July 1, 2025, any property subject to valuation under §11-6N-3 of this code
2 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 Impact Data Center project regarding tax distribution provided in this section and any distribution
5 to which a county is entitled as provided by this section shall be distributed directly to the situs
6 county for each project.

7 (c) **Ad Valorem Property Tax Distribution** — The provisions of this subsection are
8 applicable to all data center property of a high impact data center upon certification as a high
9 impact data center per §11-6N-2 of this code.

10 (1) For so long as the high impact data center exists, the State Auditor shall divide the ad
11 valorem property tax revenue collected, with respect to taxable data center property of a high
12 impact data center 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 impact data center.

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) 50 35 percent of the increment shall be placed in the Personal Income Tax Reduction
50 Fund provided in §11B-2-33 of this code; in the Public Insurance Agency Financial Stability Fund
51 provided in §11B-2-32 of the code;

52 (B) 30 35 percent of the increment to the situs county as defined in this article;

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

55 (D) 5 percent of the increment shall be placed Economic Enhancement Grant Fund
56 administered by the Water Development Authority provided in §22C-1-6a;

57 (E) 5 percent of the increment shall be placed in the Electric Grid Stabilization and Security
58 Fund provided in §5B-2N-2a; and

59 (F) 10 percent of the increment to the county public school board of the situs county.

60 (5) (A) Payment In Lieu Of Taxes, Increment Property — Notwithstanding the provisions of
61 §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,
62 §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-
63 16A-16(b), §17-16B-20(b), §18-9A-12(c), §31-21-5, and §31-21-15 of this code, or any other
64 provision of this code, no payment in lieu of taxes shall be entered into with relation to any property
65 subject to this section or any leasehold interest related thereto, or any other property interest

66 related thereto.

67 (B) Tax Increment Financing, Increment Property — Notwithstanding the provisions of §7-
68 11B-1 *et seq.* of this code, or any other provision of this code, no tax increment financing project,
69 plan or arrangement shall be entered into or undertaken with relation to any property subject to this
70 section.

NOTE: The purpose of this bill is to redirect any positive tax increment ad valorem property taxes collected from High Impact Data Centers; local school Boards will receive 10% of the funds; redirects the current 50% of the funds from the Personal Income Tax Reduction Fund to 35% to fund the Public Insurance Financial Stability Fund; increases from 30% to 35% of funds to the situs county; and provides 10% of the funds go to the situs county school board. The bill also provides that the fund created to assist electric grid stabilization for regulated utilities includes all utilities, not only coal and gas powered utilities.

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