

# **WEST VIRGINIA LEGISLATURE**

## **2026 REGULAR SESSION**

**Introduced**

### **Senate Bill 652**

By Senator Garcia

[Introduced January 28, 2026; referred  
to the Committee on Economic Development; and  
then to the Committee on Finance]

1 A BILL to amend and reenact §11-6N-4 and §11B-2-33 of the Code of West Virginia, 1931, as  
2 amended, relating to taxation; modifying the formula for distribution of ad valorem property  
3 tax revenues collected from high-impact data centers to provide 80 percent of such  
4 revenues to counties in which high-impact data centers are located; and clarifying method  
5 of funding the Personal Income Tax Reduction Fund.

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

## 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 percent of the increment shall be placed in the Personal Income Tax Reduction~~  
50 ~~Fund provided in §11B-2-33 of this code~~

51 (B) ~~30 (A) 80~~ percent of the increment to the situs county as defined in this article;

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

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

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

58 (5) (A) Payment In Lieu Of Taxes, Increment Property — Notwithstanding the provisions of  
59 §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,  
60 §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-  
61 16A-16(b), §17-16B-20(b), §18-9A-12(c), §31-21-5, and §31-21-15 of this code, or any other  
62 provision of this code, no payment in lieu of taxes shall be entered into with relation to any property  
63 subject to this section or any leasehold interest related thereto, or any other property interest  
64 related thereto.

65 (B) Tax Increment Financing, Increment Property — Notwithstanding the provisions of §7-  
66 11B-1 *et seq.* of this code, or any other provision of this code, no tax increment financing project,  
67 plan or arrangement shall be entered into or undertaken with relation to any property subject to this

68 section.

## CHAPTER 11B. DEPARTMENT OF REVENUE.

22 (e) Termination – Upon the certification of a reduction in the personal income tax under the  
23 provisions of §11-21-4h of this code that results in the elimination of the personal income tax, or if  
24 the personal income tax provided for under §11-21-1 *et seq.* is eliminated by separate enactment  
25 of the Legislature, this fund will be thereby eliminated and any monies dedicated thereto shall be  
26 dedicated to the general revenue of the state.

NOTE: The purpose of this bill is to modify the distribution of ad valorem property tax revenues collected from high impact data centers so that 80% of such revenues are provided to the counties in which such data centers are sited.

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