

WEST VIRGINIA LEGISLATURE

2024 REGULAR SESSION

Introduced

House Bill 5320

By Delegates Kirby, Foster, Longanacre, Brooks,

Ridenour, Dillon, and Chiarelli

[Introduced; Referred

to the Committee on]

1 A BILL to amend and reenact §31-15-23a of the Code of West Virginia, 1931, as amended,
2 relating to economic development loans.

Be it enacted by the Legislature of West Virginia:

ARTICLE 15. WEST VIRGINIA ECONOMIC DEVELOPMENT AUTHORITY.

§31-15-23a. Economic Development Project Fund.

1 (a) For the purposes of this section, the term "high impact development project" means a
2 project meeting the following criteria, according to a resolution adopted by the authority:

3 (1) The Governor has requested, in writing, that the project be approved for financing by
4 the authority in the form of loans in an amount of \$50 million or greater;

5 (2) The industrial development agency or enterprise undertaking the project will privately
6 invest an amount of \$50 million or greater in the project; and

7 (3) The project meets or exceeds the loan per job ratio criteria for high-impact development
8 projects that may be established, in consultation with the Secretary of the Department of
9 Economic Development, by the board of directors.

10 (b) There is hereby created a special revenue fund in the State Treasury known as the
11 Economic Development Project Fund. The fund shall consist of all moneys appropriated to the
12 authority during the regular session of the Legislature, 2022, from available revenue surplus funds,
13 transfers from the Industrial Development Loans fund, gifts, grants, contributions, any earnings or
14 interest accruing to said fund, and any other moneys appropriated to said fund by the Legislature.
15 The authority may invest and reinvest moneys in the fund with the West Virginia Investment
16 Management Board or the Board of Treasury Investments.

17 (c) The authority may transfer funds in the Industrial Development Loans fund to the
18 Economic Development Project Fund created by this section and any loan repayments or other
19 amounts that would otherwise have been paid into the Industrial Development Loans fund may be
20 paid into the Economic Development Project Fund created by this section.

21 (d) The authority may use moneys in the Economic Development Project Fund to offer

22 incentives for business formation or expansion and provide assistance with site development or
23 other concerns in the form of loans to industrial development agencies or enterprises according to
24 the requirements of this article as set forth in this subsection.

25 (1) High impact development projects. — In addition to any powers granted to the authority
26 under any other section of this code, the authority may finance any high impact development
27 project under this section by offering incentives for business formation or expansion to industrial
28 development agencies or enterprises in this state in the form of loans, ~~grants, or other offers of~~
29 ~~financial assistance or aid~~ upon such terms as the Governor may request and the authority shall
30 deem appropriate: *Provided*, That ~~money~~ loans available to help fund such high impact
31 development projects may not exceed ~~\$300~~ \$150 million dollars annually, unless otherwise
32 appropriated by the Legislature or increased by interest payments received pursuant to this
33 subsection. Funds which are paid back to the authority as principal pursuant to this subsection
34 may be utilized and relent by the authority for the same purpose. Any interest accruing shall be
35 retained and made available for high impact projects as set forth in this subsection and shall not
36 revert to the General Revenue Fund.

37 (2) Traditional loans. — The authority may finance any economic development project
38 under this section by offering incentives for business formation or expansion to industrial
39 development agencies or enterprises in this state in the form of loans, which shall be repaid to
40 provide financing for subsequent borrowers: *Provided*, That money available to fund such
41 traditional loans may not exceed ~~\$250~~ \$125 million dollars annually, on a rolling basis, unless
42 otherwise appropriated by the Legislature or increased by interest payments received pursuant to
43 this subsection. Funds which are paid back to the authority as principal pursuant to this subsection
44 may be utilized and relent by the authority for the same purpose. Any interest accruing shall be
45 retained and made available for traditional loans as set forth in this subsection and shall not revert
46 to the General Revenue Fund.

47 (3) Business retention projects. — The authority may finance any economic development

48 project under this section by offering incentives for business development and expansion to
49 industrial development agencies or enterprises already existing and operating in the State of West
50 Virginia in the form of loans, which shall be repaid to provide financing for subsequent borrowers:
51 *Provided*, That money available to fund such business retention loans may not exceed \$50 million
52 dollars annually, on a rolling basis, unless otherwise appropriated by the Legislature or increased
53 by interest payments received pursuant to this subsection. Funds which are paid back to the
54 authority as principal pursuant to this subsection may be utilized and relent by the authority for the
55 same purpose. Any interest accruing shall be retained and made available for business retention
56 projects as set forth in this subsection and shall not revert to the General Revenue Fund.

57 (e) The authority shall keep itemized records of all fund transactions and agreements
58 entered into in furtherance of the Economic Development Project Fund expenditures. In
59 administering the fund, the authority shall adopt appropriate accounting practices and internal
60 controls, including, but not limited to, strict compliance with the requirements of §5A-8-9 of this
61 code. Fund transactions shall be subject to an annual audit by an independent firm of certified
62 public accountants.

63 (f) The authority shall prepare and submit to the Joint Committee on Government and
64 Finance and the Governor an annual report addressing the status of each project with outstanding
65 financing issued pursuant to this section. The report shall, at a minimum, provide project-specific
66 data addressing:

- 67 (1) The outstanding amount of authority financing for each project;
- 68 (2) The total amount of private investment in each project;
- 69 (3) The number of jobs created by each project since the project's inception; and
- 70 (4) The number of jobs maintained by each project.

71 (g) Except for the records and audit required under subsection (e) of this section and the
72 annual reports required under subsection (f) of this section, any documentary material, data, or
73 other writing made or received by the authority relating to high impact development projects under

74 this section, shall be exempt from §29B-1-1 *et seq.* of this code: *Provided*, That any agreement or
75 resolution entered into or signed by the authority which obligates public funds for any high-impact
76 development project shall be subject to inspection and copying pursuant to §29B-1-1 *et seq.* of this
77 code as of the date the agreement or resolution is entered into, signed, or otherwise made public.

NOTE: The purpose of this bill generally relates to modifying the implementation of economic development loans.

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