WEST VIRGINIA LEGISLATURE
FIRST REGULAR SESSION, 2005

ENROLLED

House Bill No. 2777
(By Mr. Speaker, Mr. Kiss and Delegate Boggs)

Passed April 9, 2005
In Effect From Passage.
AN ACT to amend and reenact §18B-13-1, §18B-13-2, §18B-13-3, §18B-13-4 and §18B-13-5 of the Code of West Virginia, 1931, as amended, relating to higher education and industry partnerships; amending tax incentives for certain businesses located in the geographic area of a High-Tech research zone, park or technology center; defining qualified business; defining qualified state institution of higher education; designation of the particular geographic area comprising the research zone, park or technology center; updating language to be consistent with current higher education governance structure; updating other language; and other technical amendments.

Be it enacted by the Legislature of West Virginia:

That §18B-13-1, §18B-13-2, §18B-13-3, §18B-13-4 and §18B-13-5 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 13. HIGHER EDUCATION — INDUSTRY PARTNERSHIPS.
§18B-13-1. Legislative findings; intent; definition.

(a) Legislative findings — The Legislature finds that a pressing need exists for collaborative research and development between institutions of higher education and industry. This need also extends to assisting companies to develop and adapt to new technology. A commitment by the state to support cooperative partnerships between higher education and industry preserves existing jobs and creates new jobs; promotes development of business enterprises and helps them become competitive; and enables West Virginia to achieve the goals of economic growth and full employment by revitalizing and diversifying the economy. Focused research and technical assistance efforts related to West Virginia industry advances such development, improves technology transfer, assists companies in becoming growth leaders and links basic research and technological developments to economic advancement.

(b) Legislative intent — It is the intent of the Legislature to adopt the following as state goals to be reached through applied science and technology and partnership programs:

(1) Moving West Virginia into the forefront of science and technology;

(2) Attracting business, federal contracts and industry; and

(3) Creating jobs for the people of this state.

(c) Definition — As used in this article, “Qualified business” means a business registered to do business in this state which is engaged in science and technology related “manufacturing” (as defined in section three, article thirteen-s, chapter eleven of this code) or science and technology related “research and development” (as defined in section three, article thirteen-q, or section three, article thirteen-r, chapter eleven of this code) within a research zone, park or technology center.

Each governing board of a state institution of higher education shall develop a plan to engage in collaborative projects designed to assist business to adapt or develop new technology under this article.


(a) The West Virginia Development Office, in consultation with the Commission, is hereby authorized and directed to develop a strategic comprehensive plan and grant program to attract new science and high technology industries, to retain and expand current state industries through technology and other processes and to increase research grants, contracts, matching funds and procurement arrangements from the federal government, private industry and other agencies. The initial strategic comprehensive plan and each annual plan update shall be developed and filed with the Governor and Legislature.

(b) The West Virginia Development Office, in consultation with the Commission, shall review the work and projects undertaken by the Center of Regional Progress, the Center for Economic Research, the Institute for International Trade Development and the West Virginia Foundation for Science and Technology.

§18B-13-4. High-Tech research zones, parks and technology centers; tax incentives.

(a) For the purposes of this subsection, a “qualified state institution of higher education” is a state institution of higher education meeting the qualifications to be established by the West Virginia Development Office. The West Virginia Development Office shall work with the county commissions, municipalities and local development authorities where
7 qualified state institutions of higher education are located and
8 shall develop a plan and grant program for the establishment
9 and operation of qualifying High-Tech research zones, parks
10 and technology centers on or near the campuses of qualified
11 state institutions of higher education to attract business and
12 industry engaged in science and technology related research and
13 development. The plan and grant program shall include
14 qualifications that are to be met in order to receive approval by
15 the West Virginia Development Office as a research zone, park
16 or technology center or as a qualified business. Those qualifica-
17 tions shall require a minimum partnership commitment from
18 one or more qualified businesses in the private sector in the
19 construction, operation or location of the research zone, park or
20 technology center. The West Virginia Development Office shall
21 designate the particular geographic area comprising the
22 research zone, park or technology center.

23 The West Virginia Economic Development Authority is
24 authorized to enter into agreements with state institutions of
25 higher education, private developers or other interested busi-
26 nesses or persons to acquire, finance, construct, operate, own,
27 lease or otherwise manage any research zone, park or technol-
28 ogy center and to collect rentals or other forms of payment for
29 the operation of research zones, parks or technology centers.
30 The West Virginia Economic Development Authority is
31 authorized either singly or in conjunction with any county
32 commission, municipality or local development authority, to
33 issue special bonds for the purpose of this section, including,
34 but not limited to, special project revenue bonds and special
35 user bonds limited to the actual cost of construction and start-up
36 of any qualifying and approved research zones, parks or
37 technology centers, and improvements necessary thereto,
38 pursuant to article twelve-b, chapter eighteen of this code.

39 (b) For taxable years beginning on and after the first day of
40 January, two thousand five, any qualified business approved by
the West Virginia Development Office on or after the first day
of January, two thousand four, and located in a geographic area
designated as a High-Tech research zone, park or technology
center, shall be considered to be:

(1) A business eligible for economic opportunity tax credit
entitlement pursuant to section nineteen, article thirteen-q,
chapter eleven of the code, and entitled to the twenty percent
new jobs percentage under section nine of that article, if it
creates at least three new jobs in a research zone, park or
technology center;

(2) An eligible taxpayer for purposes of the strategic
research and development credit provided under article thirteen-
r, chapter eleven of the code;

(3) An industrial taxpayer for purposes of the manufactur-
ing investment tax credit provided under article thirteen-s,
chapter eleven of the code if it is primarily engaged in manufac-
turing related to research and development; and

(4) Entitled to priority for approval of refundable credit for
the small qualified research and development company credit
under section six, article thirteen-r, chapter eleven of the code
ahead of eligible taxpayers that are not qualified businesses
under section one of this article: Provided, That the qualified
business otherwise meets the requirements for those credits.

(c) Notwithstanding any other provision herein to the
contrary, the amount of total credits and deferrals allowable
under this section, shall not exceed two and one-half million
dollars in any one fiscal year for all eligible businesses:
Provided, That, except for the credit allowed under subdivision
(4), subsection (b) of this section, the credits allowed by this
section are nonrefundable so that a taxpayer shall not claim a
total credit amount that reduces the taxpayer’s tax liability to less than zero.

§18B-13-5. Use of state property and equipment; faculty.

(a) The governing boards are authorized to provide for the low cost and economical use and sharing of state property and equipment, including computers, research labs and other scientific and necessary equipment to assist any qualified business within an approved research park or zone or technology center. The Commission shall approve a schedule of nominal or reduced-cost reimbursements to the state for such use.

(b) The governing boards shall develop and provide for a program of release time, sabbaticals or other forms of faculty involvement or participation with any qualifying business.

(c) The Legislature finds that cooperation, communication and coordination are integral components of higher education’s involvement in economic development. In order to proceed in a manner that is cost effective and time efficient, it is the duty of the Commission to review and coordinate such aspects of the programs administered by the governing boards. The review and coordination may not operate to affect adversely sources of funding or any statutory characterization of any program as an independent entity. The Commission shall report annually to the Legislature and the Governor. The report shall contain the following information:

(1) The number of seminars and workshops conducted;

(2) The subject matter addressed in each seminar and workshop;

(3) The number of feasibility studies conducted and the subject matter contained in each study;
(4) An accounting of the cost of all travel expenses, seminars, workshops and feasibility studies; and

(5) The extent to which the authority provided for in subsection (b) of this section has been exercised, stating specifically the names of the institutions and faculty members involved in the program.
That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originating in the House.

In effect from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker of the House of Delegates

The within is approved this the __ day of ___, 2005.

Governor