

# Rockwool case could set West Virginia precedent

by **Conor Griffith**  
STAFF WRITER

**RANSON** — The outcome of a legal battle over an insulation production plant in the Eastern Panhandle could set a new precedent regarding the state's payment in lieu of taxes, or PILOT, practices.

The Denmark-based company Rockwool plans to build a \$150 million stone wool manufacturing plant in Ranson upon invite from the state and the Jefferson County Development Authority. Ground was broken on the site during the summer.

However, a nonprofit organization called Jefferson County Vision (JCV) formed in opposition and has filed multiple lawsuits to stop the plant construction.

The newest suit, filed in November, challenges the constitutionality of a PILOT agreement with Rockwool.

Christopher Kinnan, one of the members of JCV, said Rockwool is the only business in the county that is enrolled in a PILOT agreement and that it isn't fair to the other businesses.

JCV has challenged the state's PILOT practices, citing Article 10-1 of the state Constitution, which outlines taxation and finance.

"They are unfair to everyone else who pays their fair share of taxes," Kinnan said. "Rockwool's PILOT deal is the spark, but Jefferson County Vision is fighting for the rights of all West Virginia taxpayers with this lawsuit. We are all equal before the law."

Michael Zarin, vice president of Rockwool, said JCV filed a previous

lawsuit in September against the Jefferson County Development Authority on the grounds that the authority acted improperly as a utility in relation to the water line to the area where the Rockwool facility is being built. The judge denied JCV's request for an immediate injunction in that case.

However, Zarin said the suit challenging the state's PILOT program could have ramifications going beyond Jefferson County.

"In addition to Rockwool, we understand there are some 40 other tax incentive agreements of the same nature currently in force in the state," Zarin said. "My understanding is that as more people in the business community become aware of the lawsuit, they're expressing concerns about the impact the suit could have on the state's competitiveness if it were to succeed."

Zarin is not alone. "We would be dead in the water for economic development and recruitment," said Steve Roberts, West Virginia Chamber of Commerce team captain for leadership and transformation, regarding the potential loss of the PILOT program if the courts deemed it unconstitutional.

Roberts said the reality is that other states are able to offer more incentives for large businesses, such as paid staff training or even cash. Loss of the PILOT program would mean that many business prospects which might come to West Virginia could be lost, he said.

**See ROCKWOOL, 5**



Submitted photo

Breaking ground are, from left, Ranson Mayor Keith "Duke" Pierson; Jens Birgersson, president and CEO of the global Rockwool Group; Mike Hall, chief of staff to Gov. Jim Justice; Trent Ogilvie, president of Rockwool (North America); Sen. Joe Manchin, D-W.Va.; and Jefferson County Development Authority Executive Director Nic Diehl.

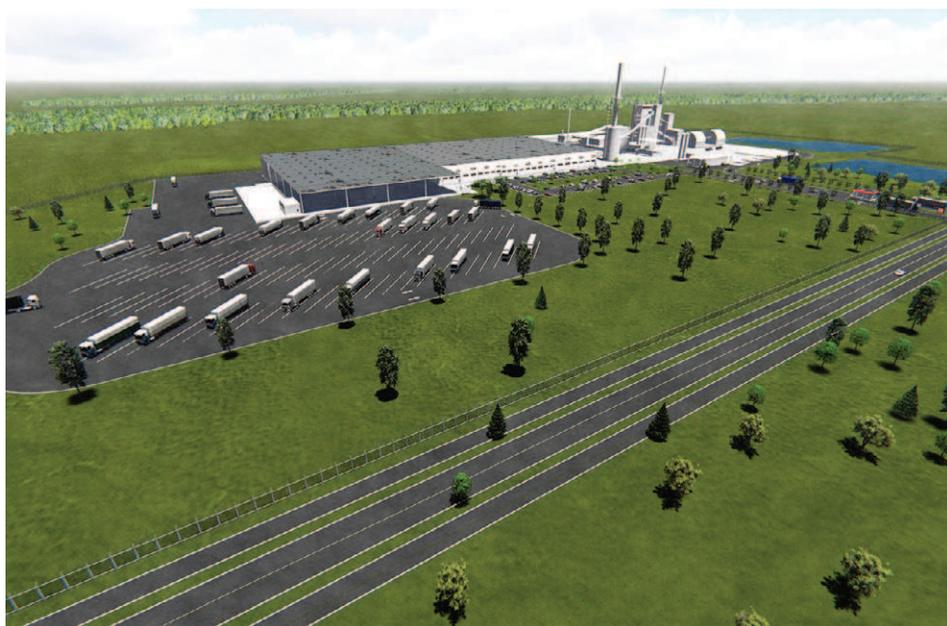
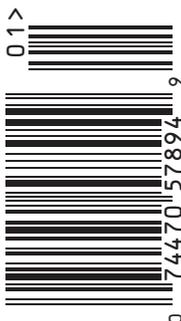


Photo courtesy of Rockwool Corporate Communications

Shown is an artist's rendering of the Rockwool facility in Ranson.



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