



Legislative bulletin

Contractors Association of West Virginia

2114 Kanawha Boulevard East • Charleston, West Virginia 25311 • (304) 342-1166

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CAP AND TRADE LEGISLATION DEBATED IN WV LEGISLATURE

The West Virginia Legislature has taken a position to formally oppose cap-and-trade legislation pending in the U.S. Congress. The week, both houses adopted [SCR 9](#), which states that West Virginia lawmakers “oppose the adoption of a national cap and trade program for carbon dioxide and greenhouse gas emissions that is unduly burdensome to the State of West Virginia and to support measures that encourage investments in technology to address carbon dioxide and greenhouse gas emissions, and requests that West Virginia’s congressional delegation resist and oppose efforts to adopt a national cap and trade program that is detrimental to our state.” The resolution notes that passage of H.R. 2454, the American Clean Energy and Security Act of 2009, would reduce West Virginia’s gross domestic product by an estimated \$750 million by 2020 and by an estimated \$1.75 billion by 2030 and cost the state up to 10,000 jobs by 2020 and up to 22,000 jobs by 2030.

In a related item, the CAWV Board of Directors, at its January 23 meeting, adopted a resolution in support of Friends of Coal and the coal industry in West Virginia. (See the Feb. 5 CAWV Newsletter for more information.)

BUDGET ISSUES CONTINUE TO DOMINATE DEBATE AT STATE CAPITOL

House and Senate Finance committees have been conducting hearings in preparation for crafting a slimmed-down budget for the upcoming year. This is in addition to Gov. Manchin’s plan to cut spending for the current fiscal year. The governor ordered all executive branch agencies, including those headed by other elected officials, to explain how they would reduce general revenue spending by 3 to 4 percent. Budget officials estimate they will cut enough to offset a projected \$120 million shortfall in general tax collections.

Proposed cuts range from eliminating jobs in various agencies to belt-tightening in agencies, including halting \$1.1 million worth of national guard building projects. The state’s midyear belt-tightening will be somewhat offset by federal stimulus funding. The administration plans to offset the expected general revenue shortfall with \$57.6 million for public schools, \$12.2 million for higher education and up to \$27.7 million for Medicaid. On a positive note, revenue collections are running around \$37 million higher than estimates through seven months of the current fiscal year. However, budget officials are still projecting a shortfall by June 30, the end of the fiscal year.

In a related budget issue, lawmakers are studying recommendations to deal with the “other post-employment benefits” (OPEB) that pose a long-term unfunded liability of \$7.8 billion. A Senate committee has come up with recommendations on how the state and counties may deal with public employee retirement benefit costs and liabilities. The House has started its own work on these recommendations.

JANUARY 30 LAST DAY TO FILE FOR ELECTION

Saturday, January 30, at midnight was the deadline to file for elected offices in West Virginia. Many state senators and delegates filed for reelection but a final list is not available since candidates could mail their forms as long as they were postmarked by January 30. As noted in last week's Legislative Bulletin, long-term Senate Government Organization Committee Chairman Ed Bowman, D-Hancock, decided not to run for reelection. Monongalia County Senator Mike Oliverio also announced he will not seek another term, but has decided to run for West Virginia's First Congressional District seat currently occupied by Alan Mollohan. Due to this unexpected turn, Delegate Barbara Fleischauer, D-Monongalia, former Delegate Cindy Frich, Republican, and former Morgantown Mayor Ron Justice have filed to run for the vacated Senate seat. Former State Supreme Court Justice Elliott "Spike" Maynard has announced he is running in West Virginia's Third Congressional District. Maynard has changed his registration to Republican and will run against Rep. Nick J. Rahall in the November general election, provided both are successful in their primary election races. Del. Alex Shook, another Monongalia County delegate, has decided not to run for reelection. A complete list of candidates should be available this week.

ON THE FEDERAL FRONT

A number of construction issues are being debated on the federal level. It appears the Obama administration's health care bill has been put on the back burner following the election of Republican Steve Brown to the U.S. Senate to fill the remaining term of Sen. Ted Kennedy, D-MA. House and Senate leaders admit there is not enough support for a plan where the House accepts the Senate bill and makes technical changes through the reconciliation process. While the administration and Senate leaders continue to find compromises, AGC continues to communicate that other options remain and inform Congress on the impact the legislation will have on the construction industry. The amendment to the Senate bill that specifically targets the construction industry remains in the current proposal. Initially, Congress recognized the complexity and costs associated with the employer mandates in the bill and exempted all businesses with less than 50 employees from the mandate. However, the Senate version of health care reform singles out contractors by requiring them to comply with the employer mandate once they have five employees and their payroll reaches \$250,000.

INFRASTRUCTURE AMONG TOP PRIORITIES IN PRESIDENT'S ADDRESS TO NATION

In his first State of the Union address President Obama defined jobs and the economy as his top priority, in an attempt to overcome his stalled domestic policy agenda and rising unemployment. President Obama highlighted the success of the infrastructure programs in last year's stimulus bill, and called for additional infrastructure investment by Congress. In doing so, he praised the U.S. House for passing a jobs bill last year and called on the Senate to do the same. In addition to a jobs bill, he called for new small business tax credits, elimination of the capital gains tax for small businesses, and more investment in the nation's schools and community colleges, which if passed, could likely turn into school construction funds. In most cases his policy ideas were left with few supporting details, as *AGC's Construction Legislative Week in Review* notes.

SENATE TO RELEASE JOBS PACKAGE THIS WEEK

Senate Democratic leaders have said they will release details of their version of a "Jobs Bill" this week, following House action on similar legislation in December. Democrats planned to announce the details last week, but delayed in order to incorporate job-creation initiatives raised by President Obama in his State of the Union address. A number of conflicting and unconfirmed reports about the contents of the Senate package has circulated in the past two weeks.

While nothing official has been released, all reports seem to indicate the Senate bill's transportation investment levels will be lower than the \$48.3 billion for infrastructure in the "Jobs for Main Street Act" passed by the House, which included \$27.5 billion for highways, \$8.4 billion for transit, \$800 million for Amtrak, \$500 million for airports, \$100 million for ship construction and \$11 billion in other infrastructure investments (including Corps of Engineers activities).

WEST VIRGINIA LEGISLATURE BILL INFORMATION

House and Senate bills can be accessed from the CAWV's Legislative home page at www.cawv.org/legislative.html. Members can view status updates on bills of interest to the construction industry and see what legislation is introduced that affects the construction industry. A summary of each day's activities will be uploaded each afternoon.

Below is a list of bills that have been introduced this week that have an impact on the construction industry or some CAWV members. Anyone needing further information can contact Mike Clowser at (304) 342-1166 or email mclowser@cauwv.org.

HOUSE BILLS

- HB 4174 Del. Martin, Klempa, Barker, Cann, Ferro, Guthrie, Kominar, Shook, Stephens, Swartzmiller and Miller, J.-Establishing the West Virginia Transportation Finance Commission (FN)-To Government Organization then Finance-[Interim Bill]
- HB 4191 Del. Brown, Barker, Fleischauer, Guthrie, Hunt, Longstreth, Marshall, Poling, D., Shook, Staggers and Williams-Eliminating the Insurance Commissioner's exemption relating to workers' compensation rulemaking-To Judiciary then Finance
- HB 4200 Del. Martin, Klempa, Barker, Ferro, Guthrie, Reynolds, Shook, Stephens and Swartzmiller-Creating the West Virginia Community Empowerment Transportation Act-To Roads and Transportation then Finance-[Interim Bill]

SENATE BILLS

- SB 347 Sen. Unger, Fanning, Jenkins and Plymale-Creating WV Transportation Finance Commission (FN) (IB)-To Government Organization then Finance
- SB 350 Sen. Oliverio, McCabe and Browning-Recategorizing recycled energy as renewable energy resource-To Economic Development then Finance
- SB 352 Sen. Unger, Fanning, Jenkins and Plymale-Creating WV Community Empowerment Transportation Act (IB)-To Transportation and Infrastructure then Finance
- SB 396 Sen. Unger and Kessler-Updating commercial driver's license requirements-To Transportation and Infrastructure then Judiciary
- SB 401 Sen. McCabe, Wells, Prezioso, K. Facemyer, Boley, Plymale, Fanninf, Minard, Edgell and Jenkins-Relating to ad valorem property taxes-To Finance
- SB 419 Sen. Minard, Snyder, Prezioso, Unger, Boley and K. Facemyer-Authorizing State Tax Department promulgate legislative rule relating to corporation net income tax-To Finance then Judiciary
- SB 427 Sen. Tomblin (Mr. President) and Caruth [By Request of the Executive]-Renaming and reorganizing Parkways Economic Development and Tourism Authority (FN)-To Government Organization then Finance