



# Contractors Association of West Virginia **LEGISLATIVE BULLETIN**



## **In This Issue**

LB 2019-01

January 14, 2019

*Governor Gives  
Third State of the  
State Address*

Starting today and running through the 60-day legislative session, members will receive, via e-mail, the CAWV Legislative Bulletin every Monday morning. The bulletin contains up-to-the-minute information on issues affecting the contracting industry and association members. In addition to the Monday morning Legislative Bulletins, the CAWV will be sending out Legislative Alerts throughout the coming weeks to members via email.

*Legislative Leaders  
Outline Their  
Session Goals*

The newly-seated Legislature includes some 30 new faces and a half-dozen former lawmakers who are returning after time away from the Capitol. House Speaker Roger Hanshaw, R-Clay, and Senate President Mitch Carmichael, R-Jackson, were re-elected to their posts. Their leadership teams have changed somewhat following the 2018 election. Senator Tom Takubo, R-Kanawha, and Delegate Amy Summers, R-Taylor, will serve as the Majority Leaders in their respective houses.

*List of Introduced  
Bills Starts Today*

Members will be asked to contact their legislators on issues affecting the industry and member companies through the CAWV Legislative Action Center. When necessary, the CAWV will provide members with a letter template, and with just a few clicks, a personalized letter or email can be sent. Members can find valuable resources on the CAWV legislative page or visit the West Virginia Legislature's website at [www.wvlegislature.gov](http://www.wvlegislature.gov) to see agendas, listen to committee meetings and get legislator's addresses and phone numbers.

### **INCREASED REVENUE PROVIDE INITIATIVES FOR GOVERNOR'S PROPOSALS**

Governor Jim Justice Wednesday gave his third State of the State address and outlined his proposal to provide a second round of teacher and public employee pay raises, an influx of funds to prop up PEIA, increased funding for the Department of Commerce as well as the Division of Tourism, \$20 million for deferred maintenance at state facilities, extending the Promise scholarship for vocational educational schools, and creation of Jim's Dream, a drug treatment program aimed at getting people into the job market.

An improving West Virginia economy has given the governor more opportunity to address key issues. For the current fiscal year, the state was running a \$189.5

million surplus through the end of December.

Gov. Justice proposed the elimination of two taxes — the tax on Social Security income plus the property tax on business and inventory. The governor proposed the elimination of the inventory tax last year but the proposal didn't go anywhere due to its projected \$140 million price tag. Elimination of the tax on social security payments is about \$50 million.

The Justice Administration, like legislative leadership, wants to eliminate property taxes on industrial companies. State development officials describe the tax as an impediment to growing and maintaining businesses in West Virginia. The tax represents \$140 million, but state officials proposed last year to phase out over a seven-year period.

The governor briefly discussed plans for a series of lakes to be built in Southern West Virginia for flood control, hydroelectric power, home building and recreation. He also expressed a desire to use some of the Roads to Prosperity bond proceeds to jump start highway maintenance projects. The CAWV will learn more on these two proposals this week.

### **HOUSE, SENATE LEADERS OUTLINE THEIR LEGISLATIVE AGENDA**

House Republican leadership, in cooperation with their counterparts in the state Senate, announced a comprehensive agenda last week. That agenda included significant tax reforms, such as beginning the process to eliminate the property tax on business equipment and inventory to help attract job creation, rolling back the personal income tax on Social Security income and improving the Homestead Exemption to provide tax relief to senior citizens.

Meanwhile, lawmakers have also committed to continuing to improve compensation and benefits for teachers, school service personnel and state workers. Delegates will also propose additional incentives for those in high-demand fields, such as math and science teachers, to make those jobs more attractive.

Additional priorities include promoting broadband expansion and investment, expanding access to community and technical schools and workforce training programs, helping to recruit business start-up and investment capital, reforming the state's foster care and adoption programs, improving the Second Chance for Employment Act, and creating education savings accounts for students with special needs.

"Whether it's by helping job creators start businesses and attract capital, expanding broadband to open up new opportunities for our education system and markets for our entrepreneurs, we want to help make West Virginia the most attractive place to be for not just our citizens and businesses, but those who

might consider moving here in the future,” Speaker Roger Hanshaw said.

“We’ve made tremendous strides in the past few years to improve the economy, education and legal systems and overall way of life for all West Virginians, and in this session, we will take those improvements to a whole new level,” President Mitch Carmichael said. “My goal is that when we look back at the 2019 session, we will see it as a watershed year toward launching West Virginia to a higher level of prosperity. We turned the corner over the last few years, and now it’s time to reach to new heights.”

Specific agenda priorities include:

- Enact Significant Tax Reforms, including:
  - Elimination of the Personal Income Tax on Social Security Income
  - Begin the Process of Eliminating the Property Tax on Business Equipment and Inventory
  - Improve the Homestead Exemption
- Continue Improving Compensation and Benefits for Teachers, Service Personnel and State Workers – Including Enhanced Compensation for Teachers in High-Demand Fields, like Math and Science
- Promote Broadband Expansion and Investment
- Expand Access to Community College, Technical Schools and Workforce Training Opportunities
- Help Recruit Business Start-Up and Investment Capital
- Improve the Second Chance for Employment Act
- Divert More Funds to Secondary and Tertiary Road Repairs
- Reform Foster Care and Adoption Programs
- Create Education Savings Accounts for Special Needs Students

#### **BILL CREATES SEPARATE CONTRACTORS LICENSING BOARD**

The House Government Organization Committee is expected to pass today H.B. 2203 which transfers operation procedures of the West Virginia Contractors Licensing Board. The board currently utilizes the West Virginia Division of Labor (WVDOL) personnel to run their day-to-day duties. The bill requires the board to set up its own operations, administrative duties. Licensing, inspection and record keeping without the involvement of the WVDOL. The bill would put the contractors licensing board under Chapter 30 in the State Code which is where all other licensing boards are listed. While there is merit to this, the question is what additional costs will there be to the Contractors Licensing Board if it must hire its own inspectors and provide benefits and vehicles, and will this additional cost require an increase in the annual licensing fee? The bill will go to House Judiciary Committee before going to full House of Delegates

#### **SENATE BILL PROVIDES GREATER FLEXIBILITY IN INFRASTRUCTURE GRANT PROGRAM**

S.B. 153 would allow the West Virginia Infrastructure and Jobs Development Council to transfer money from its loan program to be used for grants. Under the present IJDC funding mechanism, water, sewer and economic development funds are divided among West Virginia's three congressional districts. The funding is then divided into loan funds which must be repaid by the recipient of the funds and grant funds which do not need to be repaid. Grants cannot exceed 20 percent of the total funds available for the funding of projects. Over the past few years, the IJDC has had excess loan funds, especially in West Virginia's Third District, because the recipients haven't had enough of a rate base to be able to repay a loan. S.B. 153 would increase the grant formula to 25 percent and add the following: That if on January 1 of any year, the amount available for grants in any congressional district is below \$150,000, the council may convert up to 30 percent of the funds available for loans in that congressional district to be used for grants within the congressional district, if and when needed to make an award.

The bill is referred to the Committee on Economic Development then Finance.

### **NUMEROUS LABOR, LICENSING BILLS INTRODUCED IN FIRST WEEK**

Numerous bills were introduced last week dealing with labor related issues. These range from making sure the WV Division of Labor cannot request payroll information on public projects since legislators eliminated the state's prevailing wage rate (H.B. 2045 and S.B. 69) to reinstating the state's prevailing wage rate (H.B. 2057). There are bills that modify the state's crane certification process (S.B. 64), certification of HVAC workers (H.B. 2247 and S.B. 225) and H.B. 2049 which would eliminate the prime contractor's responsibility for wage and benefit payments by their subcontractors and suppliers.

### **ROADS FORUM SCHEDULED JANUARY 15 TO DISCUSS LEGISLATIVE ISSUES**

A public forum will be held Tuesday, January 15, at 9:00 a.m. in the West Virginia House of Delegates Chamber of the West Virginia Capitol Building in Charleston. The forum will allow the North Central West Virginia Roads Caucus to address a bill that is beginning to draw statewide interest. House Majority Leader Amy Summers, R-Taylor, is hoping to bring together legislators from across DOH District 4 — which includes Monongalia, Preston, Marion, Harrison, Taylor, and Doddridge counties. Delegate Summers has her sights on two potential bills to address growing concerns over the slow rate at which core maintenance road work is accomplished, particularly in her district. The real interest, according to the majority leader, focuses on a potential bill to allow DOH district offices to contract work considered part of the core maintenance plan.

Gov. Justice has said he wants to begin using money from the recent Roads to Prosperity bond initiative to secondary and tertiary road repair. Transportation Secretary Tom Smith said Friday the WVDOH is looking at options to increase

the division's maintenance program.

**WEST VIRGINIA LEGISLATURE BILL INFORMATION**

House and Senate bills can be accessed from the CAWV's Legislative home page at [www.cawv.org/legislative](http://www.cawv.org/legislative). 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 at [mclowser@cawv.org](mailto:mclowser@cawv.org).**

HOUSE BILLS			
Bill #	Sponsors	Proposal	Introduced/Committee
<a href="#">HB 2004</a>	Del. Espinosa, Graves, Harshbarger, Foster, Worrell, Hanna, Dean, Sypolt, Hamrick and Howell	Providing for a program of instruction in workforce preparedness (FN)	01/14/19 - To Education
<a href="#">HB 2024</a>	Del. Fast	Allowing a home improvement transaction to be performed under an oral contract	01/09/19 - To Judiciary
<a href="#">HB 2026</a>	Del. Fast	Relating to gasoline and fuel excise tax	01/09/19 - To Technology and Infrastructure
<a href="#">HB 2027</a>	Del. Fast	Requiring that patching repair of hard surfaced roads, highways and streets be by use of mechanical rollers	01/09/19 - To Technology and Infrastructure
<a href="#">HB 2028</a>	Del. Fast	Limiting supervision of laying of lines on state rights-of-way	01/09/19 - To Government Organization
<a href="#">HB 2035</a>	Del. Fast and Rowan	Requiring purchases to be made at lowest retail price available at level of quality sought by the spending unit	01/09/19 - To Government Organization
<a href="#">HB 2045</a>	Del. Foster	Removing the requirement for contactors to file payroll information on public improvement construction projects	01/09/19 - To Industry and Labor

<a href="#">HB 2048</a>	Del. Foster	Relating to the definition of an employee for purposes of payment of minimum wages, maximum hours, and overtime compensation	<i>01/09/19 - To Industry and Labor</i>
<a href="#">HB 2049</a>	Del. Foster	Relating to a prime contractor's responsibility for wages and benefits	<i>01/09/19 - To Industry and Labor</i>
<a href="#">HB 2056</a>	Del. Fleischauer, Pyles and Canestraro	Repealing the West Virginia Workplace Freedom Act and restoring prior law	<i>01/09/19 - To Industry and Labor</i>
<a href="#">HB 2057</a>	Del. Fleischauer, Pyles and Canestraro	Reestablishing prevailing wages for certain state government contracts	<i>01/09/19 - To Industry and Labor</i>
<a href="#">HB 2062</a>	Del. Fleischauer and Caputo	The Healthy and Safe Workplace Act	<i>01/09/19 - To Industry and Labor</i>
<a href="#">HB 2065</a>	Del. Sponaugle and Caputo	Expiring the PROMISE Scholarship Program, and establishing the Promise for All Scholarship Program	<i>01/09/19 - To Education</i>
<a href="#">HB 2068</a>	Del. J. Kelly	Providing counties the power to establish a county sales tax under certain circumstances	<i>01/09/19 - To Political Subdivisions</i>
<a href="#">HB 2069</a>	Del. J. Kelly and Pyles	Requiring all commercial and professional drivers be fingerprinted and undergo a background check	<i>01/09/19 - To Technology and Infrastructure</i>
<a href="#">HB 2076</a>	Del. Pushkin	Providing a tax credit for obtaining certain certifications by the United States Green Building Council Leadership in Energy and Environmental Design green building rating system	<i>01/09/19 - To Government Organization</i>
<a href="#">HB 2099</a>	Del. McGeehan	Relating to the transfer of certain revenues derived from lottery activities generally, restoring distribution to the West Virginia Infrastructure Fund to 2013 rates and decreasing the funds available for grants therefrom	<i>01/09/19 - To Finance</i>
<a href="#">HB 2112</a>	Del. R. Thompson	Relating to failure to maintain state and public roads	<i>01/09/19 - To Technology and Infrastructure</i>

<a href="#">HB 2114</a>	Del. Howell	Purchasing certain items from local suppliers	<i>01/09/19 - To Government Organization</i>
<a href="#">HB 2115</a>	Del. Howell	Right to Repair Act	<i>01/09/19 - To Technology and Infrastructure</i>
<a href="#">HB 2138</a>	Del. Fleischauer	Prohibiting blasting within six hundred twenty-five feet of an occupied dwelling	<i>01/09/19 - To Energy</i>
<a href="#">HB 2144</a>	Del. Shott	Relating to debarment of vendors seeking to provide goods and services to the state and its subdivisions	<i>01/09/19 - To Judiciary</i>
<a href="#">HB 2148</a>	Del. Summers	Requiring recycling of metal if cost effective	<i>01/09/19 - To Technology and Infrastructure</i>
<a href="#">HB 2156</a>	Del. Rowe	Creating a tax credit for improving facades in historic districts	<i>01/09/19 - To Finance</i>
<a href="#">HB 2159</a>	Del. Rowe	Requiring paving contracts for state highways to have special requirements to prevent potholes	<i>01/09/19 - To Technology and Infrastructure</i>
<a href="#">HB 2160</a>	Del. Rowe	Economic and Community Development Task Force	<i>01/09/19 - To Government Organization</i>
<a href="#">HB 2203</a>	Del. Foster	West Virginia Contractor Licensing Act	<i>01/10/19 - To Government Organization</i>
<a href="#">HB 2245</a>	Del. Foster	Division of Highways, rule relating to employment procedures	<i>01/10/19 - To Judiciary</i>
<a href="#">HB 2246</a>	Del. Foster	Division of Labor, rule relating to wage payment and collection	<i>01/10/19 - To Judiciary</i>
<a href="#">HB 2247</a>	Del. Foster	Division of Labor, rule relating to regulation of heating, ventilating, and cooling work	<i>01/10/19 - To Judiciary</i>

<a href="#">HB 2307</a>	Del. Howell, Hanna, Hott, Steele, Linville, Pack, Phillips, Cadle, Worrell, Hill and Wilson	Relating to creating a provisional license for practicing barbering and cosmetology	01/11/19 - To Government Organization
<a href="#">HB 2316</a>	Del. Westfall and Higginbotham	Relating to municipal home rule	01/11/19 - To Political Subdivisions
<a href="#">HB 2330</a>	Del. Howell and Shott	Allowing honorably discharged veterans who possess certain military ratings to qualify to take an examination for licensing as a plumber, electrician, and sprinkler fitter	01/11/19 - To Veterans' Affairs and Homeland Security
<a href="#">HB 2353</a>	Del. Howell, Hanna, Hott, Steele, Linville, Pack, Phillips, Cadle, Worrell, Hill and Wilson	Allowing purchase of hardware items and equipment for state-wide road system from a local seller rather than the holder of a state contract	01/14/19 - To Government Organization then the Judiciary
<a href="#">HB 2357</a>	Del. Howell, Hanna, Hott, Steele, Linville, Pack, Phillips, Cadle, Worrell, Hill and Wilson	Right to Repair Act	01/14/19 - To Technology and Infrastructure then the Judiciary
<a href="#">HB 2359</a>	Del. Howell, Hanna, Hott, Steele, Linville, Pack, Phillips, Cadle, Worrell, Hill and Wilson	Relating to exemptions to the commercial driver's license requirements	01/14/19 - To Technology and Infrastructure then Government Organization
<a href="#">HB 2363</a>	Del. Staggers, Angelucci, Kessinger, Fast, Skaff and Robinson	Relating to the Upper Kanawha Valley Resiliency and Revitalization Program	01/14/19 - To Government Organization then Education
<a href="#">HB 2367</a>	Del. Miley and Caputo	Creating a state program allowing high school students advance to getting a college degree or technical training while in high school (FN)	01/14/19 - To Education then Finance
<a href="#">HB 2387</a>	Del. Boggs, Caputo and Miley	Requiring the Commissioner of Highways to verify legal employment status of contractors and vendor's employees for certain road and bridge contracts	01/14/19 - To Technology and Infrastructure then the Judiciary

<b>SENATE BILLS</b>			
<b>Bill #</b>	<b>Sponsors</b>	<b>Proposal</b>	<b>Introduced/Committee</b>
<a href="#">SB 1</a>	Sen. Carmichael (Mr. President)	Increasing access to career education and workforce training	01/09/19 - To Education
<a href="#">SB 2</a>	Sen. Trump	WV Appellate Reorganization Act of 2019	01/09/19 - To Judiciary

<a href="#">SB 3</a>	Sen. Boso	Establishing WV Small Wireless Facilities Deployment Act	<i>01/09/19 - To Government Organization</i>
<a href="#">SB 4</a>	Sen. Weld	Relating generally to Municipal Home Rule Program	<i>01/09/19 - To Government Organization</i>
<a href="#">SB 23</a>	Sen. Blair	Creating five-year sunset on all tax credits established in chapter 11 of code	<i>01/09/19 - To Finance</i>
<a href="#">SB 29</a>	Sen. Blair	Creating five-year tax credits for businesses on post-coal mine sites	<i>01/09/19 - To Economic Development</i>
<a href="#">SB 31</a>	Sen. Blair	Relating generally to Local Powers Act	<i>01/09/19 - To Transportation and Infrastructure</i>
<a href="#">SB 36</a>	Sen. Weld	Allowing adjustment of gross income for calculating personal income liability for certain retirees	<i>01/14/19 - On 1st reading</i>
<a href="#">SB 47</a>	Sen. Smith	Providing wind power projects be taxed at real property rate	<i>01/09/19 - To Finance</i>
<a href="#">SB 52</a>	Sen. Smith	Entitling natural resource producers to economic opportunity tax credit	<i>01/09/19 - To Energy, Industry and Mining</i>
<a href="#">SB 53</a>	Sen. Smith	Relating to tax treatment of wind power projects	<i>01/09/19 - To Finance</i>
<a href="#">SB 64</a>	Sen. Swope	Relating generally to crane operator certification	<i>01/09/19 - To Workforce</i>
<a href="#">SB 68</a>	Sen. Swope	Relating generally to crane operator certification	<i>01/09/19 - To Workforce</i>
<a href="#">SB 69</a>	Sen. Swope	Requiring certain documents that include wage records be considered confidential	<i>01/09/19 - To Workforce</i>

<a href="#">SB 73</a>	Sen. Cline	Increasing vehicle weight limits on certain highways	<i>01/09/19 - To Transportation and Infrastructure</i>
<a href="#">SB 77</a>	Sen. Cline	Requiring vehicles with hydraulically operated beds be equipped with warning device when bed is in upward position	<i>01/09/19 - To Transportation and Infrastructure</i>
<a href="#">SB 87</a>	Sen. Beach	Requiring contractors provide county boards of education number of units constructed prior to issuance of permit	<i>01/09/19 - To Government Organization</i>
<a href="#">SB 90</a>	Sen. Rucker	Transferring Safety and Treatment Program from DHHR to DMV	<i>01/09/19 - To Government Organization</i>
<a href="#">SB 107</a>	Sen. Facemire	Encouraging agreements between community and technical colleges and certain apprenticeship programs	<i>01/09/19 - To Workforce</i>
<a href="#">SB 113</a>	Sen. Stollings	Creating five-year tax credits for businesses locating on post-coal mine sites	<i>01/09/19 - To Economic Development</i>
<a href="#">SB 131</a>	Sen. Romano	Modifying procedure for certain public agencies to contract for architectural and engineering services	<i>01/09/19 - To Government Organization</i>
<a href="#">SB 147</a>	Sen. Blair	Shifting funding from Landfill Closure Assistance Fund to local solid waste authorities	<i>01/09/19 - To Finance</i>
<a href="#">SB 148</a>	Sen. Prezioso	Requiring newly constructed dwelling units to meet minimum standards of universal design for disabled persons	<i>01/09/19 - To Government Organization</i>
<a href="#">SB 153</a>	Sen. Jeffries, Stollings, Lindsay, Clements, Smith, Baldwin, Plymale, Ihlenfeld, Hamilton and Boso	Providing greater flexibility for making infrastructure project grants	<i>01/10/19 - To Economic Development</i>
<a href="#">SB 157</a>	Sen. Maynard	Department of Administration rule relating to purchasing	<i>01/10/19 - To Judiciary</i>
<a href="#">SB 166</a>	Sen. Maynard	DEP rule relating to cross-state air pollution rule to control certain emissions	<i>01/10/19 - To Energy, Industry and Mining</i>

<a href="#">SB 177</a>	Sen. Maynard	Fire Commission rule relating to State Building Code	<i>01/14/19 - On 1st reading</i>
<a href="#">SB 223</a>	Sen. Maynard	Division of Labor rule relating to wage payment and collection	<i>01/10/19 - To Judiciary</i>
<a href="#">SB 225</a>	Sen. Maynard	Division of Labor rule relating to regulation of heating, ventilating, and cooling work	<i>01/10/19 - To Judiciary</i>
<a href="#">SB 270</a>	Sen. Carmichael (Mr. President) and Prezioso	Streamlining process for utilities access to DOH rights-of-way	<i>01/11/19 - To Government Organization</i>
<a href="#">SB 271</a>	Sen. Carmichael (Mr. President), Trump, Woelfel, Palumbo, Tarr	Concerning government procurement of commodities and services	<i>01/11/19 - To Government Organization</i>