



Contractors Association of West Virginia **LEGISLATIVE BULLETIN**



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GAS TAX REDUCTION BILL WOULD DROP WVDOH REVENUES BY 45 PERCENT

There are only three weeks left in this year's 60-day legislative session and lawmakers are working early morning and late evenings to get bills out of committee and to the floor for debate. Today is the last day to introduce bills in the Senate and Tuesday for the House, although bills can be originated in committees. Today's Legislative Bulletin contains all the bills introduced through press time. There may be more bills introduced later today. Sunday, March 1, is the last day to get bills out of committee so they can be read three separate days. Wednesday, March 4, is the last day for a bill to pass in its house of origin. Saturday, March 14, is the last day of this year's session.

A number of bills affecting CAWV members and the industry were discussed last week, many dealing with infrastructure funding. [H.B. 2832](#), introduced February 20, reduces the retail gas tax from 20.5 cents per gallon to 20 cents per gallon and eliminates the variable tax on the wholesale price of gas, currently at 14.1 cents per gallon. The effect would be to cut motor fuel revenues to the State Road Fund by about 50 percent. Last year, motor fuel taxes generated \$440 million. At 20 cents per gallon, with each penny of retail gas tax generating about \$12 million, revenue would be about \$240 million, or a 45% drop. It is interesting to note the bill was not referred first to Roads and Transportation Committee. It has a single reference to Finance Committee. Also interesting is that the chairman of Roads and Transportation, Marty Gearheart, R-Mercer, is a sponsor of the bill, along with Dels. Joe Ellington, Eric Householder, Larry Faircloth, Erikka Storch, Ruth Rowan, Mike Folk, Anna Border, Gary Howell, Roy Cooper and John Shott.

The House Finance Committee passed a bill Friday to make a one-time \$6 million transfer from the Racetrack Modernization Fund to the State Road Fund. The Governor's bill to divert \$11.5 million from the State Road Fund to help balance the general fund budget deficit was on Second Reading in the Senate before it was sidelined to the Rules Committee.

Other bills dealing with highways include [H.B. 2778](#) which creates the "State Transportation Infrastructure Fund Program." The WVDOH could deposit special federal dollars, other WVDOH or general revenue funds, or other seed funding. The infrastructure fund could provide low interest loans or grants when matched by for counties or local municipalities for their transportation projects. House Finance Committee members asked about what projects would be eligible for funding. WVDOH officials noted rules would have to be developed if the bill passes. H.B. 2778 was reported to the floor with a recommendation it do pass. Del. Marty Gearheart took exception with the fiscal report attached to the bill which contained a reference to the amount of money needed for highways. "The fiscal report cites the finding of the Governor's Blue Ribbon Commission on Highways, a report that has never been released," the Mercer County Republican

stated.

[H.B. 2008](#), a bill to conduct an audit of the WVDOH, has passed both houses and is waiting the Governor's signature. New legislative leaders have said they wish to see what efficiencies and waste within the division can be identified in order to find additional dollars for construction and maintenance. A concern voiced by the CAWV was that the audit could be used as a reason to delay action on finding highway funding this session. An article in the Sunday, February 22, *Charleston Gazette-Mail* quotes House Speaker Tim Armstead, R-Kanawha, as saying, "We don't want to start directing more funding into particular areas of the highway fund until we know exactly where we can be more efficient with the money that we have."

PREVAILING WAGE DEBATE NOW IN HOUSE

Prevailing wage reform took center stage in the House Thursday in the House Chamber with a public hearing on [S.B. 361](#) before the House Government Organization Committee. A number of contractors, including many CAWV members, and labor groups spoke in favor and opposition of repealing the state's prevailing wage law. The committee is expected to take up the bill this week. (See media accounts attached with this week's Legislative Bulletin.) Other labor related bills are being debated, including bills to prohibit government agencies from requiring a Project Labor Agreement (PLAs) as a condition of bidding work. [S.B. 409](#) is being worked by a subcommittee of the Senate Labor Committee and [H.B. 2377](#) today passed out of the House Government Organization Committee by a vote of 16-7, mostly along party lines. If the House Finance Committee waives the second reference, the bill will go straight to the House floor for consideration. On Thursday, Senate President Bill Cole indicated it appears the House will not have enough time to take up Right to Work legislation this year.

The Senate Finance Committee passed out [H.B. 2213](#), the governor's bill to divert \$10 million from the WV Infrastructure and Jobs Development's budget to help with the state's budget problems. The bill only provides \$30 million in excess lottery proceeds to the council for water and sewer projects. Last year, the governor cut the council's budget 50 percent to help with the deficit. It was noted that the \$10 million reduction, by not being able to match federal or local share funds, could affect \$30 million to \$40 million worth of water and sewer projects. This information will be communicated to Senate members. The bill was removed from the calendar and placed in Rules Committee.

MECHANICS LIEN LAW REWRITE PASSES HOUSE JUDICIARY

[H.B. 2820](#) was introduced and passed out of the House Judiciary on the same day. The bill attempts to correct language in last year's mechanic lien bill that created concern for subcontractors and suppliers. Implementation of last year's bill was moved to June 1, 2015 in order to give supporters of the bill time this session to make corrective action. The bill is a compromise worked on between the Homebuilders Association of West Virginia and the Builders Supply Association. The bill is on First Reading on today's House Calendar.

QUARRY SAFETY RULES PASSES SENATE, GOES TO HOUSE

[S.B. 170](#), which is the rules bill for safety for surface and underground quarries passed the Senate last week and now, goes to the House Judiciary Committee for review and approval. The rules, a product of the WV Crushed Aggregates Council and the Office of Miners' Health, Safety and Training, have gotten

legislative support this session due to the industry and agency working together for their passage.

HOUSE COMMITTEE NULIFIES HVAC WORKER LICENSING

The House Industry and Labor Committee Friday reported out [H.B. 2752](#) and sent it to Judiciary Committee. The bill deregulates persons who perform work on heating, ventilating and cooling systems and fire dampers. A bill was passed to require workers to be licensed, much like the regulations required for plumbers. The bill reflects legislators concern with the WV Division of Labor's mission and functions. The House and Senate have already passed [H.B. 2217](#) which changes the qualifications of the Commissioner of the DoL to read "He or she shall be a competent person who has knowledge and experience in employee issues and interests including employee-employer relations in this state" instead of having the commissioner's qualifications tied directly to labor and/or organized labor interests. H.B. 2752 has been referred to the Committee on the Judiciary.

PUNITIVE DAMAGES BILL PASSES SENATE

On Wednesday, the State Senate defeated a bill, [S.B. 421](#), that caps punitive damages in civil lawsuits on a 18-16 vote. On Thursday, a compromise bill was reconsidered and adopted 26-8. The initial bill capped punitive damages at three times compensatory damages, or \$500,000, whichever is the greater. The approved bill capped damages at four times compensatory damages, or \$500,000, whichever is greater. Then bill now goes to the House.

[Most speakers at W.Va. House hearing oppose prevailing wage revamp](#)
(Charleston Gazette 2/19)

[Manchin testimony highlights prevailing wage public hearing](#)
(Metro News 2/19)

[House packed for hearing on prevailing wage bill](#)
(WV Press 2/20)

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@cawv.org.

House Bills

<i>Bill #</i>	<i>Proposal</i>	<i>Sponsors</i>	<i>Committees</i>
HB 2794	Making changes to the definition of contractor for purposes of the West Virginia Contractor Licensing Act	Dels. Eldridge and Hicks	2/17/15 - Industry and Labor then Government Organization
HB 2802	Relating to public sewage services	Dels. Folk, Howell, McGeehan, Faircloth, Rowe and Reynolds	2/18/15 - Judiciary
HB 2820	Relating to affirmative defenses against mechanics' liens	Dels. Shott, Manchin and Foster	2/19/15 - Judiciary

HB 2826	Requiring the Commissioner of the Division of Highways to approve points of access to and from state highways to real property used or to be used for commercial, industrial or mercantile purposes; "Sarah Nott's Law"	Dels. Butler, Trecoast, Nelson, J., Eldridge, Longstreth, Boggs, Summers, Wagner, Smith, R., Perdue and Zatezalo	2/19/15 - Judiciary
HB 2832	Reducing the motor fuel excise tax	Dels . Ellington, Storch, Householder, Faircloth, Gearheart, Rowan, Folk, Border, Howell, Cooper and Shott	2/20/15 - Finance

Senate Bills

<i>Bill #</i>	<i>Proposal</i>	<i>Sponsors</i>	<i>Committees</i>
SB 511	Relating to contractor or subcontractor's obligations regarding minimum prevailing wage rates on public improvement projects	Sens. Boso and Stollings	2/18/15 – Judiciary
SB 518	Permitting county and municipal economic development authorities invest certain funds	Sens. Blair, Carmichael, Snyder and Trump	2/19/15 - Government Organization then Finance
SB 543	Redistributing certain lottery revenues to Excess Lottery Revenue Fund	Sens. Carmichael, Blair and D. Hall	2/20/15 - Judiciary
SB 565	Relating to tax collections from certain political subdivision vendors	Sens. Walters, D. Hall, Miller and Sypolt	2/23/15 - Finance
SB 572	Eliminating distribution of Tourism Promotion Funds for courtesy patrol program	Sen. Walters	2/23/15 - Finance



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