The House and Senate worked late Friday to get bills passed out of committee and onto the floor for debate and action. Bills that did not get out of committee by the 47th day, February 23, would not have the required three full days for readings for passage. A bill could still be sent to the floor today, but legislators would have to vote by a four-fifths margin to suspend the rule requiring three full days for reading. Wednesday, February 26, is the crossover day, meaning bills have to pass their house of origin in order for them to be considered for passage this legislative session. There are a number of bills being tracked by the CAWV in the final two weeks of this session of the West Virginia Legislature.

Ahead of the crossover deadline on Wednesday, the pace of processing legislation ramped up significantly this past week in the House of Delegates, with lawmakers advancing bills to promote economic growth, get more young people in the workforce, and expand broadband access for more West Virginians. The House on Friday spent several hours refining and eventually passing overwhelmingly a key economic development proposal introduced this session.

Delegates voted 94-4 to pass House Bill 4001, which creates the West Virginia Impact Fund, a fund designed to help attract outside capital to West Virginia that can be used to open new large-scale business projects and create jobs. “I truly believe this bill will use free-market, capitalist principles to revolutionize how we advance economic development in our state,” said House Speaker Roger Hanshaw, R-Clay, lead sponsor of the bill, in an interview. “We’ve all talked for years about the need to diversify our state’s economy to promote long-term growth, and I believe this bill will help accomplish that.”

In addition to the fund, the bill creates the Mountaineer Impact Office, which would identify potential business projects that could benefit from the fund’s investment of non-taxpayer dollars. The Impact Fund could then invest in these projects, creating new jobs for West Virginians while also producing an investment return for fund investors.

“Unlike efforts of the past, this bill is not about picking economic winners and losers or using taxpayer dollars and special tax incentives to lure potential new business,” Speaker Hanshaw said. “Instead, this bill leverages the power of the capital that’s already out there waiting for investment – and there are literally trillions of dollars around the world...
looking for potential investment – and creates a vehicle for our state to capture it and put it to work creating jobs in West Virginia.” House Bill 4001 now goes to the state Senate for further consideration.

**SJR 9 ON THIRD READING TODAY**

Senators on the Finance Committee got their first look at two pieces of legislation last week. One would allow the constitutional flexibility to cut the property taxes, and the other would partially make up for that by increasing sales taxes by a half-penny and boosting taxes on tobacco products. Supporters are aiming to boost manufacturing investment in West Virginia by cutting inventory and machinery taxes for companies. Inventory taxes on retailers would also be cut under the proposal.

The Senate Finance Committee adopted a committee substitute for Senate Joint Resolution 9, which is on Third Reading today in the Senate. If approved by a two-thirds vote of both the state Senate and House of Delegates and a vote by the public in a special election, SJR 9 would remove language from the state constitution requiring uniformity in taxation.

Perhaps as a sweetener for average citizens and to get Democratic leaders on board, the proposal would cut personal property taxes on vehicles. Cutting those taxes would require a constitutional amendment. Then the plan calls for a six-year phase-out. The tax cut proposal has been under discussion for months, with others asking how the money would be made up to county governments and school systems that depend on property taxes. Democrat senators Friday offered an amendment to the resolution to narrow the scope to just vehicle property taxes. The amendment failed on a 15-17 vote. If all Democrat senators vote against SJR 9 today, it will not have enough votes to pass.

To pay for the $300 million hole these tax reductions would put in the general revenue budget, a Senate bill would raise the sales tax from 6 percent to 6.5 percent, the tax on a pack of cigarettes would rise by .80 cents from $1.20 per pack to $2 per pack (not counting the sales tax for purchasing the cigarettes). The wholesale price for other tobacco products would increase from 12 percent to 50 percent. Taxes on e-cigarettes and vaping products would change from 7.5 cents per milliliter to 50 percent of the wholesale value. This bill passed Senate Finance and is waiting introduction on the Senate floor.

The West Virginia Association of Counties came out last week in opposition to SJR 9 citing the reduction of funding going to counties without a guarantee that those funds would be restored.

**CONTRACTORS LICENSING BOARD MOVED TO CHAPTER 30 WITH OTHER BOARDS AND COMMISSIONS**
**S.B. 489** moves the WV Contractors Licensing Board out from under the WV Division of Labor and places it in Chapter 30, a section of state code that contains most every other board or licensing agency, from architects, doctors, lawyer to hairdressers and tattoo parlors. A House bill, H.B. 4181, has been introduced the last few years to accomplish this but it has never gone to the floor of a vote. S.B. 489 is different that the House bill in that it does not create a separate agency to administer the activities of the Contractors Licensing Board. It appears the board could continue to operate as it has utilizing WVDOL staff rather than having to hire a staff and ramp up with vehicles and other costs associated with operating an agency. The bill is on First Reading in the Senate.

**RECLAMATION OF ABANDONED AND DILAPIDATED PROPERTIES PROGRAM BILL ADVANCES**

**S.B. 265** passed the Senate which would establish and implement a program to reclaim abandoned and dilapidated structures in the State to improve communities and to open new parcels for development. Dilapidated and abandoned structures are a blight on state communities and invite criminal activity as well as deter financial investment in state communities. The Reclamation of Abandoned and Dilapidated Properties Program will provide the State and its counties with a new tool to spur investment in our communities. The proposal and bill was developed by Senator Chandler Swope, R-Mercer.

**HOUSE PASSES BROADBAND EXPANSION**

The House on Thursday voted 98-1 to pass **H.B. 4015**, which would update broadband enhancement and expansion policies in the state. The bill streamlines permitting processes and allow the state to contract with private carriers to use state-owned properties and buildings to locate and deploy broadband wireless infrastructure. This is the latest in a series of bills passed since 2017 to inspire broadband expansion in the state. “House Bill 4015 and the reforms passed in recent years are innovative concepts that position West Virginia to take full advantage of the latest wave of high-speed broadband infrastructure investment,” said Delegate Daniel Linville, R-Cabell. “Our efforts will help us capitalize on recent developments – such as the commitment for infrastructure development from the Sprint-T-Mobile merger, and the FCC’s announced $9 billion fund to expand 5G wireless in rural America – to dramatically increase high-speed broadband coverage across West Virginia.”

**S.B. 839 SEEKS TO INCREASE POSTSECONDARY GOALS FOR STUDENTS**

**S.B. 839** stated purpose is to create a state advisory council to study and report to the Legislature on post-secondary credentials and achievements of the state’s postsecondary attainment goal. The real purpose of the bill is to get a better understanding of why only 35
percent of West Virginia’s population has postsecondary credentials and to develop a plan to assist the state in achieving a 60 percent rate for West Virginians between the ages of 25 and 64. The bill requires the Higher Education Policy Commission and the Council for Community and Technical College Education to develop recommendations along with representatives of the university systems, private industry and others. The CAWV’s Workforce Development Task Force has been working with West Virginia’s educational agencies and Department of Commerce on how to get more young people in technical training that would be interested in pursuing a career in construction. The bill originated in the Senate Workforce Committee and is on Second Reading today in the Senate.

State interim Higher Education chancellor and Community and Technical College Chancellor Sarah Tucker told lawmakers last week S.B. 839 was needed to help guide the state toward a trained workforce. “We need to do something to create some momentum around getting folks the credentials and training that they need in order to fulfill our state’s economic needs,” she told the Senate’s Workforce Committee.

**BILLS GIVE PSC MORE POWER OVER PUBLIC WATER SYSTEMS**

As more of West Virginia's public water systems - mostly small, rural ones - fall victim to the consequences of aging infrastructure, two bills, H.B. 4953 and S.B. 739, introduced this session aim to give the Public Service Commission more authority to deal with "failing" water and wastewater utilities. Both bills are on track to pass in their respective chambers before crossover day on Wednesday. If signed into law, they would give the PSC power to order acquisitions of water and wastewater systems that fail to adequately, and safely, serve their customers. "I think that the bills are a good first step to get at a problem, a rather obvious problem," said Amy Swann, executive director of the West Virginia Rural Water Association. "I think, statewide, we're seeing a little bit more in terms of infrastructure failures. And those failures, they have real consequences - economic and otherwise."

HB 4953 was introduced by House Speaker Roger Hanshaw, R-Clay, at the request of the PSC. Swann said members of the RWA provided some of the language in the House bill and also its equivalent Senate bill. The proposed legislation defines a "distressed" water or wastewater utility as one that continuously falls short of meeting regulation standards, fails to safely and consistently serve its customers, or cannot honor its financial obligations, like bond or loan payments. A "distressed" system is considered "failing" if it does not adopt changes to stabilize or improve its situation over a period of time.

Each year, the PSC would be responsible for compiling a list of "distressed" and "failing" water and wastewater utilities, according to the bill. PSC staff would contact the system management and offer
guidance to help it improve its operations and its finances. Currently, the PSC is alerted to struggling systems usually after a number of complaints are filed in a certain time frame. Also, individual problems tend to come to light only if a system files for a rate increase or something similar.

**ADDITIONAL BOND FOR CITY TAX PAYMENT BILL DIES IN COMMITTEE**

**H.B. 4811** died this session when the bill was not taken up by the House Government Organization Committee. The bill would have required vendors bidding on state contracts in excess of $1 million furnish surety bonds for the purpose of paying municipal taxes where the contract work will be performed. The bill is a result of a legislative study that reported municipalities were missing out on business and occupation taxes and other fees when contractors, particularly out-of-state firms, working within city limits finish the project without paying local taxes. The CAWV noted at the time that many agencies require contractors to furnish a release from municipalities showing payment before final payment can be released.

The way H.B. 4811 was written, all bidders would have to submit this additional bond with their bid instead of only the low bidder having to provide a bond prior to award of the contract. The state Purchasing Director would determine the amount of the bond that would be required.

A companion bill, **H.B. 4869**, required a public entity bidding on a public contract to notify all municipalities and counties that the project will be performed within their borders. On first read, this would eliminate the need for H.B. 4811. Currently, the WV Division of Highways and other owners require contractors to provide proof that all permits, licenses and taxes have been paid before release of final payment. If all contracts had this provision, all bidders, including out-of-state firms bidding a project for the first time, would know to take care of their municipal B&O tax obligations. This bill was never placed on the agenda of the House Political Subdivisions Committee.

**S.B 745 ESTABLISHES EXEMPTION WHEN COMPANY LEASES ITS OWN EQUIPMENT**

**S.B. 745** passed out of the Senate Finance Committee Friday. The purpose of this bill is to create an exemption in the state sales and use tax for the rental or leasing of equipment among commonly owned companies. The bill adds an exemption under Chapter 11, Article 15, Section 9 – Consumers Sales and Service Tax -- for the rental of equipment among corporations with a minimum of 50 percent common ownership. The bill will be read on the Senate floor today.

**S.B. 548 DOESN’T ADVANCE THIS SESSION**
There was a bill, S.B. 548, which would allow any firm or individual that was licensed in one state to automatically be licensed in West Virginia without taking tests or meeting state certification requirements. The CAWV opposed allowing out of state contractors, architects and engineers from coming to West Virginia and automatically be licensed unless there was reciprocity for West Virginia companies wishing to operate in other states. The bill was tabled in Senate Government Organization Committee.

**BILLS PASS THEIR HOUSE OF ORIGIN**

The following House and Senate bills of importance to the construction industry have passed their house of origin. They are still active and can be considered in the remaining week of the legislature. There have been 174 House bills passed and 151 Senate bills.

- **HB 4001** Creating West Virginia Impact Fund (FN)
- **HB 4011** Reorganizing various boards and authorities for the licensii and oversight of trades, occupations, and professions
- **HB 4015** Relating to Broadband Enhancement and Expansion
- **HB 4017** Establishing country roads accountability and transparency
- **HB 4042** Requiring agencies exempt from some or all of state purch requirements to adopt procedural rules
- **HB 4113** Relating to motor fuel excise taxes (FN)
- **HB 4130** Relating to competitive bidding for government construction contracts arising out of declared states of emergency (FN)
- **HB 4155** Relating generally to the regulation of plumbers
- **HB 4417** Natural Gas Liquids Economic Development Act (FN)
- **SB 265** Authorizing DEP to develop Reclamation of Abandoned an Dilapidated Properties Program (FN)
- **SB 322** Relating to prequalifications for state contract vendors
- **SB 364** Authorizing Department of Transportation promulgate legis rules
- **SB 517** Creating State Parks and Recreation Endowment Fund
- **SB 551** Relating to Water and Wastewater Investment and Infrastructure Improvement Act (FN)
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<thead>
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<th>Bill</th>
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<tr>
<td>SB 552</td>
<td>Requiring contracts of $25,000 or more be competitively bid</td>
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<tr>
<td>SB 652</td>
<td>Authorizing School Building Authority promulgate legislative rules</td>
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**BILLS ON FIRST, SECOND OR THIRD READING CAN STILL BE CONSIDERED**

The following bills of importance to the construction industry are either on First, Second or Third Reading in the House and Senate. Barring anything unforeseen, these bills will probably pass in their respective house by Wednesday and can be considered in the remaining week of legislature.

**THIRD READING**
- **SB 727** Relating to disbursement of funds for highway road repair
- **SB 734** Clarifying powers and duties of DOH in acquiring property for state road purposes (FN)
- **SJR 9** Amendment Authorizing Legislature to Eliminate or Lower Ad Valorem Tax on Motor Vehicles and Any Other Tangible Personal Property

**SECOND READING**
- **HB 2646** Providing a safe harbor for employers to correct underpayment or nonpayment of wages and benefits due to separated employees
- **HB 4360** Exempting certain persons from heating, ventilating, and cooling system licensing requirements
- **HB 4606** Listing contractor classifications on a contractor license
- **HB 4803** Relating to certification of electrical inspectors
- **HB 4959** Relating to clarifying the ability of the Economic Development Authority Board of Directors to enter into any contracts necessary to carry out its duties
- **HB 4960** Relating to exempting from licensure as an electrician
- **SB 739** Authorizing PSC protect consumers of distressed and failing water and wastewater utilities
- **SB 831** Clarifying Economic Development Authority board enter into contracts necessary to carry out duties
- **SB 839** Creating State Advisory Council on Postsecondary Attainment Goals
| **SB 193** | Setting forth timeframes for continuing purchases of commodities and services over $1 million |
| **SB 355** | Fire Commission rule relating to State Fire Code |
| **SB 356** | Fire Commission rule relating to State Building Code |
| **SB 489** | Moving provisions of licensing contractors to chapter 30 of code (IB) |