



Contractors Association of West Virginia **LEGISLATIVE BULLETIN**



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LEGISLATURE REACHES HALFWAY POINT

The 2017 60-day legislative session reached the half-way point Thursday with House and Senate leaders concentrating on developing their respective budgets. Gov. Jim Justice and legislators traded words last week with both sides noting they have a plan to address the state's \$500 million budget shortfall. The Senate select committee on tax reform met Saturday and is moving forward with a plan to eliminate personal income taxes in favor of an 8 percent sale tax. The committee's new bill calls to implement the 8 percent sales tax starting October 1. Come January 1, 2018, the income tax will be reduced to a flat rate of 2.65 percent, which holds until 2023, at which time it begins a nine-year period of tapering off to zero.

The House of Delegates Friday voted 72- 26 to move the West Virginia Contractors Licensing Board out of the Division of Labor section of State Code to Chapter 30, which houses most all professionals boards and occupational licenses. Board members were concerned that a move would require a new level of bureaucracy would be created if the licensing board would have to hire their own staff to perform licensing inspection and testing.

The bill, as amended, establishes a new category, Journeyman General Building Contractor. It provides for an emerging contractor to perform work up to \$7,500 from having to take a contractors licensing test although a person in this category would still have to have all state and local licenses and be registered with Tax Department and workers' compensation. The board would grant this license based on the applicants showing two years of experience and providing two letters of recommendation from licensed contractors. There was a proposal to raise the limit on the project for licensing from \$2,500 to \$10,000 that did not advance. The board is authorized to grant reciprocity and to provide training to students who desire to obtain a West Virginia contractor license. The bill now goes to the Senate.

Gov. Justice continues to promote his highway funding proposal at the Capitol and around the state. On Monday, his SOS (Save Our State) campaign was at CAWV member Pipe Plus, Inc.'s operation in Nitro. Hundreds of CAWV members, employees and others listened to the governor's funding plan. At the West Virginia Press Association's legislative breakfast Thursday, the governor said about his highway plan, "I have a job to do and, at the end of the day, I will do my job."

West Virginians for Better Transportation (WVBT) continues its promotional campaign on "Fix Our Roads." Attached with this Legislative Bulletin are two ads

which have appeared in Charleston papers. Also included is an ad that will appear in the Tuesday, March 14 *Charleston Gazette-Mail* showing how West Virginia has moved from 12th to 5th worst bridges in the nation. Also see attached a flyer Legislators received last week on West Virginia being named 5th worst in the nation for structurally deficient bridges.

MEMBERS' INVOLVEMENT GOING TO BE NEEDED

Much of the work to date in this year's legislative session has been to get bills drafted in proper form and to get them to their respective committees. In the coming weeks, members will need to contact their legislators on issues important to the construction industry, particularly as it relates to the Governor's highway and infrastructure funding bills. Momentum is gaining to do something to address West Virginia's highway transportation funding problems and the Senate Transportation and Infrastructure Committee will be taking up S.B. 477 in its Tuesday meeting. Look for upcoming CAWV Legislative Alerts and be prepared to take action.

S.B. 565 CREATES SOUTH CHARLESTON ECONOMIC OPPORTUNITY DEVELOPMENT DISTRICT

S.B. 565 is a bill to authorize the City of South Charleston to levy a special district excise tax for the benefit of the South Charleston Park Place Economic Opportunity Development District. This bill allows South Charleston to levy a special excise tax for the development district which comprises approximately 3,100 contiguous acres of land. The project would be a \$150 million investment and would be paid for by the taxes of new businesses brought into the City of South Charleston.

Public projects that would receive funding include the Jefferson Road expansion project, an access road to the Trace Fork Shopping Center and a new school at the West Virginia Regional Technology Park. Another site being discussed for development includes the FMC fly ash pond that has nearly 80 acres of land. South Charleston's Mayor Frank Mullens said the Jefferson Road project is their top priority. The bill is referred to the Finance Committee.

S.B. 551 LIMITS SBA'S DISCRETIONARY FUNDING

The purpose of S.B. 551 is to limit the School Building Authority's discretion to disburse funds on an *ad hoc* basis by requiring that the School Building Authority distribute specific funds to county boards on the basis of a county's net student enrollment. The bill further requires that county boards deposit funds into a savings account and only use said funds to facilitate school maintenance, construction or improvement projects. The bill is referred to Education then Finance.

H.B. 2772 REQUIRES WELDER CERTIFICATION

H.B. 2772 requires welders working in the State of West Virginia to meet certain certification requirements and to conform to national welding standards.

“Welding standards” means the specifications, guidelines, tests, and other methods used to develop a system of quality control to ensure that welding is conducted in such a manner that all welds must meet, at a minimum, D1.1, D1.5, standards established by the American Welding Society (AWS) and the West Virginia Building Codes. The bill would require: (1) Welders performing structural steel welding on a project in the field shall have been tested and certified by an accredited testing facility; (2) Structural steel welding performed on a project in the field shall meet welding standards; and (3) Structural steel welding performed on a project in the field shall be inspected by a certified welding inspector per job specifications. The requirements of this section shall be mandated by general contractors, project managers, contractors, and subcontractors in all projects involving structural steel welding. The bill is referred to the Industry and Labor Committee and then Government Organization.

H.B. 2832 AND H.B. 2897 RAISES BID REQUIREMENT AMOUNTS

H.B. 2832 raises the amount required for competitive bidding of construction contracts by the state and its subdivisions, public service districts, and sanitary boards to \$50,000, up from the current \$25,000 and excepting public service districts from competitive bidding for emergency repairs. This bill goes to Government Organization then Finance. H.B. 2897 raises the amount required for competitive bidding of construction contracts by the state and its subdivisions, public service districts, and sanitary boards to \$50,000; and excepting public service districts from competitive bidding for emergency repairs. This bill is referred to House Industry and Labor then Government Organization.

H.B. 2923 REQUIRES WVDOH TO VERIFY LEGAL EMPLOYMENT STATUS

H.B. 2923 requires that Department of Highways contracts in excess of \$500,000 be entered into with contractors who verify that its employees and those employees of any subcontractors only utilize workers lawfully working in the United States. The bill states: “For contracts in excess of \$500,000 or greater in value, the commissioner shall only contract with any contractor who provides verification that employees and any subcontractor employees are citizens of the United States, authorized workers or legal aliens eligible for employment in the United States. Every contractor shall register with and utilize the federal status verification system to verify the federal employment authorization status and require of all newly hired and current employees and require the same of any subcontractors and his or her employees utilized in the contract. For purposes of this section, a legal alien is an individual who was lawfully present in the United States at the time of employment and for the duration of employment, or was permanently residing in the United States under color of law at the time of employment and for the duration of employment. For purposes of this section, an authorized worker is an individual who was lawfully present in the United States and permitted to work at the time of employment and for the duration of employment, or was permanently residing in the United States under color of law and permitted to work at the time of employment and for the duration of employment.” The bill is referred to House Roads and Transportation then Judiciary.

H.B. 2924 REQUIRES INSTALLATION OF FIBER OPTIC CABLE ON

HIGHWAY PROJECTS

H.B. 2924 would require the Commissioner of Highways to mandate the installation of conduit for fiber optic cable on new state highway projects constructed in the state. The one-sentence bill does not say who will pay for the installation. It could be implied that the WVDOH would have to make fiber optic cable installation part of the contract and, therefore, pay for the installation. The bill is referred to Roads and Transportation then Finance.

SENATE COMMITTEE AMENDS BID ALTERNATES BILL TO SEVEN

The Senate Government Organization Committee Saturday passed out S.B. 413. The bill restricted the number of alternates on a public construction contract to three and requires the alternates to be chosen in order. The bill is an attempt to prevent a public owner from selecting alternates that may favor the selection of a particular bidder. However, the CAWV's Joint Committee with the State Purchasing Division has already developed a policy that requires alternates to be selected in the order they appear in the bid documents. S.B. 413 was amended in committee to limit the number of alternates to seven. The bill goes to the full Senate for consideration.

H.B. 2857 CREATES WEST VIRGINIA SAFER WORKPLACES ACT

The purpose of this bill is to create the West Virginia Safer Workplaces Act. The bill permits employers to test employees and prospective employees for drugs and alcohol. The bill determines a collection of samples, scheduling of tests and testing procedures. The bill sets forth testing policy requirements and disciplinary procedures. H.B. 2857 also: provides for sensitive employees; protection from liability; establishes causes of action; provides for confidentiality; provides for termination of employment; provides for forfeiture of certain benefits; and requires employers to have drug and alcohol testing policies and procedures when implementing drug and alcohol testing. The bill is referred to Industry and Labor then Judiciary.

WEST VIRGINIA LEGISLATURE BILL INFORMATION

House and Senate bills can be accessed from the CAWV's Legislative home page at 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 mclowser@cawv.org.

Bill #	Sponsors	Proposal	Introduced/Committee
HB 2814	Del. Miley [By Request of the Executive]	Increasing the funding for the State Road Fund by increasing Division of Motor Vehicle administrative fees and motor fuel excise taxes	3/7/17 - To Roads and Transportation then Finance
HB 2830	Del. Frich, Ward, Hollen, Butler, Walters, Barrett, Arvon, Householder, C. Miller, Espinosa and Westfall	Relating to agencies exempt from the state purchasing laws and providing for the appointment of the director of purchasing	3/8/17 - To Government Organization then Finance
HB 2832	Del. E. Evans, Paynter, Baldwin, Rowe, Canestraro, Thompson and Robinson	Raising the amount required for competitive bidding of construction contracts by the state and its subdivisions	3/8/17 - To Government Organization then Finance
HB 2837	Del. Howell, Frich, Dean, Harshbarger, Hill, Martin, Hamrick, Criss, Lewis, Rohrbach and Fast	Relating to the collection of municipal sales tax by vendors of goods and services	3/8/17 - To Finance
HB 2843	Del. Fast, Kessinger, Hill, Howell, Ward, Lane, Hamrick and Storch	Permitting Class III and Class IV municipalities to be included in the West Virginia Tax Increment Act (FN)	3/8/17 - To Political Subdivisions then Finance
HB 2857	Del. G. Foster, Westfall, White, Walters, Moore and Summers	West Virginia Safer Workplaces Act	3/8/17 - To Industry and Labor then the Judiciary
HB 2859	Del. Hamrick, Miley, Queen and Iaquina	Relating generally to tax increment financing districts	3/8/17 - To Finance
HB 2890	Del. Lovejoy, Sobonya, C. Romine, Rohrbach, Hornbuckle, Canestraro, Thompson, Hicks, Isner and Baldwin	Establishing a Library Facilities Improvement Fund that will serve to support library facilities construction, maintenance and improvement projects	3/9/17 - To Finance
HB 2896	Del. G. Foster, Lane, Paynter, Butler, Rowe and Criss	Requiring a warning light to be erected on certain roads to warn of a traffic light ahead	3/9/17 - To Roads and Transportation then the Judiciary
HB 2897	Del. Criss and Lane	Raising the amount required for competitive bidding of construction contracts by the state and its subdivisions	3/9/17 - To Industry and Labor then Government Organization
HB 2923	Del. Boggs, Nelson, A. Evans, Miley, Cowles and Caputo	Requiring the Commissioner of Highways to verify legal employment status of contractors and vendor's employees for certain road and bridge contracts	3/10/2017 - To Roads and Transportation then the Judiciary
HB 2924	Del. Walters, Boggs, Miley, Ambler, Nelson, Blair, Hamrick, Queen, Fast, Hill and Moore	Relating to installation of conduit for fiber optic cable on state highway construction projects (FN)	3/10/2017 - To Roads and Transportation then Finance

HB 2933	Del. Moore, Ambler, G. Foster, C. Miller, Arvon, Maynard and Shott	Relating to the consumers sales and service taxes and use taxes (FN)	3/10/2017 - To Finance
HB 2934	Del. Nelson and Householder	Eliminating the tax brackets under the personal income tax and changing the rate of the tax (FN)	3/10/2017 - To Finance
HB 2935	Del. Mr. Speaker (Mr. Armstead), Hanshaw, Ambler, Hill, Boggs and Baldwin	Relating to state flood protection planning	3/10/2017 - To Government Organization
HB 2936	Del. Fast, Howell, Arvon, Martin, Butler, Householder, Walters, C. Miller, Storch, Westfall and Rowan	Requiring competitive bidding for all state purchases of commodities, printing and services (FN)	3/13/17 - To Government Organization then Finance
HB 2941	Del. Gearheart, Storch, Hamrick, Criss, Hanshaw, Westfall, Paynter, Cooper, Moore and Ambler	Requiring the Commissioner of the Division of Highways to utilize the Attorney General for all legal assistance and services (FN)	3/13/2017 - To the Judiciary
HB 2949	Del. Hamilton	Exempting specified Division of Natural Resources' contracts for some replacement, repair or design for repairs to facilities from review and approval requirements	3/13/17 - To Agriculture and Natural Resources then Government Organization
HB 2957	Del. Walters	Relating to labor; employer's bond for wages (FN)	3/13/17 - To the Judiciary then Finance
HB 2958	Del. Walters, Boggs and Phillips	Relating generally to development of infrastructure in the state	3/13/17 - To Government Organization then Finance
HB 2962	Del. Nelson and Boggs	Enlarging the authority of the Tax Commissioner to perform background investigations of employees and contractors	3/13/17 - To Finance
HB 2977	Del. Williams, Barrett, Statler, Lynch, Sponaugle, laquinta and Hamrick	Pothole app and map	3/13/17 - To Roads and Transportation then Government Organization

SENATE BILLS

Bill #	Sponsors	Proposal	Introduced/Committee
SB 542	Sen. Maynard, Cline, Mullins, Plymale, Swope and Takubo	Providing special obligation notes to finance construction to complete Interstates 73 and 74	3/08/17 - Transportation and Infrastructure then Finance

SB 550	Sen. Maynard	Relating to disposition of vacated school buildings or other state-owned buildings	3/08/17 - Government Organization
SB 551	Sen. Maynard	Limiting School Building Authority's discretion to disburse funds	3/08/17 - Education then Finance
SB 565	Sen. Gaunch, Palumbo and Takubo	Authorizing City of South Charleston levy special district excise tax (FN)	3/09/17 - Finance
SB 573	Sen. Maynard	Adjusting tax rate on wind-powered generating units (FN)	3/10/17 - Finance
SB 576	Sen. Trump	Providing exception to waste for certain oil and gas development	3/10/17 - Judiciary
SB 589	Sen. Maynard	Requiring DNR study using nonemployee workforce to perform improvements in state parks and forests	3/13/17 - Natural Resources
SB 590	Sen. Maynard	Requiring DMV create registration plate for full-size special purpose off-road vehicles (FN)	3/13/17 - Transportation and Infrastructure
SB593	Sen. Hall	Relating generally to employer withholding of taxes (FN)	3/13/17 - Finance