



Contractors Association of West Virginia LEGISLATIVE BULLETIN



In This Issue

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April 3, 2017

*Members Need to
Contact House
Finance
Committee
Members on
Highway Bills*

The West Virginia Legislature is entering its final week and lawmakers continue to meet hourly to in order to finalize their business by midnight on Saturday, April 8. There are still a number of bills that are in play that are important to the construction industry, including the state budget which contains funding for a number of infrastructure programs and the Governor's highway funding proposals. Today through Wednesday are critical days because bills have to get out of committee in order for them to be read on three separate days.

*Governor Begins
"Tired of Being
50th" Campaign*

Governor Justice and House and Senate leaders continue to meet on their budget differences. The governor, in a rare event, spoke to the House Republican caucus late last week to see where there is consensus to fill the \$500 million shortfall in next fiscal year's budget. The governor has proposed a series of tax increases coupled with budget cuts. House and Senate leadership continue to look for cuts in current state operations to balance the budget without increasing revenue.

Bill Status

THREE DIFFERENT BUDGET PROPOSALS BUT LITTLE CONSENSUS; HOUSE BILL TAXES FIRST \$40,000 OF CONSTRUCTION SERVICES

The House, Senate and the Governor each has proposed their Fiscal Year 2018 budget, each in a different version and each balancing the \$500 million shortfall in a different manner. The Senate proposal is based on raising consumption taxes and reducing income taxes on the premise that this will provide for future growth in the economy. The House Finance Committee Saturday rolled out its version which is opposite of its Senate counterpart. This bill keeps the income tax as-is and lowers the sales tax. The House bill does tax areas of West Virginia's economy that had not been taxed before. In particular, telecommunications services and personal services become subject to taxation. Construction services would be subject to a sales tax on the first \$40,000 of the construction project. How this would be levied and collected is not known at this time. This July 1, the bill would reduce West Virginia's 6 percent sales tax to 5.5 percent. The following year it would drop to 5 percent and then 4.75 percent by July 1, 2020.

Gov. Justice put out a release Sunday objecting to the House tax proposal. The governor's releases touted his proposed commercial activities (CAT) tax as a less-painful alternative for businesses. The administration says the proposal in the House would raise taxes on businesses by about \$94 million. The .045 percent CAT tax would raise about \$45 million, according to the administration. The state Chamber of Commerce Friday announced it had gotten on board with the commercial activities tax. The House Finance Committee has the bill on today's meeting agenda.

GOVERNOR BEGINS AD CAMPAIGN TO PROMOTE HIGHWAYS, INFRASTRUCTURE PLAN

Gov. Jim Justice is taking his message, “Tired of Being 50th,” to the public and legislators. Three 30-second ads are airing statewide to promote investment in infrastructure through the governor’s highway funding and other transportation initiatives and his “Save Our State” (SOS) plan for economic development and infrastructure development.

“The Plan” ad shows the governor how he will pay for his programs and create thousands of jobs in West Virginia. “Sick of West Virginia Being 50th” features Marshall Coach Bob Pruett and WVU Coach Don Nehlen talking about the need to jumpstart West Virginia’s economy. “We Agree With the Plan,” has CAWV Executive Director Mike Clowser and Operating Engineers representative Chuck Parker stating how the CAWV and labor don’t always agree but agree that West Virginia needs jobs and economic development.

To view the ads, go to the “Tired of Being 50th Action Fund” Facebook page at <https://www.facebook.com/FixTheStateBudget/>, or visit https://m.box.com/shared_item/https%3A%2F%2Fgeorgetownpost.box.com%2Fs%2Fk1823y2ouppe1qws4a6zh00dorvzkabh/view/154007888548.

HIGHWAY BILLS NOT YET ON HOUSE FINANCE COMMITTEE AGENDA

Bills to increase funding for highways, continuing tolls on the West Virginia Turnpike and the \$1.6 billion “Roads to Prosperity Amendment of 2017” have passed the West Virginia Senate and are awaiting action in the House Finance Committee. The bills have to be out of the Finance Committee by Wednesday in order to be read three separate days before the session ends Saturday at midnight.

ACTION ALERT:

Members are asked to start calling members of the House Finance Committee to seek their support on the following highway funding bills. The bills are as follows:

S.B. 477 – The \$130 million annually in new revenue for the WV Division of Highways by increasing DMV fees, gas tax, wholesale gas tax formula and a fee on alternative fuel vehicles.

S.B. 482 – Continues and increases tolls on the WV Turnpike from \$2 to \$4 per toll and using the increase to issue approximately \$600 to \$700 million in bonds for construction projects.

HOUSE FINANCE COMMITTEE MEMBERS

See below a complete list of the House Finance Committee members. Click the name of the delegate to obtain their contact information.

[Delegate Nelson](#) - Chair
[Delegate Householder](#) - Vice-Chair
[Delegate Boggs](#) - Minority Chair
[Delegate Bates](#) - Minority Vice-Chair
[Delegate Ambler](#)
[Delegate Anderson](#)
[Delegate Barrett](#)
[Delegate Butler](#)
[Delegate Cowles](#)
[Delegate Ellington](#)
[Delegate Espinosa](#)
[Delegate Evans, A.](#)
[Delegate Frich](#)
[Delegate Gearheart](#)
[Delegate Hamilton](#)
[Delegate Hartman](#)
[Delegate Longstreth](#)
[Delegate Miller, C.](#)
[Delegate Moye](#)
[Delegate Pethtel](#)
[Delegate Rowe](#)
[Delegate Sponaugle](#)
[Delegate Storch](#)
[Delegate Walters](#)
[Delegate Westfall](#)

STATUS OF SENATE BILLS PASSED

S.B. 222 – Relating to disqualification for unemployment compensation. Completed legislative action.

S.B. 224 – Repealing requirement for employer’s bond for wages and benefits. House amended and passed bill. Continues need for a new company to supply a wage bond but only for a one year, not five.

S.B. 238 – Increasing the tax credits allowed for rehabilitation of certified historic structures from 10 percent to 25 percent. To House Finance.

S.B. 412 – Relating to the WV Jobs Act by eliminating any wage payment requirements when submitting information required under the Jobs Act. On Second Reading House Calendar Tuesday.

S.B. 413 – Relating to bids on government construction contracts by limiting the number of alternates in the bidding documents to seven and requiring the alternatives to be taken in order. If they are not taken in order, the alternates selected cannot change the qualified low bidder who would have been low if the alternates were taken in order. To Government Organization.

S.B. 414 – Creates Division of Multimodal Transportation Division by combining the current divisions of Public Transit, Rail Authority, Port Authority and Aeronautics Division into one division under the WV Department of Transportation. To House Roads and Transportation then Finance.

S.B. 477 – The \$130 million annually in new revenue for the WV Division of Highways by increasing DMV fees, gas tax, wholesale gas tax formula and a fee on alternative fuel vehicles. In House Finance Committee

S.B. 631 – Prosecuting violations of municipal building code. On First Reading House Calendar.

S.B. 689 – Relating to expediting payment of small claims by WVDOH. To House Judiciary.

SJR 4 – County Economic Development Amendment that will go on the November 2018 general election ballot to authorize the Legislature to, by general law, allocate a portion of ad valorem property taxes paid by owners of certain new manufacturing facilities and large capital additions to existing manufacturing facilities located in counties in which county commissions elect to fund infrastructure capital improvements using property taxes, including schools, water and sewer system and local roads. To House Finance then Judiciary.

SJR 6 – Roads to Prosperity Amendment of 2017 that will go on the ballot to authorize the Legislature to issue up to \$1.6 billion in highway bonds over a four-year period. On House Finance agenda April 3 then Judiciary.

STATUS OF HOUSE BILLS PASSED

H.B. 2554 – Places the West Virginia Contractors Licensing Act under state code with other professional licensing boards instead of being aligned with the WV Division of Labor. To Senate Government Organization.

H.B. 2555 – Relating to tax credits for apprenticeship training in construction trades. On Second Reading Senate Calendar.

H.B. 2720 – Allowing the School Building Authority to transfer funds allocated into the School Construction Fund. To Education Committee then Finance.

H.B. 2721 – This bill continues the Public-Private Partnership (P3) Act for WVDOH projects and makes it permanent. Passed Senate. Asked House to concur.

H.B. 2722 – Eliminates the \$50 million per year and \$150 million over three years limit on the WVDOH's use of design-build. Passed Senate. Asked House to concur.

H.B. 2734 – Creates a method to authorize the method for the collection and remittance of property taxes related to dealers' heavy equipment inventory. On Second Reading Senate Calendar.

H.B. 2878 – Increases the amount of authorized Federal Grant Anticipation Notes (GARVEE) for WVDOH from \$200 million to \$500 million. Completed Legislative Action.

H.B. 2897 – Raising the amount required for competitive bidding for emergency projects for public water and sewer repairs from \$10,000 to \$25,000. To Government Organization.

H.B. 2949 – Exempting WV Division of Natural Resources for repairs for their facilities from state Purchasing Division. On Second Reading Senate Calendar.

BILLS THAT WILL NOT ADVANCE THIS YEAR

S.B. 190 – Eliminated the 5% bidders' preference for West Virginia material and equipment suppliers. Passed Senate but defeated in House Government Organization Committee

S.B. 357 – Created a cents per tons sold severance tax on limestone and sandstone. Bill died on Third Reading in Senate March 29 when some producers objected to bill

S.B. 638 – The purpose of this bill is to provide an exemption from taking the business and law portion of the examination for a license under the West Virginia Contractor Licensing Act when an applicant presents evidence of retaining a certified public accountant or public accountant to file business and tax filings required by the state and federal government.

S.B. 641 – The purpose of this bill is to require welders working in the State of West Virginia to meet certain certification requirements and to conform to national welding standards.

S.B. 642 – The purpose of this bill is to provide a structured minimum wage for Veterans and others working on public improvement projects in the State of West Virginia.

S.B. 643 – The purpose of this bill is to ensure West Virginia residents and United States citizens are given preference in public improvement construction jobs.

S.B. 644 – The purpose of this bill is to reestablish prevailing wages for certain state government construction contracts.

S.B. 645 – The purpose of the bill relates to the employer’s right to require employee training.

S.B. 648 – The purpose of this bill is to help protect West Virginia jobs on public construction projects.

H.B. 3054 – The purpose of this bill is to give a five percent bid preference on certain state contracts to businesses owned at least 51% by honorably discharged resident veterans.

Media links:

[You can't get there from here: Infrastructure has major role in West Virginia's struggling economy](#)

[Governor Justice Tells Contractors They Play A Key Role In Building A Brighter Future For West Virginia](#)