



Contractors Association of West Virginia LEGISLATIVE BULLETIN



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LB 2016-05

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SENATORS SAY TIME TO "FIX OUR ROADS"

The West Virginia Legislature has reached the half-way point in its 60-day session. Bills that have consumed a lot of time and debate include the right-to-work bill, prevailing wage repeal, the religious freedom bill and budget hearings. The House Finance Committee is wrapping up its budget presentations as members heard from the School Building Authority Wednesday. Highway funding – or lack thereof – garnered a lot of attention in committee meetings and on the Senate floor last week.

The Senate Transportation and Infrastructure Committee advanced [S.B. 397](#) which continues the tolls on the West Virginia Turnpike. The tolls, which are scheduled to end when all bondholders are paid off in 2019, generate about \$88 million annually. Greg Barr, West Virginia Parkways Authority director, told Finance Committee members that out-of-state drivers account for nearly 75 percent of the revenues and that once bonds are repaid, the Turnpike will require about \$60 million annually to maintain the 88-mile road. The bill now goes to the Finance Committee. A competing bill in the House, [H.B. 4222](#) sponsored by House Roads and Transportation Committee Chairman Marty Gearheart, would guarantee that tolls come off by transferring the turnpike to the West Virginia Division of Highways. Sen. Charles Trump, R-Morgan, introduced Senate Joint Resolution 6 which would put on the November ballot a constitutional amendment to sell \$2 billion worth of bonds for highway projects. The Senate Judiciary Committee Thursday brought up the resolution and vowed to continue discussion. Sen. Bob Plymale, D-Wayne, spoke on the Senate floor Tuesday stating, "Our roads are so horrible out there right now, we better come up with a comprehensive plan that looks at everything." He noted other states have taken the lead on funding their highways, including Ohio, which adopted Access Ohio, a \$3 billion program to complete 41 major road projects, funded through a small increase in tolls on the Ohio Turnpike.

SEN. GAUNCH INTRODUCES S.B. 610 TO GENERATE MILLIONS FOR HIGHWAY PROGRAM

Sen. Ed Gaunch, R-Kanawha, introduced [S.B. 610](#) which will generate over \$250 million for the highway maintenance and construction. The bill has about 15 bipartisan cosponsors and is single referenced to the Senate Finance Committee. Sen. Gaunch says it is time to fix West Virginia's roads and bridges. "It's also a jobs bill," Sen. Gaunch said on today's Talkline with Hoppy Kercheval. "Thousands of jobs would be created by investing in highways," he said, noting this would be much more than a plant or company locating in the state.

The bill has a number of funding components totaling about \$285 million in new revenues annually. The biggest portion would be \$100 million if the state's

consumer sales tax would increase from 6 percent to 6.5 percent with the .05 percent dedicated to the State Road Fund. The bill also transfers from the state's general fund to the SRF the sales tax currently generated on the sale of car parts, tires, and repairs. This would generate about \$56 million. The bill increases DMV fees, many of which haven't been raised since the 1970s. This would generate about \$66 million and only cost motorists about 8 cents a day more. "This bill would cost West Virginians pennies a day and save them hundreds on car repairs," Sen. Gaunch told Kercheval.

The bill modifies the sales tax on vehicles by reducing from 5 percent to 4 percent and applying the tax on the sale of the new vehicle. S.B. 610 also places an annual fee on alternative fuel vehicles since they travel the highways but do not help with maintenance costs. A major component of the bill raises the diesel fuel tax 5 cents per gallon. The West Virginia Trucking Association supports this measure because they see poor roads as a safety issue. The five cents would generate about \$25 million annually.

The senator said he does not agree with pundits who say the bill will not pass the Senate, much less the WV House of Delegates. "I think people realize that roads are not free and we must pay to keep them in good shape."

CAWV members will receive a Legislative Alert when the bill is placed on the Finance Committee agenda. Members will be asked to come to the meeting and to contact their Senators urging their support of S.B. 610. To hear Sen. Gaunch on Talkline, click [here](#).

West Virginians for Better Transportation is continuing with its "Fix Our Roads" campaign to show that West Virginia needs to invest in its roads and bridges for job creation and safety reasons. The campaign includes a new website, billboard, newspaper, radio and TV advertising, including a 30-second spot that resembles a video game with a car which loses points every time it hits a pothole - depicting the higher costs of vehicle maintenance from driving on bad roads. Members can visit www.fixourroadswv.com to view the commercial directly on the homepage.

BILL CREATES STAND ALONE CONTRACTORS LICENSING BOARD

[H.B. 4476](#) was introduced Wednesday which takes the Contractors Licensing Board out of the WV Division of Labor and places it under state code with other professional licensing boards. This would require an infrastructure to be put in place to handle the administration of the licensing board. Another contractors licensing bill would increase the threshold for needing a license to \$5,000.

BILL MAKES PERMANENT WVDOH P3 PILOT PROGRAM

[S.B. 557](#) would make the WVDOH's pilot Public Private Partnership (P3) legislation permanent. The pilot bill expires June 2017. The CAWV opposes the bill this year. The reason is that the purpose of the P3 legislation was to determine whether this funding mechanism would benefit highway construction in West Virginia. There are currently three projects that have been awarded as P3 projects -- Coalfields Expressway, Route 35 and Corridor H -- and the latter two have not even begun construction. The goal is to evaluate the positives of this method of procurement during the construction phase this year and come back to the legislature next year with recommendations to better the process and to extend the expiration date. It is premature to address the bill this year and for this reason, the CAWV is

opposing [SB 557](#).

For a complete wrap-up of this week's legislative agenda, please see the Monday, February 22, CAWV Legislative Bulletin.

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.

| <i>Bill #</i> | <i>Proposal</i> | HOUSE BILLS <i>Sponsors</i> | <i>Introduced/ Committee</i> |
|-------------------------|---|---|---|
| HB 4451 | Relating to public service districts | Del. Waxman, Kurcaba, Folk, Hamrick, Foster, McCuskey, Summers, Ihle, Trecost, Hanshaw and Kessinger | 2/9/16 - Judiciary |
| HB 4452 | Exempting Class X vehicles from the tax provisions of this section | Del. Sponaugle, Hartman, Campbell, Shaffer and A. Evans | 2/9/16 - Roads and Transportation then Finance |
| HB 4461 | Relating to School Building Authority School Major Improvement Fund eligibility | Del. Arvon, Duke, Espinosa, Howell, Hill, Blackwell and Border | 2/9/16 - Education then Finance |
| HB 4476 | West Virginia Contractor Licensing Act | Del. Foster, Overington, R. Smith, McGeehan, Folk, Waxman, Faircloth, Blair and McCuskey | 2/10/16 - Industry and Labor then Government Organization |
| HB 4496 | Permitting contractors to perform work on a construction project without having a contractor's license under certain circumstances | Del. Eldridge | 2/11/16 - Industry and Labor then the Judiciary |
| HB 4497 | Dedicating consumer sales tax collected on sales of automobile parts to the State Road Fund | Del. Cadle, Hamrick, Cooper, Ambler, Moyer, Foster, D. Evans, Atkinson, Canterbury, Stansbury and Arvon | 2/11/16 - Roads and Transportation then Finance |
| HB 4510 | Requiring a structural engineering inspection of any building prior to purchase by the state | Del. Howell, Hill, Arvon, Stansbury, Cadle, Ihle, Hamrick, Faircloth, R. Smith, Atkinson and Blair | 2/11/16 - Government Organization then Finance |
| HB 4511 | Limiting the authority of the Department of Administration's purchase of real property until it has submitted a report to the Legislature | Del. Howell, Hill, Arvon, Stansbury, Cadle, Ihle, Hamrick, Faircloth, R. Smith, Atkinson and Blair | 2/11/16 - Government Organization then Finance |
| HB 4513 | Requiring a cost-benefit analysis to be performed before the state | Del. Howell, Hill, Arvon, Stansbury, Cadle, Ihle, Hamrick, Faircloth, R. | 2/11/16 - Government Organization then Finance |

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| | purchases certain real estate | Smith, Atkinson and Blair | |
| HB 4516 | Defining what constitutes capitol dome and capitol improvements | Del. Howell, Hill, Arvon, Stansbury, Cadle, Ihle, Hamrick, Faircloth, R. Smith, Atkinson and Blair | 2/11/16 - Judiciary then Finance |
| HB 4532 | Establishing a new class of property on utility right-of-ways and easements for taxation purposes | Del. Skinner | 2/12/16 - Political Subdivisions then Finance |
| HB 4544 | Discontinuing the West Virginia Board of Landscape Architects and transferring its duties and authority to the Board of Registration for Professional Engineers | Del. Howell | 2/16/16 – Government Organization |
| HB 4546 | Requiring all higher education institutions to use statewide contracts issued by the Purchasing Division | Del. Howell, Arvon, Hill, Stansbury, Cadle, Ihle, Blair, Hamrick, Moffatt, Faircloth and R. Smith | 2/16/16 - Education then Finance |
| HB 4552 | Relating to purchasing requirements for the Division of Highways | Del. Statler, Flanigan, Rohrbach and Kurcaba | 2/16/16 -Finance |
| HB 4554 | Allowing an increase of gross weight limitations on certain roads in Greenbrier County | Del. Ambler, Gearheart, Trecost, Hamrick, P. Smith, Ireland, Cooper and D. Evans | 2/16/16 - Roads and Transportation then Government Organization |
| HB 4559 | Requiring the Commissioner of Highways to develop a statewide communications plan known as the Comprehensive Public Involvement Plan | Del. Kurcaba, Statler, Householder, McGeehan, Azinger, Overington, Ellington and Fast | 2/16/16 - Roads and Transportation then Government Organization |
| HB 4560 | Requiring the Commissioner of Highways to develop a formula for allocating road funds among districts | Del. Kurcaba, Gearheart, Cowles, Flanigan, Statler, Upson, Householder, McGeehan, Azinger, Overington and Ellington | 2/16/16 - Roads and Transportation then Finance |
| HB 4561 | Creating a special hiring process for West Virginia Division of Highways employees | Del. Kurcaba, Statler, Upson, Householder, McGeehan, Azinger, Overington, Ellington, Fast, Foster and Gearheart | 2/16/16 - Roads and Transportation then Government Organization |
| HB 4562 | Relating to performance metrics for the West Virginia Division of Highways | Del. Kurcaba, Statler, Upson, Householder, McGeehan, Azinger, Ellington, Fast, Overington, Foster and Gearheart | 2/16/16 - Roads and Transportation then Government Organization |
| HB 4563 | Reauthorizing the Neighborhood Investment Program Act | Del. Storch, Anderson, Boggs, Campbell, Ferro, Frich, Miller, R. Smith, Upson, Wagner and Waxman | 2/16/16 - Government Organization then Finance |
| HB 4567 | Establishing an industrial water extraction fee | Del. Fleischauer, Perdue, Pushkin, Rowe, Morgan, Guthrie, Hornbuckle and Moore | 2/16/16 - Judiciary then Finance |
| HB 4570 | Continuing certain severance taxes that are dedicated to the Workers' Compensation Debt Reduction | Del. Bates, Miley, Fluharty, Morgan, Shaffer, Guthrie, Manchin, Fleischauer, Hornbuckle, Perdue | 2/16/16 - Finance |

Fund towards the State Road Fund and Moore
upon satisfaction of debt

[HB 4573](#) Terminating the West Virginia Board of Accountancy Del. A. Evans, Hamilton, Kelly, Rowan, Zatezalo and Romine 2/16/16 - Government Organization

SENATE BILLS

| <i>Bill #</i> | <i>Proposal</i> | <i>Sponsors</i> | <i>Introduced/Committee</i> |
|------------------------|--|-----------------------|---------------------------------------|
| SB 565 | Allowing well pad and road construction for oil and gas activities | Sen. Boso and Walters | 2/10/16 – Energy, Industry and Mining |
| SB 579 | Eliminating WV Port Authority | Sen. Plymale | 2/11/16 - Finance |
| SCR33 | Requesting WV Infrastructure and Jobs Development Council study and report on consolidation regarding public water and sewer utilities | Sen. Snyder and Boso | 2/11/16 |
| SB 592 | Relating to pipeline safety | Sen. Hall | 2/12/16 – Government Organization |
| SB 610 | Relating to generating and maintaining revenue for maintenance of roads and infrastructure | Sen. Gaunch | 2/16/16 - Finance |



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