Legislature Turns Attention Toward State Budget

by: Drew Ross

As the first session of the 76th Legislature nears the final bell, and the gavels drop on the 2003 Legislative Session, legislators thoughts and energy now shift toward finalizing and passing House Bill 2050, the Budget Bill.

Within days of the beginning of the Regular Session of the Legislature, the Governor submitted to the Legislature a budget for the upcoming fiscal year, 2004. The budget contained a complete plan of proposed expenditures and estimated revenues for the fiscal year and showed the estimated surplus or deficit of revenues at the end of the fiscal year.

The Governor hand delivered to the presiding officer of each house the budget and a bill for all the proposed appropriations of the budget clearly itemized and classified. The President of the Senate and the Speaker of the House promptly introduced the bill in their respective houses, which is yearly known as the “Budget Bill.”

The Legislature is not allowed, by the State Constitution, to amend the Budget Bill so that a deficit is created but is within its power to amend the bill by increasing or decreasing any item contained within it with the exception of any item relating to the Judiciary.

If the Budget Bill has not been finally acted upon by the Legislature three days before the expiration of its regular session, the Governor is allowed to issue a proclamation extending the session for any period as may be necessary for the passage of the bill. During this time, no matter other than the Budget Bill can be considered.

This upcoming fiscal year, FY 2004, the Governor’s budget is projected at $3.034 billion, assuming a number of variables and increases in funding transpire. This projected budget is an increase of $104.3 million in total dollars from the Fiscal Year 2003 largely due to a proposed increase in the cigarette tax, projected increases in Lottery revenue and a projected 1.3 percent revenue growth rate for an increase of $36.5 million.

The proposed budget includes $417.9 million in Lottery proceeds which are used to fund essential day-to-day operations within the state government. Also, a majority of state agencies have been asked to reduce spending to help alleviate and offset a bleak revenue outlook. Agencies are also being asked to absorb increases in the Public Employees Insurance Agency (PEIA), the Consolidated Public Retirement Board (CPRB) and premium increases in the Board of Risk and Insurance Management (BRIM) totaling $14.25 million for FY 2004.

The Legislature is now ready to complete the Budget Bill having focused the early part of session on drafting major pieces of legislation. The Legislature’s budget is expected to differ only slightly from the Governor’s version.

Once the House of Delegates and the Senate pass respective versions of the Budget Bill, the bill will go into a conference committee which will allow the conferees, selected by the Senate President and House Speaker, to address the entire bill. The conferees reconcile any differences between the proposed bills and file a conference report containing the finalized bill to the Clerks of each body. The report is then submitted to the respective floors of each body where the members have the final say on accepting or rejecting the Budget Bill.

This is the only bill the Legislature is required by the State Constitution to pass each year. With states across the nation dealing with a national economic downturn, only six states in the last fiscal year ended the year in the black - West Virginia was fortunately one of them. However, the state could not avoid feeling the crunch this year and developing the budget has been quite an arduous task.

The West Virginia Legislature is scheduled to conclude its Regular 60 Day Session on Saturday, March 8th at midnight. Those who are interested in following the final actions of the Legislature are urged to tune in to their local public broadcasting television stations at 8 PM on that date.
Bills Signed By The Governor

House Bill 2077 removes the requirement that the Joint Committee on Government and Finance be given reports on the Colin Anderson closure and relocation of its patients. The Colin Anderson Center, a state mental health hospital and facility, was closed December 31, 1996, and its patients were either transferred or de-institutionalized. Current State Code directs the Secretary of the Department of Health and Human Resources to submit monthly reports to the Legislature’s Joint Committee on Government and Finance pertaining to the placement and monitoring of all residents transferred from the Colin Anderson Center.

House Bill 2778 continues the West Virginia State Police until July 1, 2004. The West Virginia State Police are responsible for state law enforcement involving both criminal and traffic activity including crime scene investigation, traffic crash investigation, court testimony, report writing, etc. and to provide efficient police service to the citizens of West Virginia.

House Bill 2803 would allow the Board of Barbers and Cosmetologists to continue until July 1, 2008. The Board regulates the barbering and cosmetology professions.

Bills Passed Both Bodies

House Bill 2094 regulates the release of fish, water animals and other aquatic organisms into the waters of West Virginia. This measure makes it unlawful to release any fish, water animal or other aquatic organism into the public waters of this state without first obtaining a permit from the Division of Natural Resources. However, the bill allows the release of trout originating in West Virginia or imported as long as the imported trout meet the disease free certification requirements set forth by state code. Additionally, bass which meet the disease free certification requirements may also be released without a stocking permit.

House Bill 2301 provides, through a maintenance bond, funding for necessary care of animals seized because of allegations of neglect. Under this bill, owners whose animals are seized must post a maintenance bond within five days for the reasonable and necessary care of their animal pending a hearing.

House Bill 2359 allows all of the fees collected for required inspections done by the Office of the State Fire Marshal and for license fees for electricians and electrical inspectors to be kept in a special revenue account, instead of having 10% of the fees transferred to the General Revenue Fund. It also would require that the tax on insurance companies which provide fire insurance be deposited in that account.

House Bill 2500 clarifies that courts may continue orders of protection in relation to domestic violence while certain court proceedings are pending. The bill allows this continuation of an order of protection during the pendency of divorce, separate maintenance or annulment.

House Bill 2556 requires the Insurance Commissioner to issue an annual communication to state and local governmental entities and nonprofit organizations to increase awareness of certain flood insurance issues. The bill ensures state and local governmental entities and nonprofit organizations are aware of the 1988 amendments to the federal Robert T. Stafford Emergency Assistance and Disaster Relief Act. This Act imposes penalties in the form of reductions in Federal Emergency Management Agency (FEMA) disaster relief funds on public entities who fail to purchase adequate flood insurance on all property located in identified flood hazard areas. It also considers the magnitude of risk exposure and potential financial loss that may result from these penalties and makes these entities aware that low-cost, federally subsidized flood insurance may be available through the National Flood Insurance Program (NFIP).

House Bill 2696 removes certain limitations on the Commissioner of Agriculture to increase fees of certain services. Current law states that fees can only increase to double the amount established in 1984. This measure removes this requirement and allows the Commissioner to establish and propose legislative rules pertaining to the increase of fees.

House Bill 2870 specifies the jurisdiction of the Public Service Commission (PSC) over certain described electric generating facilities. The measure requires persons, corporations and other entities that intend to construct and operate electric generating facilities, or that intend to make or construct material modifications to obtain a siting certificate from the PSC, in lieu of a certificate of public convenience and necessity. The bill also allows the PSC, under specified circumstances, to seek the imposition of civil or criminal penalties.

House Bill 2965 allows any state agency

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which utilizes the services of a dog or horse to transfer ownership of the animal to any person, handler or state agency who wishes to adopt it, including placement in a humane society. The bill also notes that the transfer of the animal shall be accompanied by documentation that holds the state harmless from liability.

**House Bill 3019** allows the Legislature to declare certain moral obligations and claims against state agencies and pay of these claims with public monies. The totals, as to type of funds and amounts of awards in the bill, are:
- General Revenue Funds - $6,196,672.92
- Special Revenue Funds - $902,865.01
- Federal Revenue Funds - $4,147.61
- State Road Funds - $700,257.01.

**Senate Bill 205** modifies the criminal intent requirement for animal cruelty crimes and increases the fines. Additionally, it creates a felony offense for intentionally torturing or maliciously killing animals and it mandates persons convicted of animal cruelty be prohibited from possessing, owning or residing with animals for varying periods depending on whether the person is convicted of a misdemeanor or felony.

**Senate Bill 390** removes the requirement that a person’s Social Security Number appear on a commercial driver’s license (CDL). However, the license will still have to include the driver’s name, eye and hair color, weight, gender, date of birth, address, signature and color photo.

**Senate Bill 414** authorizes the Real Estate Commission to enter into license reciprocity agreements with other states. The bill permits the Commission to make additional education requirements for out-of-state licensees who work within West Virginia. A reciprocity agreement will allow West Virginia to recognize the licenses of another jurisdiction with similar licensing requirements and could stipulate that the other jurisdiction recognize the licenses of this state.

**Senate Bill 447** allows the Director of Natural Resources to enter reciprocal agreements with the state of Ohio in regard to hunting and fishing on tributaries of the Ohio River. The bill states that residents of the state of Ohio who carry valid Ohio hunting or fishing licenses may hunt waterfowl or fish from the West Virginia banks, tributaries and embankments of the Ohio River without obtaining West Virginia state licenses to do so provided that the state of Ohio first enters into a reciprocal agreement with the Director of the West Virginia Division of Natural Resources extending a like privilege to West Virginia citizens.

**Senate Bill 461** will update the section of the West Virginia Corporation Net Income Tax Act which brings terms in that Act into conformity with Federal terms for Federal Income Tax purposes.

**Senate Bill 462** will update the West Virginia Personal Income Tax Act by bringing the terms into conformity with their meanings for Federal Income Tax purposes.

**Sunset Bills Passed Both Bodies**

**Senate Bill 166** continues the Oil and Gas Inspectors’ Examining Board until July 1, 2009. The Oil and Gas Inspectors’ Examining Board’s responsibilities include promulgating rules relating to the examination, qualification and certification of candidates; conducting examinations of candidates; preparing and certifying a register of qualified eligible candidates for appointment as oil and gas inspectors; and, hearing and determining discipline proceedings of inspectors and supervising inspectors.

**Senate Bill 282** continues the Division of Motor Vehicles (DMV) until July 1, 2004. The DMV is a division of the West Virginia Department of Transportation and provides driver information and education through its 19 regional offices.

**Senate Bill 283** continues the Public Service Commission (PSC) until July 1, 2008. The PSC supervises and regulates the rates, services, operations and most other activities of all public utilities and many common and contract motor carriers of passengers and property within West Virginia, as well as processes and acts on petitions filed by these regulated entities. The Commission also acts upon complaints against utilities and common carriers.

**Senate Bill 284** continues the Division of Purchasing within the Department of Administration until July 1, 2004. The Division of Purchasing was created for the purpose of establishing centralized offices to provide purchasing, travel, and leasing services to the various state agencies. Also, the Purchasing Division offers many other services to state agencies, political subdivisions, and the vendor community, including, but not limited to: acquisition and contract administration; surplus property program; fleet management; travel management; Capitol parking; purchase order encumbrance; and, inventory management.

**Senate Bill 415** continues the Environmental Quality Board until July 1, 2005. The Environmental Quality Board issues rules that set the water quality standards for West Virginia’s surface and ground waters and has the authority to grant a variance from these water quality standards for remining activities. Also, the Environmental Quality Board listens to appeals regarding the issuance or denial of permits, permit conditions, or enforcement actions rendered by the WV Department of Environmental Protection’s Division of Water Resources and Division of Waste Management.
**Senate Bill 417** continues the Commission for the Deaf and Hard-of-Hearing until July 1, 2005. serves as a communication bridge between hearing persons and those who are deaf or hard of hearing. The Commission works toward an environment in which deaf or hard of hearing West Virginians of all ages have an equal opportunity to participate fully as active, responsible, productive and independent citizens of the state.

**Senate Bill 469** continues the Contractor Licensing Board until July 1, 2006. The Board regulates the minimum qualifications for applicants for examination and license in each of the following specified classes of contractor: Electrical contractor; General building contractor; General engineering contractor; Heating, ventilating and cooling contractor; Multifamily contractor; Piping contractor; Plumbing contractor; Residential contractor; and, Specialty contractor.

**Senate Bill 470** continues the Board of Manufactured Housing Construction and Safety until July 1, 2005. This Board handles the administration and enforcement of the federal standards and is charged with the adoption, administration and enforcement of manufactured home construction and safety standards.

**Senate Bill 471** continues the West Virginia Board of Pharmacy until July 1, 2008. The Board, regulates the employment of licensed interns, appoints inspectors and regulates the practice of pharmacy generally in the state.

The nationwide economic downturn leaves members of the Senate’s Finance Committee some difficult decisions regarding West Virginia’s upcoming fiscal year.