



WRAP-UP

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Legislature Resolves State's Remaining Unfunded Liability

BY KATIE WISE

Legislators have recently made historic and monumental strides at the Capitol. The state's last unfunded liability, other post-employment benefits (OPEB), has been resolved through swift legislative action with the passage of Senate Bill 469. Through the passage of this bill, the \$5 billion debt owed to retired state employees will now be assumed by the state and eventually dissolved through a multi-step process.

“...will provide fiscal flexibility and security in the long run for the state..”

– H.K. White, *House Finance Chair*

The benefit program, which is a benefit that covers health insurance for retirees, has plagued West Virginia with debt for several years now. The original OPEB bill was created years ago when our state was financially unable to give pay raises to teachers and service personnel. As health care costs escalated, the state was unable to provide the financial aide promised to retired personnel. The retirement plan is the last unfunded financial hurdle facing West Virginia.

This piece of legislation sparked particular interest and stirred much debate, not only for the crucial purpose it serves, but also for the timely manner in which it was passed. Just over halfway through the second regular session of the 80th West Virginia Legislature, it is highly unusual for legislation of this magnitude to be passed so early.

Legislators also expect the bill to diminish the OPEB debt in a relatively short amount of time, considering the extensive liability owed.



MARTIN VALENT WEST VIRGINIA LEGISLATURE

The entrance hall and corridors in the ground floor, consisting of walls, piers, arches, pilasters, etc., are lined with Pink Tennessee marble.

“I think the bill is right on track with what we need to do,” said Senate Finance Chairman Roman Prezioso. “I think the success will be determined obviously by the amount of years we pay down this debt. Instead of a 30 or 40-year amortization, we’re looking at about 24 years, possibly even sooner. I believe we will be even more successful than anticipated.”

The bill outlines a multi-step provision and payment schedule that will establish a \$35 million fund drawn from the personal income tax line. Previously, this fund was

used to pay down the workers’ compensation debt, which is projected to be paid off in 2016. The \$35 million dollars going towards the OPEB liability will be available

“Whenever we’re in a situation of crisis or things need to be done, we pull together...”

– Roman Prezioso, *Senate Finance Chair*

once the workers’ compensation program is fully funded. Annually, another \$5 million of Personal Income Tax funds will go into



In The Senate

As of 4:00 p.m., Wednesday, February 1, 2012, the 22nd day of the 80th Legislature's 2nd Regular Session, 607 bills have been introduced in the Senate. Of those, 57 passed this week and have been sent to the House for consideration. The bills passed by the Senate this week include:

Senate Bill 156 would allow the Commissioner of the Division of Corrections to use excess funds to offset operational costs. A special revenue account titled "Additional Operations Account" would be established.

Senate Bill 166 would make disarming or attempt to disarm a correctional officer a felony. Violation of this bill would result in a misdemeanor and, upon conviction, a fine of up to \$500 or jail time.

Senate Bill 186 would make salary payments for teachers equal in all counties throughout

the state. The bill also states should the Department of Education not be able to provide the funds necessary to meet the salary payment, they must request it within its budget.

Senate Bill 215 would correct legislation that requires unused funds to be deposited into the road fund. The bill states that all unobligated funds return to the road fund.

Senate Bill 343 would allow a grace period for fire departments to submit data to the State Fire Marshall. The State Fire Marshall would also be required to give notice to the fire department as to the dates of the grace period.

Senate Bill 404 would permit the issuance of a barristers certificate to teach special curricula in West Virginia's public school system. The recipient of the certificate must have studies law in the state, passed the Standard Bar exam, and demonstrate professionalism and experience.

Senate Bill 409 would substitute community service for jail time for individuals who are under the age of 21 and have been caught purchasing, selling, or consuming alcohol, or have presented a form of false identification to purchase alcohol.

Senate Bill 411 relates to the suppression devices used in electronic cash register sales. Such devices include software programs that falsify transaction data and "phantom-ware" that allows for electronic cash removal for one's own benefit.

Senate Bill 418 would require that members serving on the West Virginia Parole Board must have been a state resident for at least five consecutive years and must have a degree in criminal justice, social work, sociology, psychology or sufficient experience needed to perform duties of the office.

Senate Bill 430 updates Code provisions to conform to the Streamlined Sales Tax Agree-

Completed Legislation

Senate Bill 469 will create a plan to fund the state portion of the health care benefits for state retirees. This will potentially eliminate the remaining \$5 billion unfunded liability. (See Story, pg.1)

House Bill 4291 will authorize the Supreme Court of Appeals to determine which county law libraries are being used and should be continued as an obligation of the state.

ment. Among the bill's many provisions, it would incorporate changes to the Streamlined Sales and Use Tax Agreement and add computer software maintenance contracts as a Streamlined Sales and Use Tax Agreement.

Senate Bill 484 would promote the safety and well-being of children in situations of child abuse and neglect, family court and/or juvenile cases. The bill would also require that attorneys appointed in child abuse cases have at least eight hours of annual training and states that reasonable efforts to preserve a family is not required if a parent is a registered sex offender.

A Sampling of the Bills Introduced in the Senate

Senate Bill 546 would amend the number of students necessary for the Board of Education to hire a school nurse from 1,500 to 750. The number of students would include kindergarten through 7th grades and would be effective for the 2012-2013 school year.

Senate Bill 571 would permit the sale of wine at professional baseball games. The bill also specifies that the term "professional baseball stadium" means a minor or major league facility.

The West Virginia Legislature's Reference and Information Center

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In The House

As of 4:00 p.m., Wednesday February 15, 2012, the 36th day of the 80th Legislatures 2nd Regular Session, 1243 bills have been introduced in the House. Of those, 37 have passed the House and will move on to the Senate for further consideration. Bills passed by the Senate this week include:

House Bill 3177 would permit an owner who sells real property pursuant to a deed of trust to terminate a preexisting tenancy. The bill also establishes the notice requirements.

House Bill 4104 would allow professional licensing boards to exempt licensees who have been continuously licensed for 20 years or more from continuing education requirements.

House Bill 4111 would authorize state boards of examinations and registration to apply for an injunction. The bill makes it clear all the boards in the bill have the authority to apply.

House Bill 4127 would declare August 7 as a special memorial day to be known as Purple Heart Recognition Day

House Bill 4206 would authorize the Commissioner of Highways to promulgate a legislative rule relating to the Construction and Reconstruction of State Roads.

House Bill 4271 would require electronic submission of reports relating to the business and operations of licensed mortgage lenders, brokers and servicers as established through the Nationwide Mortgage Licensing System and to release the Commissioner of Banking from the duty to publish an aggregate analysis of the information contained in said reports annually.

House Bill 4327 would require each birthing facility licensed by the Department of Health and Human Resources to perform a pulse oximetry screening for congenital birth defects on every newborn in its care. The test would have to be done within a minimum of 24 hours of birth.

House Bill 4345 would prohibit the unauthorized sale of railroad scrap metal. The bill specifies only authorized individuals, officers, agents or employees of railroad companies may sell or dispose of the scrap metal and must obtain a bill of sale.

House Bill 4356 would create a misdemeanor offense for child neglect resulting in a substantial risk of bodily injury to the child.

House Bill 4390 would create the Uniform Power of Attorney Act and to repeal the Uniform Durable Power of Attorney Act and a portion of a statute in conflict with the Act.

House Bill 4422 would update the crane operator certification process to meet federal Occupational Safety & Health Administration (OSHA) standards. The bill redefines the term "crane" and expands the type of equipment for which certification is required.

A Sampling of the Bills Introduced in the House

House Bill 4468 would prohibit an insurance company from discriminating

against occupational therapists and physical therapists.

House Bill 4469 would create a drug-testing program for legislators. Lawmakers would be required to submit to drug testing. Any legislator who fails two consecutive drug tests must forfeit all pay and allowances. The bill also ensures confidentiality of records.

House Bill 4483 would require the Attorney General to develop an educational diversion program for minors accused of sexting. The bill would provide criteria for admittance into a program by a prosecuting attorney and creates the opportunity for minors to avoid prosecution upon the completion of the educational diversion program.

House Bill 4484 would increase the number of child protective service workers and reduce the caseloads of child protective service workers.

House Bill 4493 would make March 30 a special memorial day, Vietnam Veterans Recognition Day.

SEE HOUSE, PAGE 4

West Virginia Legislature's Web site

The online **West Virginia Code** has been enhanced to show bills that have become law (under the chapter of the code affected) but have yet to be incorporated in the online version. <http://www.legis.state.wv.us/WVCODE/Code.cfm>

Bill Tracking has been improved to allow users the ability to prioritize bills and add personal notes. Users can also now sort and view their bills by multiple criteria. http://www.legis.state.wv.us/billstatus_personalized/persbills_login.cfm

The legislative blog **Today in the Legislature** is a daily synopsis of legislative floor activities, complete with photos and daily committee meeting schedules. http://www.legis.state.wv.us/daily_sum/today.cfm

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a trust fund to assist employees hired on or after July 1, 2012.

Additionally, the bill requires the Public Employees Insurance Agency (PEIA) Director to report annually to the Legislature as well as administer programs in a way that would reduce system costs.

“West Virginia stands as one of the only states to put into place a plan to deal with our state debt as it relates to Other Post Employment Benefits for retired state workers,” said House Finance Chairman Harry Keith White. “Throughout this legislative process in passing this bill, we were able to bring together the many different stakeholders and craft legislation that, while it will require some belt tightening, will provide fiscal flexibility and security in the long run for the

state of West Virginia and set a course for a brighter future.”

Senate Bill 469 quickly and unanimously passed through the Senate and later passed through the House. The swift passage of this bill is especially commendable due to its failed attempts in previous legislative sessions. Legislators from both bodies and both parties came together to complete legislation on the bill.

“West Virginians are resilient people. Whenever we’re in a situation of crisis or things need to be done, we pull together, regardless of party lines, and find a way to get things done. I’m proud of the way this legislature and our Governor put together a plan to move the state forward,” Prezioso said.

House Bill 4498 would create the “Compassionate Use Act for Medical Cannabis”. It would provide protections for the medical use of cannabis or marijuana and authorize the addition of debilitating medical conditions. The bill would also require the registration of qualifying patients and designated caregivers and requires issuance of registry identification cards.

House Bill 4510 would increase the distance that a beer licensee must be located from a school or church from 300 to 2,000 feet. The bill also states that a limited video lottery retailer licensee, a retail liquor licensee, and a private club licensee could not be located within 2,000 feet of a government building, public playground, day care facility, school or church.