



WRAP-UP

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FOCUS ON SMALL BUSINESSES

House Leadership Creates Standing Committee on Small Business & Entrepreneurship

The Second Regular Session of the 81st Legislature officially convened Wednesday, January 8, when the gavels went down. While there are always changes in both chambers, one of the most noticeable was the leadership of the House.

This is the first regular session the House will be led by **Speaker Tim Miley (D-Harrison)** who was elected into the position in June of last year.

One of the Speaker's main focuses has been small business growth in the state. In November, the Speaker, along with his leadership team, formed the Small Business, Entrepreneurship, and Economic Development work group with the intention it would become a standing committee during the 2014 legislative session.

Work group members will meet with small business owners to discuss what hurdles they face that hinder their successes so that the Legislature can remove those barriers.

Created at the beginning of the 2014 session, the Standing Committee on Small Business and Entrepreneurship marks the first time a committee's purpose is to solely benefit, foster and enhance the success of small businesses throughout the state.

In a press release that provided House Leadership's platform for the 2014 legislative session, Speaker Miley discussed the necessity of this committee. "By creating this stand alone and narrowly tailored committee, more legislators will hopefully be inspired to introduce legislation that enhances the likelihood of success for small businesses and entrepreneurs."

WV FUTURE FUND PLAN SAVES FOR ROAD AHEAD

Senate President Kessler Proposes Legislation Setting Aside A Portion of Natural Gas Severance Taxes

Senate President Jeff Kessler's proposal to create a Future Fund using a portion of the West Virginia's proceeds from the booming natural gas industry continues to gain bipartisan support and will be a priority in the Senate during the 2014 legislative session.

The idea is that each year the state would set aside 25 percent of any severance taxes after \$100 million has been collected from the industry. The fund would then be encumbered for a number years to allow proper long-term growth. The money could eventually be used for everything from increasing teacher and public employee salaries to infrastructure projects. The fund also might enable the state to provide tax relief. Long term, it will serve as an economic stabilizer to allow wealth and prosperity to remain in West Virginia well after the natural gas boom has ended.

During the recent economic recession our leaders made sure that West Virginia stayed on solid financial ground. Our bills were paid on time and we were not forced to borrow money or furlough workers like many other states. Kessler believes that now is the time to use that same fiscal vision in planning for the future.

"If we can create this fund and start putting money in it now, it will send a powerful signal to Wall Street that West Virginia, during these tough economic times, is not only balancing its budget but saving for the future," Kessler said.

Kessler spearheaded a trip of 19 legislators to North Dakota in August, where they studied the specifics of how that state set up a similar fund. Many lawmakers that

have supported the Future Fund bill in the past thought the trip was helpful in showing them a detailed roadmap of how to set up the fund and get the legislation passed. The North Dakota fund experienced some barricades along the way that lawmakers in West Virginia hope to avoid.

North Dakota's Legacy Fund has collected about just north of \$1.25 billion since it was enacted in 2011, exceeding forecasts by roughly 40 percent. However, it was only successful on its third attempt, failing on two tries prior. Years ago North Dakota set up a fund, to pay for future projects through severance taxes. However without proper provisions to prevent it, lawmakers ended up raiding the fund when annual budgets got tight.



THE LEGISLATIVE RECORD – IN THE SENATE

As of 4:00 p.m., Thursday, January 16th, 2014, the 9th day of the 2nd session of the 81st Legislature, 373 bills have been introduced in the Senate. Among those introduced this week were:

Senate Bill 6 would allow for the sale of drug products by the Board of Pharmacy to either be sold over-the-counter or by prescription only, depending on the drug's ability to be used in the manufacturing of methamphetamine. If a drug can be used in the making of methamphetamine it will only be sold by prescription only. If the drug cannot be used in the manufacturing it will continue to be sold over-the-counter.

Senate Bill 10 would allow mothers of a newborn to have dental coverage under Medicaid. The proposal would require the Department of Health and Human Resources and Medicaid to provide the dental coverage for two years after the birth of her child.

Senate Bill 15 would allow the State Bureau of Public Health, county or local public health agencies the ability to bill patients for HIV and sexually transmitted disease testing. The measure would remove the inability by state and local public health agencies to reasonably charge a patient or their health insurance provider for HIV or STD testing. This bill would also clarify procedures for testing persons accused of sexual offense for HIV or STD's.

Senate Bill 18 would redefine and rename obscene matter to contain specific matter that is harmful to minors. The word obscene would be renamed to harmful. This bill would prevent the preparation, distribution or exhibition of obscene matter to minors. This bill would allow revision to reflect the new definition.

Senate Bill 27 would prohibit minors under the age of sixteen to obtain a tattoo without physical and written consent by a parent or legal guardian. This bill would require a parent or legal guardian to be present at the tattoo studio and provide photo I.D. and written consent for minors between sixteen to eighteen years of age. This bill also provides criminal penalties for not consenting.

Senate Bill 54 would improve state of emergency preparedness in a variety of ways. The legislation to be considered would require the Commissioner of Highways to put up signs on the interstate highways and other roadways to direct traffic to emergency shelters. It requires the Office of Emergency Services to work with local radio and television stations to broadcast public service announcements about where the emergency shelters are. The bill would provide tax credits for natural gas, propane, gasoline or diesel fuel to fuel emergency generators. This bill would also provide protection from civil or criminal liability to people who donate food during emergencies.

Senate Bill 67 would authorize the use of extra campaign contributions for repayments of previous loans or debts.

Senate Bill 68 would limit the liability of participant in certain water pollution abatement projects or make beneficial use of mine drainage, mine pool water and other water supplies for projects such as hydraulic fracturing of gas wells and other industrial purposes.

Senate Bill 73 would exempt veterinary medications from sales tax. The purpose of this measure is to exempt sales of veterinary medications from sales tax.

Senate Bill 76 would exempt firearms, a firearm accessory, or ammunition manufactured and retained in West Virginia, from Federal regulation under the Commerce Clause of the Constitution of the United States. This proposal also includes a provision that would require all firearms manufactured in West Virginia have "Made in West Virginia" stamped on a central metallic part.

Senate Bill 91 would require that all employees of the state and its agencies only be able to wear uniforms manufactured in the United States. The effective date of the bill would be July 1, 2014. This means that employee uniforms purchased by the State Board of Education and state institutions of higher education all must be made in the United States.

Senate Bill 213 would apply the residential solar energy tax credit up to \$2,000 to each installation of a solar energy system and extends the tax credit until July 1, 2021.

Senate Bill 288 would clarify that an individual does not qualify for unemployment for weeks in which he or she did not work because of a strike.

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BUSINESS EMERGENCY ACT

Water Crisis Compels House Lawmakers to Provide Assistance to Local Businesses

On January 9, nine counties in West Virginia, including the city of Charleston, were devastated by a chemical leak that contaminated the water supply to approximately 300,000 of the state's population. Many small businesses were forced to shut their doors until the water was treated. While the investigation to the leak is still ongoing, legislation was introduced in the House on January 15 with the intent to help small businesses that were affected by the crisis.

House Bill 4175, or the West Virginia Small Business Emergency Act, was introduced in the House on January 15. If passed, the bill would provide immediate emergency financial assistance to small businesses located in areas of the state where a state of emergency has been issued in order to promote the “continuity” of the local economy.

The bill was referred to the committee on Small Business and Entrepreneurship with a second reference to Finance. The bill was passed with amendment in Small Business and Entrepreneurship and reported to Finance where it too passed the bill out of its committee and reported to the full House for passage.

On January 16, only one day after it being first introduced, House Bill 4175 passed unanimously in the House. It will now go to the Senate for further consideration.



The golden glow of the lantern above the Capitol dome signifies a state of emergency.

MARTIN VALENT, WEST VIRGINIA LEGISLATURE

As of 4:00 p.m., Thursday, January 16th, 2014, the 9th day of the 2nd session of the 81st Legislature, 827 bills have been introduced in the House. Among those introduced this week were:

House Bill 2982 would prohibit the student use of calculators for teaching purposes in grades kindergarten through eight. Calculators would be permitted for use by educators in furtherance of their instructional responsibilities.

House Bill 3102 would raise the West Virginia minimum wage from \$7.25 to \$9 an hour as of July 1, 2014.

House Bill 3143 would require an environmental awareness program in West

Virginia schools to educate students about the benefits of recycling. Students would be taught how recycling and environmental awareness would benefit West Virginia's economy, culture and future. There would also be lessons dedicated to environmental awareness in science classes.

House Bill 4005 would make it a felony for a parent, guardian or custodian to grossly neglect a child, in which the neglect creates a substantial risk of bodily injury. It would make it a misdemeanor for the child neglect to create substantial threat of bodily injury. First time offenders would be required to complete a parenting plan and a parenting education class. Penalties increase on the second

offense, and those who offend three or more times are charged with a felony. A parent, guardian or custodian would not be required to register for abuse or neglect if charged with a misdemeanor.

House Bill 4009 would permit institutes of higher education to perform background checks on students wanting to reside in school dormitories. It would permit students to have background checks performed providing they pay for the checks. Background checks may only be used by the institution to evaluate current students or applicants who reside or apply to reside in on-campus housing. Records would be confidential and the information used would be destroyed after use.

In 2009, North Dakota attempted to establish a constitutional fund that could not be tapped. Voters rejected that amendment because the initial percentage of tax revenues it would have collected was far too high.

Finally, in 2010, voters overwhelmingly approved a second constitutional amendment that collects 30 percent of oil and gas tax revenue for the fund and cannot be spent at all until 2017. Once legislators do begin to tap into the fund, they will primarily be using the interest. Spending any of the principal requires at least a two-thirds vote in both bodies of the Legislature and prevents them from spending more than 15 percent of the principal in any two-year period.

“We can set up the framework statutorily,” Kessler said. “We will need some constitutional controls on how we spend it, so that future Legislatures can’t just grab it and spend it. You have to dedicate it, as mandated by

the voters. It can only be used for things like infrastructure, economic development and educational enhancement. It is to improve the state’s lot in the long term, rather than smaller, local projects here or here.”

An amendment to the West Virginia Constitution would have to be approved by two-thirds of both the House and the Senate and would also need to be approved by state voters.

Many lawmakers have expressed regret that the state did not set up a Future Fund many years ago using a portion of the severance taxes from coal. Had a similar fund been set up a generation ago, the wealth the state could draw from today would likely be astronomical. Kessler views the natural gas boom as a second chance and he wants all of West Virginia to share in it. He has said that while he wants to give a portion of the additional money to the gas produc-

ing counties of origin (similar to how the coal severance tax is dispersed currently), he would also like to give a boost to the counties that are historical energy producers.

“We missed the boat in the past but we have the chance now to give these counties an opportunity to lift themselves up with this new energy resource to help diversify their economies,” Kessler said. “I want to see a portion of it go back to those coal-producing counties that helped the state so much in the past.”

Despite a couple of lean budget years on the horizon, Kessler believes it is always prudent to plan for the future. With proper vision now, the state may spare itself the hardship of cutting budgets in the future.

“It’s going to help all of West Virginia, every single county and every single citizen, Kessler said. It will help our economy to create wealth for the entire state.” ■