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News From Inside The Capitol

Session Summary

March 13, 2023

First Regular Session of the 86th Legislature of the State of West Virginia

The 1st regular legislative session of the 86th Legislature is now complete. The Republicans own super majorities in both houses, but other than the suspension of rules to pass a few bills quicker, there has not been substantial use of this power. A few of the big issues this session that legislators have tackled are a new income tax plan, the Public Employees Insurance Agency (PEIA), Department of Health and Human Resources reorganization (DHHR), a new economic development plan to bring Form Energy to West Virginia, the beginning of a plan to bring electric-producing natural gas facilities to the state, new deliberate intent legislation, and a pay raise to state officials.

The governor signed the negotiated tax cut into law on March 7th. Originally, the House and Senate had two different plans, but the final cut was good combination of both. The House of Delegates passed the Governor's tax plan, which reduced state income tax by 50% over three years starting with a 30% cut the next fiscal year (HB2526). The State Senate opposed this drastic of a cut and offered a plan that cuts income tax by 15%, eliminates the "marriage penalty" in tax code, provides a tax rebate on personal vehicles, gives 50% rebate on equipment and inventory taxes for small businesses, and a homestead real property tax rebate for service-disabled veterans (SB424). The final tax cut is 21.25% on personal income taxes, 100% credit on personal vehicle taxes, 50% percent rebate for the payment of equipment and inventory taxes for small businesses, and a tax credit for disabled veterans on personal income taxes on a homestead. The bill also includes triggers to increase the tax cut if general revenues are higher than the base year of 2019. The triggered cuts would not exceed 10% at a time. The trigger system begins in 2024.

PEIA has been in a rough spot in recent years. The agency that serves over 200,000 of the state's population has seen premiums rise and benefits slashed with the rising cost of health care. Before the session started, WVU Medicine in Wheeling announced it would no longer be accepting PEIA, which has led to a high sense of urgency to find a fix at the legislature. Legislation has passed the House and Senate ensures providers are paid 110% of what Medicare pays, the bill gives more flexibility to the PEIA director to adjust for needed changes, the plan also allows spouses to stay on the plan, but they must buy-in for PEIA coverage (SB268). The bill also returns to an 80/20 split between employer and employee, which will raise premiums by as much as 26%. It passed the Senate 26-6 and the House 69-27 and It will go into effect on July 1st.

The DHHR is the state's largest agency. It runs the Medicaid program, foster care, Bureau for Behavioral Health, Bureau for Medical Services, as well as addressing the opioid epidemic in the state. Many feel that such an array of responsibilities are beyond the capabilities of one agency. The bipartisan legislation reorganizes the DHHR into three separate departments (HB2006 and SB 126): Department of Health Facilities, Department of Human Services, and Department of Health. Each department will have its own leadership and responsibilities. After vetoing a similar bill last year, Governor Justice signed the bill which will go into effect January 1st, 2024.

Last year, a plan to put a new battery manufacturing plant in Weirton, WV was announced. Form Energy is a company on the cutting edge of battery design and production. The project is estimated to require over \$250 million in public investment. Last week the State Senate passed HB2882 to appropriate \$105 million to the Department of Economic Development for the project, however there were still several legislators who spoke against the bill out of fear that the investors in the company do not share the state's value. According to WVU's research the project would have an annual economic impact of \$155 million. The Governor has been in strong support of the project all along. It passed the Senate 21-13 and the House 69-25.

Another economic development bill, Senate bill 188, was introduced and passed quickly to the House. A lot of controversy was created with the bill, specifically among the gas and coal communities. The bill releases legislative findings that report there is a need for natural gas electric generation facilities and gives the Department of Economic Development the ability to begin steps to attract such a facility. Proponents of coal were alarmed that the bill does not include any mention of the fossil fuel. After sitting on the House Calendar for weeks, the bill passed both chambers and currently sits on the governor's desk. HB3482 was created in response to SB188 and provides the Department of Economic Development the same authority to attract another coal fired electric generation facility. The Senate passed the House bill 31-1 on March 10th.

Deliberate intent became a contentious issue late in the session here. House bill 3270, supported by the timber industry here in the state, places a \$500,000 cap (or double the economic damages) on noneconomic damages that victims of a deliberate intent violation could receive. The goal is to reduce insurance costs to the large and more dangerous industries here in the state. The \$500,000 cap was created after extensive negotiations with the unions and industry. It passed the House (53-45) and Senate (24-8) by slim margins and sits now on the governor's desk.

House Bill 3135 raises the governor's salary to \$180,000 and other statewide official's salaries such as the Attorney General to \$115,000. Before the bill was amended the salary increases were directly tied to the salaries of members of Congress. The governor's salary was to be 100% of a congressman and the other officers' salaries 85%, but a floor amendment reduced the amounts and eliminated the connection to Congress. The bill passed the House 73-22 and the Senate 25-7.

Overall, this has been a very good session for businesses in West Virginia.

Issues specific for Big I West Virginia - Insurance Industry:

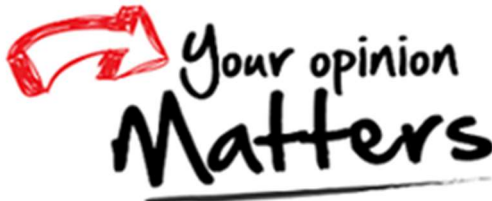
- House Bill 3270 - amended code related to the deliberate intent cause of action. This bill was negotiated with the West Virginia Association of Justice (plaintiff lawyers) and thought to provide significant relief on premiums specifically to the timber industry.
- Senate Bill 267 - modified the code relating to reduced time frames for prior authorizations in health care claims.
- House bill 2540 - created the Travel Insurance Model Act. This bill creates specific law relating to travel insurance to be regulated by the Office of the Insurance Commissioner.

Find Your Legislators

The Legislature's website is an excellent resource to find contact information for your local Legislators and the committees on which they serve. Below are links to the member rosters for both the Senate and House.

If you would like to contact your **Senators** about an issue, their information is [available here](#).

If you would like to contact your **Delegates** about an issue, their information is [available here](#).



If you have any questions during the session or would like to express your opinion on issues, please contact Daniel Hall at daniel@wvaccess.com or you can call the office at 304.342.2440 and leave him a message. You may also contact Traci Nelson at traci@omegawv.com or at 304.342.2440.

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