



### Important Bills Passed During Legislative Session

In this year's 60-day regular session, the West Virginia Legislature considered 2,127 bills – 1,390 originating in the House and 737 in the Senate.

Gov. Bob Wise signed about one-eighth of these bills – 271 – into law. He also vetoed a dozen pieces of legislation that had passed both houses.

*Some of the bills the governor held formal signing ceremonies for include the following:*

- ▶ HB 4022 creates statewide all-terrain vehicle regulations. The new law requires people under the age of 18 to wear helmets on public and private property. It prohibits double riding for children under the age of 18 unless the driver has a license. It also says that by 2005, no one under the age of 18 may operate an ATV without a safety training course certificate. In addition, municipalities or counties that are working under a countywide comprehensive plan may enact stricter ordinances regulating road use.
- ▶ SB 166 lowers the legal blood alcohol limit for driving under the influence from 0.10 to 0.08. West Virginia joins 45 other states having the lower standard. The new law also prevents the state from losing federal highway funds.
- ▶ SB 448 separates the community and technical college system from the four-year college and university system. The bill also allows Shepherd College, Fairmont State College, and West Virginia State College to rename themselves as universities.
- ▶ HB 4004 creates an insurance fraud unit in the Office of the Insurance Commissioner to work with law enforcement to investigate fraud.
- ▶ HB 4084, the West Virginia Pharmaceutical Availability and Affordability Act, directs brand-name manufacturers to create a program to assist low-income, uninsured residents and creates a council to implement the cost-containment provisions for prescription drug purchases.
- ▶ HB 4740 creates the Catastrophic Patient Fund to provide compensation to people who were awarded damages in medical malpractice actions but cannot collect because of the caps on injury awards
- ▶ SB 143 creates the Small Business Insurance Plan, a public-private partnership to help small business owners provide health insurance for their employees.
- ▶ SB 161 creates the Model Health Plan for the Uninsured to offer insurance coverage to individuals with preexisting medical conditions and their families.
- ▶ SB 163, the Water Resources Protection Act, directs the Department of Environmental Protection secretary to undertake a water use survey to protect the state's water.
- ▶ HB 4047 creates a High Growth Business Investment Tax Credit to encourage investment in start-up, growth-oriented research and development businesses in the state.
- ▶ SB 204 expands the Strategic Research and Development Tax Credit to make it easier for entrepreneurs to do business.
- ▶ SB 139 establishes the Tourism Development Act to develop new and existing major tourism destinations.
- ▶ SB 573 provides a procedure for the economic development authority to address employment and economic development problems of minority populations in the state.
- ▶ HB 4501 continues the annual Sales Tax Holiday and establishes a consumer tax exemption to encourage computer software developers, hardware designers, system engineering firms, electronic data processing companies, and related high-tech firms to locate and expand in the state.
- ▶ HB 4001, the Teacher Empowerment Act, reduces the paperwork requirements, strengthens disciplinary systems, improves the personnel evaluation process, and more clearly defines power, responsibility, and policies between county boards of education and school personnel.
- ▶ HB 4669 creates a five-year project to narrow the education gap for African American and low-income students.

## Important Bills Passed During Legislative Session *(continued)*

### *Other important new laws include:*

- ▶ SB 454 rewrites the state laws related to planning. It clarifies ambiguities in the existing statutes, incorporates “smart growth” and other recent innovations into the code, and requires communities that adopt comprehensive plans to update those plans every 10 years.
- ▶ SB 250 creates the Flood Insurance Premium Tax Fund to be used for activities that promote flood plain management. It also defines federal flood insurance.
- ▶ SB 408, the Growth County School Facilities Act, allows “high growth” counties to designate revenues generated from the application of the regular school board levy due to new construction or improvement to be placed in a special fund and used for school facilities in those counties. “High growth” counties are those with an increase of second-month net enrollment of 50 or more pupils during any three of the last five years.
- ▶ SB 444 gives counties the authority to hire litter control officers and enforce litter laws.

*In West Virginia, new laws go into effect either upon passage (technically, being signed by the governor) or 90 days after passage. This means the new laws will all be in place by June 11. ■*

## How do you like your PIE so far?

OK. So that joke has gotten a bit old. But the question is still appropriate. How do you like *PIE Update* so far?

This is the second issue of this newsletter. It is also the first topical publication after the initial introductory Spring issue. As promised, this issue examines the actions of the West Virginia Legislature during its regular session. There are short reviews on major legislation and the budget.

Meanwhile, the schedule calls for the Fall issue to revisit the state’s fiscal situation in detail and the Winter issue to review the November election results and what they might mean.

For the remainder of 2004, this quarterly newsletter will be available both on hard copy (paper) and virtually (on the Internet). Beginning in 2005, the newsletter will become a Web-only tool, supplemented by Web site postings.

That conversion will allow for the inclusion of additional topics and articles in each issue since the newsletters can be longer. Thus, if there are other issues that people in the West Virginia may want to know about – or even more important – need to know about, we can include them. If you have a topic that you would like to see discussed, please contact me (304-293-6131, ext. 4215; or [Michael.Dougherty@mail.wvu.edu](mailto:Michael.Dougherty@mail.wvu.edu)).

*Michael Dougherty*

## West Virginia Budget in Brief

The General Revenue Fund budget for West Virginia for the fiscal year beginning July 1, 2004, is \$3.07 billion. This is almost \$40 million more than the budget in effect for FY2004, even though many state agencies received budget cuts of up to 9 percent.

The FY2005 spending plan had to make up an estimated shortfall of more than \$120 million if spending levels had not been over current spending levels. This gap was caused by increases in mandatory spending – such as pension funds and insurance policies – growing faster than increases in taxes and other revenues.

More than half the new budget – 52 percent – is allocated for public education. This represents an increase of \$39 million from this year.

Other large items in the FY2005 budget are higher education and the state’s share of the Medicaid program. A total of \$319 million is allocated for higher education, including \$50 million for the new Council of Community and Technical College Education. Meanwhile, the state plans to spend \$239 million for Medicaid, a decrease of \$14 million from this year.

General fund spending for all other activities is about \$864 million.

The budget did not include any tax increases or the securitization of the Tobacco Settlement funds. It did make use of one-time monies and money reassigned from other funds. It has been reported that this funding strategy could potentially increase the shortfall for the FY2006 budget – already projected to be \$175 million – by up to another \$50 million.

Finally, it is important to remember that while all of the attention is placed on the General Revenue Fund budget, it makes up less than one-third (28.5 percent) of the more than \$10.5 billion in state spending. Other sources of revenue are federal funds (31 percent), special revenue funds such as the lottery (30 percent), and state road funds (10.5 percent).

Overall, more than half of state funds from all sources are spent on either health and human services activities (31 percent) or education (20 percent). Transportation (almost 15.5 percent) and higher education (almost 12.5 percent) are the other two large areas of expenditure.

The remaining share of expenditures (roughly 21 percent) is split among about a dozen different activities, of which military and public safety (almost 4.5 percent) and commerce (4 percent) are the largest. ■

