



**Volume 1**

**February 12, 2021**

## **Governor Jim Justice Delivers Fifth State of the State Address**

Gov. Jim Justice outlined his plan to eliminate the state's personal income tax during his State of the State Address Wednesday evening.

In order to replace the \$2.1 billion received annually from the personal income tax, Justice said the state should raise its consumer sales tax by 1.5%, impose taxes on the purchase of tobacco products and soda, create a "tiered" system for severance tax collections, impose taxes on some professional services, impose a wealth tax and make \$25 million in budget cuts.

As reported by *MetroNews*, the governor proposed making up the difference with several additional steps:

- He proposed an initial step of cutting the income tax for all residents except for the highest earners. "You cut theirs by a third, but you cut everybody else by half," said Justice, who did not define those income levels."
- Justice, whose family has coal holdings, proposed a tiered system on oil, gas and coal. This is [a revisit](#) of a concept Justice backed in 2017. When profits are up, under the plan, companies would pay more. When profits are down, they would pay less. Justice did not say how this might affect overall state revenue collections.
- He proposed raising the sales tax by 1.5 percent. Right now the sales tax is 6 percent.
- Justice proposed adding sales tax on cigarettes and soda "in trying to make us healthier and better — and that could be a source of revenue for us." He didn't specify how much.
- He proposed taxing professional services, but didn't say which ones or how much. That could include economic sectors such as legal representation, accounting services, advertising, hair care or contracting services.
- He proposed a wealth tax — "a tax on those that are very, very well to do that can pay just a little bit extra."

Finally, Justice acknowledged cuts would be necessary, describing about \$25 million. "The cuts, in my opinion, would be very minuscule. You do not need to cut to the bone, but you do need to make some cuts." He did not say what those would be.

Justice also proposed a flat budget this year and, to continue making up the gap, flat budgets for the next three years after that. Taking inflation into account, that would be a defacto cut.

But, Justice said, "The growth alone would eliminate the rest of the balance of the income tax."

The governor acknowledged being open to tweaks to the plan, but urged lawmakers to take it very seriously.

Senate President Craig Blair issued a statement of support.

"Tonight, the governor made it clear that West Virginia's time to take bold steps to secure our future is right now. We have been committed over the last four years to improving our state's business climate, reforming our education system, and promoting all of the benefits our state has to offer," said Blair, R-Berkeley.

"We now must take the next step, and that step is removing our state's personal income tax. Governor Justice laid out a plan that will enable the Legislature to provide a tax cut to working West Virginians, and he's done this while presenting the Legislature with a budget that does not increase spending over last year."

Justice's State of the State speech included other proposals as well.

The governor wants to bump the state Development Office and Tourism Office to cabinet-level agencies. In doing so, he praised the new Development Office director, former Senate President Mitch Carmichael, and Tourism Commissioner Chelsea Ruby.

And he again pitched an intermediate court of appeals, a mid-level judiciary that has been discussed in the Legislature for many years but never passed.

The governor also emphasized continued efforts to strengthen broadband internet in the state. "We've got to do more. We've got to do more," he said.

This was Justice's fifth State of the State address and his first since being re-elected last fall.

Because of the ongoing coronavirus pandemic, it was very different from the others with social distancing precautions. Officials such as Supreme Court justices and executive officers were seated in the upper galleries. Justice recognized notables such as computer age heroes John Chambers and Brad Smith while they beamed in through Zoom.

### **The 2021 Legislative Session began on Wednesday**

Because of the ongoing coronavirus pandemic and the continued need for social distancing, the legislative session will be anything but regular.

The Capitol remains generally closed to the public, except for those with appointments and official business. Lawmakers will be spreading out as much as possible, with some seated in the galleries and some options to participate in committee meetings by streaming from their offices.

Senate President Craig Blair said on Hoppy Kercheval's show on Wednesday: "On the Senate side I'm rather proud that we could do everything remotely if we needed to. The floor sessions have been televised, archived for a couple of years here now. Our committee meetings are done the same way. We're set up to where we can actually bring people in to testify in committee remotely."

“We’re going to have some limited access. It’s very important to keep our members and our staff safe so we can work our way through this 60-day session and not have a COVID outbreak like some other Legislatures around the country.”

Republicans have supermajorities in both the House and Senate this year, meaning they have dominant numbers to accomplish almost anything they choose. In some cases, though, there could be fractured views within the caucuses to make such political dominance more complicated than it sounds.

There are also a lot of new faces. About a third of the members of the House of Delegates are newly-elected. Blair will hold the gavel for the first time as president of the Senate. Senate Minority Leader Stephen Baldwin and House Minority Leader Doug Skaff are new to their roles.

Once lawmakers start their work, they’ve described an active agenda, although most details have yet to emerge.

House Speaker Roger Hanshaw, during a legislative preview last week, described [an aggressive start](#) to the session. He outlined the aim of passing major legislation in relatively short order — not knowing when a possible outbreak might require a shutdown.

“We do anticipate working a fairly aggressive agenda early in the session because other states have seen their sessions shut down because of COVID,” said Hanshaw, R-Clay. “If we’re shut down we can still have a positive legislative session realizing there may be things left undone.”

During a similar legislative preview last week, Sen. Rollan Roberts said Senate leaders already have more than a hundred bills to roll out. “We expect to hit the ground running,” said Roberts, R-Raleigh. They include:

- 27 government reform bills, including permanent rollbacks of regulations temporarily eased during the pandemic, such as flexibility for telehealth. Others would reduce professional licensing requirements and restrict executive power during states of emergency.
- Nine judicial reform bills, including limitations to business liability in covid-19 claims by employees and customers.
- 21 education reform bills, including legislation to expand routes to approve state-funded charter schools.
- 12 tax reform bills.
- 16 economic development bills.
- Nine Health and Human Resources bills.
- Nine elections bills.

He said the list also includes three transportation and infrastructure, three agriculture and 16 “miscellaneous” bills. Thus far there have been 290 bills introduced in the House and 244 in the Senate.

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## West Virginia Legislative Resources

The West Virginia Legislature website offers a lot of great resources that you might find helpful:

- [https://www.wvlegislature.gov/legisdocs/publications/info/DIRECTORY\\_2021.pdf](https://www.wvlegislature.gov/legisdocs/publications/info/DIRECTORY_2021.pdf)
- [https://www.wvlegislature.gov/legisdocs/publications/info/PACKET\\_2021.pdf](https://www.wvlegislature.gov/legisdocs/publications/info/PACKET_2021.pdf)
- [https://www.wvlegislature.gov/legisdocs/publications/info/MEMBERSHIP\\_2021.pdf](https://www.wvlegislature.gov/legisdocs/publications/info/MEMBERSHIP_2021.pdf)
- <https://www.wvlegislature.gov/educational/COVID19.cfm>

### 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.

[Members of the West Virginia Senate](#)  
[Members of the West Virginia House](#)



## 2021 LEGISLATIVE CALENDAR



**First Day** - February 10, 2021: First day of session. ([WV Const. Art. VI, §18](#))

**Twentieth Day** - March 1, 2021: Submission of Legislative Rule-Making Review bills due. ([WV Code §29A-3-12](#))

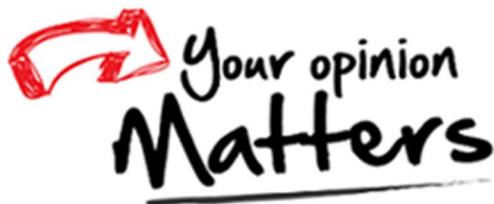
**Thirty-fifth Day** - March 16, 2021: Last day to introduce bills in the House. [House Rule 91a](#) does not apply to originating or supplementary appropriation bills, and does not apply to Senate or House resolutions or concurrent resolutions.

**Forty-first Day** - March 22, 2021: Last day to introduce bills in the Senate. [Senate Rule 14](#) does not apply to originating or supplementary appropriation bills, and does not apply to Senate or House resolutions or concurrent resolutions.

**Forty-seventh Day** - March 28, 2021: Bills due out of committees in house of origin to ensure three full days for readings.

**Fiftieth Day** - March 31, 2021: Last day to consider bill on third reading in house of origin. Does not include budget or supplementary appropriation bills. ([Joint Rule 5, paragraph b](#))

**Sixtieth Day** - April 10, 2021: Adjournment at Midnight. ([WV Const. Art. VI, §22](#))



If you have any questions during the session or would like to express your opinion on issues, please contact Daniel Hall at [daniel@omegawv.com](mailto:daniel@omegawv.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](mailto:traci@omegawv.com) or at 304.342.2440.

**BIG "T" OF WV**  
**Capitol Conversations**  
2021 WV LEGISLATIVE SESSION

Join IIAWV for  
Live Weekly  
Virtual Conversations  
About Industry Issues  
& News From Inside  
the Capitol

Every Thursday  
During the Legislative Session  
4:00 - 5:00 p.m.  
VIA ZOOM

Join IIAWV live every Thursday evening, from 4:00 - 5:00 p.m., during the 2021 WV Legislative Session. We will be discussing the leading industry issues and updating members about what is going on at the Capitol. We will have special guests each week. **Each weekly session has been approved for one hour of continuing education credits.**

The following weekly sessions will occur on:

- Feb 18, 2021 04:00 PM
- Feb 25, 2021 04:00 PM
- Mar 4, 2021 04:00 PM
- Mar 11, 2021 04:00 PM
- Mar 18, 2021 04:00 PM
- Mar 25, 2021 04:00 PM
- Apr 1, 2021 04:00 PM
- Apr 8, 2021 04:00 PM

To register, please complete the [Registration Form](#). A confirmation email will be remitted after receiving your registration form, multiple registrations can be remitted on one form.

If you have any questions, please feel free to contact [Sarah Estep, Programs Coordinator](#).

# THANK YOU TO OUR PARTNERS

## PLATINUM



## GOLD



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A promotional poster for the 2021 Annual Convention. The background shows a large, multi-story building with a pediment, likely a convention center, set against a blue sky. The text is overlaid on the image. At the top left is the "Trusted Choice" logo and the text "Independent Insurance Agents of West Virginia". To the right is the phrase "Save the Date". The main title "2021 ANNUAL CONVENTION" is in large, bold, teal letters. Below that, it says "PREPARING FOR TOMORROW... TODAY!" and "STEERING TOWARDS A BRIGHTER TOMORROW". At the bottom, the dates "OCTOBER 11 - 13, 2021" are listed. The bottom of the poster features a decorative border of teal and yellow dots.