

2016 ANNUAL LEGISLATIVE REPORT ON CONSTRUCTION RELATED LEGISLATION



INTRODUCTION

2016 Annual AGC Legislative Report

The Associated General Contractors of South Dakota, Inc., Highway-Heavy-Utilities Chapter again had a full-time presence at the state capitol for the 2016 Legislative Session. AGC lobbyist, Deb Mortenson read each of the 419 bills and resolutions introduced this session. Bills of interest to the construction industry were referred to the Government Affairs Committee with the pros and cons of the bill summarized, and a link to the full bill included. Bills were also discussed each Tuesday during the regular weekly legislative telephone call. Input from members helped shape AGC's stance on each piece of legislation of interest to the construction industry. This input from contractors is vital in making the best advocacy decisions possible.

After all bills were introduced during 91st annual session, AGC had a busy year with 14 bills on the bill tracker that covered topics including bridge funding, economic development, general business, unemployment insurance, and workers' compensation. Be assured that the legislative session is covered thoroughly for the construction industry.

While it would be impossible to match the excitement of the highway funding bill last session, this session was important in a different way. Lots of the work done by the AGC lobbying team was to defend a proactive business climate and your bottom line. Following is a synopsis of the bills tracked this session grouped by general category.

Project Bidding

SB 6 An Act to revise certain performance security requirements for public improvement contracts. Allows the state flexibility during emergencies to either waive a payment & performance bond or require it after the project start. AGC monitored this bill. Signed by the Governor.

HB 1102 Allow for additional time to review certain competitive sealed bids. Cities wanted the bid award period extended up to 45 days. AGC initially opposed this bill. At AGC's request, an amendment was added to include only equipment bids in the 45 day bid period extension. AGC then monitored the bill. Signed by the Governor.

General Business

HB 1106 Exempt certain trees from requirements related to the removal of vegetation and debris from township road rights-of-way and to extend general immunity from certain civil liability for trees located in the township road right-of-way. This bill sought to give townships the right to

decrease section line ROW among other things. AGC opposed this bill as it would have created discrepancies in ROW. After the ROW section of the bill was amended out, ACG monitored the bill. Other issues caused the bill to be killed in House Local Government.

HB 1142 Prohibit businesses and employers from establishing certain policies against the ability of an employee or invitee to store firearms and ammunition in a locked motor vehicle parked on the premises. This bill pitted 2nd Amendment rights against property rights by directing private business policy on guns on premises. It added harsh penalties for employers who fire employees for possessing guns on property. AGC and many other groups opposed this bill. It was sent to the nonexistent 41st Legislative Day by House Commerce.

HB 1154 Create protections and accommodations for pregnant and breastfeeding mothers in their places of employment. HB 1154 sought to establish “reasonable accommodations” for pregnant and breastfeeding mothers in the workplace. Vague language in the bill invited litigation and confusion, so AGC and other business groups opposed it. Sent to 41st Legislative Day in House Commerce.

Unemployment Insurance

SB 43 Increase the unemployment insurance penalty for failure to pay contributions or make reports. Allows state UI to increase the penalty for late filing from \$5 to \$25. AGC monitored this bill. It failed on the House floor but passed when reconsidered. Signed by the Governor.

SB 47 Reduce the unemployment contribution rates for certain employers and to provide for an unemployment insurance administrative fee. Sought to divert 2/100ths of an employer’s UI contribution to support the UI administrative fund. AGC opposed this bill as we felt it is wrong to use employer contributions to fund administration of the UI program. Failed on the House floor when it failed to get a 2/3rds majority.

Sales/Use Tax

SB 51 Revise certain provisions concerning the use tax. SB 51 would have allowed Department of Revenue to assess more tax on use, storage and consumption of tangible personal property. AGC opposed this bill as a huge tax increase. Tabled in Senate State Affairs.

SB 139 Revise certain provisions regarding the use tax. This bill was a re-write of SB 51 and still included the changes from "and" to an "or" allowing for a huge tax increase. AGC opposed and it was sent to the 41st Legislative Day in Senate State Affairs.

CDL

SB 34 Revise certain provisions regarding the chemical testing of commercial drivers. The bill brought SD CDL law regarding implied consent in line with federal law. Failure to pass would result in loss of highway and motor carrier funding. AGC monitored. Signed by the Governor.

Road and Bridge Funding

SB 59 Revise certain provisions regarding the application of the special annual road funding levy. This bill provided clarification on the local property tax levy fix for last year's SB 1. AGC supported this bill. Signed by the Governor.

SB 141 Revise the distribution of petroleum release compensation and tank inspection fees, to provide funding for the local bridge improvement grant fund (BIG), and to repeal the state capital construction fund, ethanol fuel fund, and ethanol infrastructure incentive fund. SB 141 asked for a redistribution of tank inspection fee money to provide an additional \$7 million annually to BIG fund. It would have fulfilled obligations to ethanol, provided the same funding for water quality, and kept a minimum of \$2 million and a maximum of \$4 million in the Petroleum Release Compensation Fund. Fierce opposition from the Petroleum Markers and the Petroleum Institute resulted in the loss of this bill on the Senate floor.

HB 1116 Authorize municipalities to impose additional sales and use tax for a limited period of time for a specified use. Would allow cities to add a penny sales tax for specified use for a specified time by a vote. Uses include construction/economic development. SB 1116 lost 25-10 on the Senate floor.

Workers' Compensation

HB 1084 Define when concurrent employment may be used to calculate earnings in workers' compensation cases. Abrogates Supreme Court ruling and rewrites workers' comp wage aggregation to better serve businesses and employees. AGC and other business groups assisted in the drafting of the bill. AGC supported the bill. Signed by the Governor.

Technical Education

HB 1182 Increase the state sales tax, the state use tax, the excise tax on farm machinery, and amusement device tax for the purpose of increasing education funding and reducing property taxes, to provide for certain school district reporting and penalties, and to declare an emergency. HB 1182 was the funding mechanism for the Governor's education reform package. HB 1182 was amended on the floor to provide \$3 million annually to increase technical institute instructor's salaries in addition to K-12 teacher salaries. Signed by the Governor.

Miscellaneous

HC 1013 Recognizing Mark Knight for his election as president of the Associated General Contractors of America. AGC worked with legislators from Senate and House Transportation to introduce a House Commemoration celebrating Mark Knight's election as AGC of America president.

For a complete list of the bill tracker – log on to: www.sdagc.org

CONPAC of South Dakota

2016 will be a busy year for advocacy groups in South Dakota as all legislative seats are up for election. There will be at least 12 of 35 State Senators and 23 of 70 House of Representatives who will not be returning to their seats next session. Contractors must take action to elect business-friendly candidates to the legislature.



To make sure that happens, the Contractors Political Action Committee, or CONPAC, is gearing up for the 2016 election cycle. Please remember that when you contribute to CONPAC, you are also a member of CONPAC. When you are a CONPAC member, your voice is heard when decisions need to be made about contributions, bylaws, or policies. Remember that you can either contribute to CONPAC individually or through a corporation. We hope that you enjoy the flexibility in giving and contribute generously to CONPAC on an annual basis.

After legislative candidate nominating petitions are filed on March 29, CONPAC members will initially assess the candidate list to see if any business-friendly candidates need contributions to help them in a primary race, based on their voting records or input from CONPAC members.

After the primary, CONPAC will determine contributions for all legislative candidates based on voting records and feedback from members. Contributions will be delivered by members to candidates in July. Make sure you have made a contribution to CONPAC so you can participate in the process of electing our leaders.

In addition to candidates, CONPAC will also consider five constitutional amendments, two referred laws and three initiated measures. AGC is already supporting Constitutional Amendment R, the technical school governance measure. Of possible interest is Initiated Measure 23, which would allow unions to collect agency fees from non-union employees and perhaps Initiated Measure 22, which limits the scope of PACS and lobbyists and calls for taxpayer-funded campaign contributions. Don't miss out on these discussions. If you have not contributed to CONPAC in 2016, contact becky@sdagc.org today.

AGC of America Political Action Committee

The AGC of America Political Action Committee was established in 1977. AGC PAC is the non-partisan, federal political action committee of the Associated General Contractors of America. Its mission is to build a better Congress for AGC members. AGC PAC works to accomplish this through electing candidates for federal office who support the national legislative priorities of AGC. Through its efforts, AGC PAC encourages the political engagement of all AGC contractors to help shape a construction-friendly, federal legislative and regulatory environment.



Your contribution to the AGC PAC will ensure our message to Congress to **Make Transportation Job #1** and invest in our communities, our people and our transportation infrastructure.

For information on contributing to AGC PAC, log onto www.agc.org/PAC or e-mail Jeff Shoaf at shoafj@agc.org or 202-547-3350.

Have You Pledged To Support Amendment R?

Memorandum

Date: _____

To: Tech Schools for South Dakota Campaign Organization for passage of Amendment R

Subj: Support for passage of Amendment R

This organization realizes that skilled workers are crucial to a vibrant South Dakota economy and our State's industries. South Dakota's Technical Institutes are the prime providers of this workforce. We believe the passage of a constitutional amendment that recognizes the Technical Institutes' mission and mandate is the best way to elevate their status. We further believe it is necessary to give the Technical Institutes a stronger voice in prioritizing State and Federal assets committed in support of that mission. The Skilled Workforce Amendment (Amendment R) will ensure that our State upholds educating and training a skilled workforce as a legitimate function of our postsecondary education system.

We hereby authorize our organizational name to be used as a proponent of passage of Amendment R.

Sincerely,

Signature: _____

Printed Name: _____

Title: _____

Organization: _____

Campaign Financial Support

This organization pledges to support the Amendment R campaign with a \$_____ donation to be paid on or before _____.

Checks should be made out to "Tech Schools for South Dakota"

**Checks and signed forms should be sent to: AGC of South Dakota – HHU Chapter
300 E. Capitol Ave., Suite 1
Pierre, SD 57501**

AGC of South Dakota
300 East Capitol Ave., Ste. 1
Pierre, SD 57501
Address Service Requested

Indicia

Mark Your Calendars! AGC Summer Fun Events!!



West River Golf Tournament
June 4, 2016
Hart Rach Golf Course
Rapid City, SD

Fishing Tournament
June 10 & 11, 2016
Pierre, SD



East River Golf Tournament
July 19, 2016
Willow Run Golf Course
Sioux Falls, SD