

# MCA

## Summary of Legislation

### October 2007

#### **Mechanic's Lien Meltdown**

A month ago, it appeared that the dynamics necessary to pass an agreed to clean up an amendment to the new mechanic's lien law were at hand. A number of organizations have been seeking clarifying language in the law that was amended for the first time in more than 30 years last session. In particular, the homebuilders were seeking further refinement to the section that makes it possible for residential contractor's to continue to waive lien rights. At the same time, the general contractors have been pressing for amendments to make clear that no "double jeopardy" issues could arise (i.e. a contractor being forced to pay twice).

All momentum for amendments, however, appears to have died as a result of some of the interest groups' inability to agree on when to meet, where to meet and even who should be invited. The disagreement led to about a dozen other groups being invited to the preliminary discussion regarding the details of the still unset meeting. Many of the new groups represent diametrically opposed positions, some going so far as to suggest that the changes to the law made last session should be revisited. Last session's amendment was notable because it eliminated the waiver of lien rights provision that had plagued the commercial construction industry for years. Our lobbyists have made it clear that they will not entertain amendments that bring back the lien waiver provisions. As it stands presently, it may be another 30 years before another amendment to the mechanic's lien law passes.

#### **Plumbers Licensing Bill Moves Forward**

Senate bill 660, the legislation that creates a statewide licensing program for plumbers, passed out of the Senate committee on Consumer Protection and Professional Licensure in early October. The bill received its first reading by the full Senate and then was rereferred to the Senate Appropriations committee on October 15<sup>th</sup>. The licensure committee vote was 9 to 4, with negative votes coming from conservative Republican Senators. While nearly all bills go to the Appropriations committee for a fiscal note, some bills never advance any further. Plumbing contractors continue to lobby for the bill.

#### **Legislative Activity**

**HB 1096 RE:** Uniform Construction Code Advisory Council (by Rep. Buxton, et al) Amends the PA Construction Code Act to create the Uniform Construction Code Advisory Council which would be charged with gathering information from municipal officers, building code officials, construction code officials, licensed design professionals, builders and property owners concerning issues with the Uniform Construction code and evaluating this information in order to give recommendations to the Governor, Labor and Industry Committees in the Senate and House and the Code Development Councils of the International Code council. The composition of the Council and meeting requirements are further provided for in the legislation.

**Reported as amended from House Labor Relations Committee, read first time, and laid on the table, 10/2/2007.**

**Removed from the table and Re-referred to House Appropriations Committee, 10/4/2007**

**Reported as amended from House Appropriations Committee, 10/17/2007**

**2 House Floor amendments adopted, and read second time, 10/23.2007**

**Read third time and passes House, 10/29/2007 (192-0)**

**HB 1600 RE:** Supplemental Homeowner Property Tax Relief Act (By Rep. David Levdansky, et al)

Establishes the Personal Income Tax Surcharge Fund. The bill would charge a surtax equal to 0.5% imposed on the purchase price of property and services subject to taxation. There would also be a surtax equal to 0.22% imposed on the taxable income of resident and nonresident individuals. The department would calculate the State allocation pursuant to this chapter for each school district and each year, in which a school district receives a local property tax reduction allocation pursuant to this act, the school district would calculate a homestead and farmstead exclusion.

**This bill may be the vehicle for other tax reform proposals to be voted on the House floor, including another proposal to expand the sales tax to most all items and professional services. This vote may happen in early November.**

**Passed over in House Finance Committee, 10/24/2007**

**House Finance Committee Meeting set for 10:00 a.m., 10/31/2007, Room G-50, Irvis Bldg.**

**SB 1 RE:** Right-to-Know Law (by Sen. Dominic Pileggi, et al)

Amends the Right-to-Know Law to further provide for public records of judicial agencies, legislative agencies and state-related universities. The bill establishes an open records officer in each agency and exceptions officers to hear appeals. The bill also creates the Open Records Clearinghouse in the Department of Community and Economic Development that will provide information relating to the implementation and enforcement of this act, issue advisory opinions to agencies and requesters, and provide annual training courses to Commonwealth agencies and local agencies.

**Senate State Government Committee Meeting set for 12:00 p.m., 10/29/2007 Hearing Room 1, North Office**

**SB 9 RE:** Proof of Citizenship for Receipt of Public Benefits Act (by Sen. Joe Scarnati, et al)

Requires anybody who is at least 18 years of age and applies for public benefits to provide one of a specified list of identifications and execute an affidavit stating that the person is a U.S. citizen or legal permanent resident or is otherwise lawfully present in the U.S. pursuant to Federal law. The agency receiving this affidavit would have to keep it on file. Agencies that administer public benefits have to verify, through the SAVE program that each applicant who has executed an affidavit is an alien legally present in the U.S. Penalties are further provided for in the bill.

**Public hearing held in committee Senate State Government Committee, 10/17/2007**

**SB 660 RE:** Plumbing Contractors Licensure Act (by Sen. Ted Erickson, et al)

Provides for plumbing contractor licensure, establishes the State Board of Plumbing Contractors and provides for their powers and duties, and establishes fees, fines and civil penalties. The State Board of Plumbing Contractors within the Department of Labor & Industry would be created and charged with various duties including regulating the licensing of individuals engaged in providing plumbing services, contracting with a professional testing organization to administer tests to qualified applicants for licensure, maintaining a registry of licensees and ensuring various reporting requirements are met. Individuals who are not licensed could not provide plumbing services and only master plumbers could use the title "licensed plumbing contractor" and the abbreviation "L.P.C.", subject to certain exceptions. Qualifications for various classes of plumbers are further provided for under the act as are disciplinary options. Reciprocity with other states is also provided for, subject to certain conditions. The sum of \$85,000 would be appropriated to the department for the payment of costs associated with this bill. This amount would have to be repaid by the board within three years of the beginning of issuance of licenses. Also the bill creates a restricted account in the State Treasury which shall be known as the Plumbing Contractors Licensure Account. Beginning July 1, 2008, and thereafter, all moneys collected by the board shall be paid into the account.

**Reported as amended from Senate Consumer Protection & Professional Licensure Committee, and read first time, 10/2/2007**

**Rereferred to Senate Appropriations Committee, 10/15/2007**

**SB 903 RE:** Openness in Consulting Contracts Act (by Sen. Jane Orie, et al)

Amends Title 62 (Procurement) by adding a chapter creating the Openness in Consulting Contracts Act. Under the act, no Commonwealth agency, State-affiliated entity or State-related institution may contract with any individual or business who is not an employee of such entity to provide legal, bond or management consulting services, unless the contracting meets the disclosure and other requirements of this chapter or is opened up to competitive bidding pursuant to this chapter. The bill also adds that all individuals and businesses that perform work for State

government under this chapter would be required to report their campaign contributions as one condition of receiving future consulting contracts. All information as to criteria, contracts awarded and contributions would be made available for public inspection on the Internet.

**Reported as amended from Senate State Government Committee, read first time, 10/2/2007**

**Rereferred to Senate Appropriations Committee, 10/15/2007**

**SB 1071 RE:** Contract Bidding Advertising (by Sen. John Eichelberger, et al)

Amends The County Code further providing for commissioners sole contractors for county, contract procedures, terms and bonds and advertising for bids and for evasion of advertising requirements. The bill articulates that all contracts and purchases totaling less than \$25,000 must be signed by the county commissioners or a designee and filed in the office of the controller. Further, for all contracts exceeding \$7,000, written or telephonic price quotations from at least three "qualified and responsible" contractors must be requested. The legislation provides for the annual adjustment of these amounts based on the Consumer Price Index for All Urban Consumers.

**Reported as committed from Senate Local Government Committee and read first time 9/26/2007**

**Rereferred to Senate Appropriations Committee, 10/3/2007**

**SB 1072 RE:** Contract Bidding Advertising (by Sen. Bob Robbins, et al)

Amends The Third Class City Code further regulating contracts as to purchasing and advertising requirements. The bill adjusts the minimum contract or services and personal property amount requiring the written sign-off of the purchasing employee from \$10,000 to \$25,000, and provides for annual adjustment of these amounts.

**Reported as committed from Senate Local Government Committee and read first time 9/26/2007**

**Rereferred to Senate Appropriations Committee, 10/3/2007**

**SB 1073 RE:** RE: Contract Bidding Advertising (by Sen. Bob Regola, et al)

Amends The First Class Township Code further providing for contracts and acquisition of property and for general regulations concerning contracts. The bill adjusts the minimum amount of contracts or purchases made by any township requiring the publishing of the text of the contract or purchase in a newspaper from \$10,000 to \$25,000. Further, for all contracts exceeding \$7,000, written or telephonic price quotations from at least three qualified and responsible contractors must be requested. The legislation provides for the annual adjustment of these amounts based on the Consumer Price Index for All Urban Consumers.

**Reported as committed from Senate Local Government Committee and read first time 9/26/2007**

**Rereferred to Senate Appropriations Committee, 10/3/2007**

**SB 1074 RE:** RE: Contract Bidding Advertising (by Sen. Lisa Baker, et al)

Amends The Second Class Township Code further providing for competitive bidding of contracts by adding that all contracts or purchases in excess of the required advertising amount of \$25,000 (increased from \$10,000) may not be made except with and from the lowest responsible bidder after due notice in one newspaper of general circulation in the township. Additionally, written or telephonic price quotations from at least three qualified and responsible contractors would be requested for all contracts that exceed \$7,000 (increased from \$4,000). The legislation provides for the annual adjustment of these amounts based on the Consumer Price Index for All Urban Consumers.

**Reported as committed from Senate Local Government Committee and read first time 9/26/2007**

**Rereferred to Senate Appropriations Committee, 10/3/2007**

**SB 1075 RE:** Contract Bidding Advertising (by Sen. Jake Corman, et al)

Amends The Borough Code further providing for competitive bidding of contracts by adding that all contracts or purchases in excess of the required advertising amount of \$25,000 (increased from \$10,000) may not be made except with and from the lowest responsible bidder after due notice in one newspaper of general circulation in the township. Additionally, written or telephonic price quotations from at least three qualified and responsible contractors would be requested for all contracts that exceed \$7,000 (increased from \$4,000). The legislation provides for the annual adjustment of these amounts based on the Consumer Price Index for All Urban Consumers.

**Reported as committed from Senate Local Government Committee and read first time 9/26/2007**

**Rereferred to Senate Appropriations Committee, 10/3/2007**

**SB 1076 RE:** RE: Contract Bidding Advertising (by Sen. John Gordner, et al)

Amends the act entitled "An act relating to and regulating the contracts of incorporated towns and providing penalties," further providing for regulation of contracts; providing for annual adjustment; further providing for

evasion of advertising requirements, for contracts between \$750 and \$10,000 and for separate bids for plumbing, heating, ventilating and electrical work. The bill states that all purchases or contracts more than \$25,000 (increased from \$10,000) must be from the lowest responsible bidder and made after properly advertised. Written or telephonic bids would be required for all contracts between \$750 and \$25,000 (increased from \$10,000). The legislation provides for the annual adjustment of these amounts based on the Consumer Price Index for All Urban Consumers.

**Reported as committed from Senate Local Government Committee and read first time 9/26/2007**

**Rereferred to Senate Appropriations Committee, 10/3/2007**

**SB 1077** RE: Contract Bidding Advertising (by Sen. Jim Ferlo, et al)

Amends Title 53 (Municipalities Generally) and 74 (Transportation) further providing for competitive bidding of contracts by intergovernmental units, by parking authorities, by municipal authorities and by metropolitan transportation authorities by stating that purchases and contracts over \$25,000 (increased from \$10,000) are subject to bid and notification requirements. Written or telephonic price quotes would be required from at least three qualified and responsible contractors for a contract that exceeds \$7,000 (increased from \$4,000). The legislation provides for the annual adjustment of these amounts based on the Consumer Price Index for All Urban Consumers.

**Reported as committed from Senate Local Government Committee and read first time 9/26/2007**

**Rereferred to Senate Appropriations Committee, 10/3/2007**

**SB 1080** RE: Contract Bidding Advertising (by Sen. Mike Brubaker, et al)

Amends Political Subdivision Joint Purchase Law increasing the amount of purchases that may be made subject to certain conditions to \$25,000 from \$10,000. Additionally, written or telephonic price quotations from at least three qualified and responsible contractors would be requested for all contracts that exceed \$7,000 (increased from \$4,000). The legislation provides for the annual adjustment of these amounts based on the Consumer Price Index for All Urban Consumers.

**Reported as committed from Senate Local Government Committee and read first time 9/26/2007**

**Rereferred to Senate Appropriations Committee, 10/3/2007**

**SB 1082** RE: Contract Bidding Advertising (by Sen. Jim Ferlo, et al)

Amends the Public Auditorium Authorities Law increasing the dollar amount of supplies and materials which may be purchased without advertising from \$10,000 to \$25,000 subject to annual adjustment by the Department of Labor and Industry.

**Reported as committed from Senate Local Government Committee and read first time 9/26/2007**

**Rereferred to Senate Appropriations Committee, 10/3/2007**

**SB 1085** RE: Contract Bidding Advertising (by Sen. Jim Ferlo, et al)

Amends act entitled "An act to authorize and empower cities, boroughs, towns, and townships, separately or jointly, to provide for protection against floods by erecting and constructing certain works and improvements, located within or without their territorial limits, and within or without the county in which situate; and to expend moneys and incur indebtedness; to assess benefits against property benefited; to issue improvement bonds imposing no municipal liability; and to acquire, take, injure or destroy property for such purposes," providing for competitive bidding by articulating that all contracts for municipal works or improvements totaling more than \$25,000 must be advertised once a week for two successive weeks in at least one newspaper of general circulation. Further, for all contracts exceeding \$7,000, written or telephonic price quotations from at least three qualified and responsible contractors must be requested. The legislation provides for the annual adjustment of these amounts based on the Consumer Price Index for All Urban Consumers.

**Reported as committed from Senate Local Government Committee and read first time 9/26/2007**

**Rereferred to Senate Appropriations Committee, 10/3/2007**

**SB 1126** RE: Contract Bidding Advertising (by Sen. John Rafferty, et al)

Amends the Second Class County Code further regulating contracts and purchases by adding that all contracts or purchases in excess of \$25,000 (increased from \$10,000) must be made in writing and must be from the lowest responsible bidder after due notice in one newspaper of general circulation. Additionally, written or telephonic price quotations from at least three qualified and responsible contractors would be requested for all contracts that exceed \$7,000 (increased from \$4,000). The legislation provides for the annual adjustment of these amounts based on the Consumer Price Index for All Urban Consumers.

**Reported as committed from Senate Local Government Committee and read first time 10/17/2007**  
**Rereferred to Senate Appropriations Committee, 10/22/2007**

#### **New Bills Introduced**

**HB 1889 RE:** Prototypical School Facility Plan Clearinghouse (by Rep. David Kessler, et al)  
Amends the Public School Code establishing a prototypical school facility plan clearinghouse, for use by school entities as a reference guide in the design and construction of new facilities.

**Referred to House Finance Committee, 10/4/2007**

**House Finance Committee Meeting set for 10/31/2007, 10:00 a.m., Room G-50, Irvis bldg**

**HB 1923 RE:** Free Enterprise and Taxpayer Protection Act (By Rep. Tom Creighton, et al)  
Provides any state, county or municipal government or agencies, State-owned and State-related universities, community colleges, school districts and public authorities are prohibited from competing against private enterprise, including by intergovernmental or interagency agreement, and are prohibited from funding, capitalizing, securing the indebtedness of, or leasing the obligation of, or subsidizing, any charitable or not-for-profit institution which would use such support to compete against private enterprise. Further provides for certain excepted functions and services and for remedies.

**Referred to House Commerce Committee, 10/16/2007**

#### **Upcoming Meetings of Interest**

None

#### **2007 Senate Fall Session Schedule**

**The following are the remaining scheduled session days for the Senate in 2007:**

**November 13, 14, 15, 19, 20, 27, 28**

**December 3, 4, 5, 10, 11, 12**

#### **2007 House Fall Session Schedule**

**The following are the remaining scheduled session days for the House in 2007:**

**November 13, 14, 19, 20, 27, and 28**

**December 3, 4, 5(Non-voting), 10, 11, and 12**

*Copies of all bills of interest can be accessed via the Internet at:*

<http://www.legis.state.pa.us/WU01/LI/BI/billroom.htm>.