

# MCA

## Summary of Legislation

### September 2007

#### **Prompt Pay Law to Allow Work Stoppage**

Representative Neal Goodman (Democrat, Schuylkill Co.) has introduced legislation to give contractors and subcontractors the option to stop work if they are not being paid as required. The bill amends the Contractor and Subcontractor Payment Act of 1994. That law affects private construction projects by establishing payment schedules for owners, contractors and subcontractors. This new proposal would allow a contractor to suspend performance of a construction contract without penalty for breach of contract under these circumstances:

- the contractor has not been paid as required by the law;
- the owner has not provided the contractor with a written statement of the withheld amount and the reason for the withholding; or
- the owner has not engaged in a good faith effort to resolve the reason for withholding.

Identical provisions apply to contractors paying subcontractors. In both cases, a 7 day written notice is required before stopping work. Under current law, contractors and subcontractors often face breach of contract liability by suspending work even when payment is not being made.

**House Bill 1832** has been referred to the committee on Consumer Affairs.

#### **Plumbers License Bill Delayed**

A bill that would create a state plumbers licensing board had been scheduled for a committee vote on September 18<sup>th</sup>, but was temporarily passed over so that amendments can be refined. **Senate Bill 660** would require anyone offering plumbing services in Pennsylvania to obtain the state license. Only Allegheny and Philadelphia counties would keep their own license and testing programs. The bill will be rescheduled for a vote in the Senate Consumer Protection and Professional Licensure committee for sometime in the next couple of weeks. Most of the amendments being considered are technical in nature.

#### **Legislative Activity**

**HB 647 RE: Crane Operator Licensure Act** (by Rep. Mario Civera, et al)

Establishes the State Board of Crane Operators within the Department of State. Composition of the Board, its operation and powers and duties are further provided for in the legislation. An individual may not operate a crane unless licensed by the board. For purposes of acquiring the experience necessary to obtain certification, a trainee who has passed a written examination of the national commission for the certification of crane operators or of a national association deemed equivalent by the board may operate a crane when under the immediate supervision of a crane operator. A license would only be valid in conjunction with certification and only in the specialty for which the crane operator is certified. The bill provides for a license without certification in certain circumstances. A license would be issued on a biennial basis. The bill provides for fines and penalties for violations and for revocation and suspensions of licenses. \$85,000 would be appropriated to the department for the administration of this act. Within 18 months of the effective date of the bill, the board would have to promulgate regulations to carry out the act.

**Reported as amended from Senate Consumer Protection & Professional Licensure Committee, 9/18/2007**

**HB 1096 RE: Uniform Construction Code Advisory Council** (by Rep. Ron 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.

**House Labor Relations Committee Meeting set for Off the Floor, 10/2/2007 Room G-50 Irvis Bldg.**

### **New Bills Introduced**

**HB 1821 RE:** New Home Construction Consumer Protection Act (by Rep. Frank Andrews Shimkus, et al)

Provides for the regulation of home construction contracts and for the registration of certain home builders; prohibits certain acts; provides for penalties; establishes the Home Builder Guaranty Fund; and provides for claims against the fund.

**Referred to House Consumer Affairs Committee, 9/4/2007**

**HB 1832 RE:** Contractor and Subcontractor Payment Act (By Rep. Neal Goodman, et al)

Amends the Contractor and Subcontractor Payment Act further providing a contractor may, after providing seven days written notice to the party failing to make the required payment, suspend performance of a construction contract without penalty for breach of contract if: (1) the owner has not paid as required; (2) the owner has not provided the contractor with a written statement of the withheld amount and the reason for the withholding; or (3) the owner has not engaged in a good faith effort to resolve the reason for withholding. Also provides a subcontractor may, after providing seven days written notice to the party failing to make the required payment, suspend performance of a construction contract without penalty for breach of contract if: (1) the contractor has not paid as required; (2) the contractor has not provided a written statement of the withheld amount and the reason for the withholding; or (3) the contractor has not engaged in a good faith effort to resolve the reason for withholding.

**Referred to House Consumer Affairs Committee, 9/4/2007**

### **Upcoming Meetings of Interest**

Tuesday, October 2

House Labor Relations Committee

Off the Floor, Room G-50, Irvis Office Building

To consider:

HB 1096 - Amends the PA Construction Code Act and making repeals, defining "council"; and establishing the Uniform Construction Code Advisory Council.

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

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

<b>September</b>	<b>24, 25, 26</b>
<b>October</b>	<b>1, 2, 3, 15, 16, 17, 22, 23, 24, 29, 30</b>
<b>November</b>	<b>13, 14, 15, 19, 20, 27, 28</b>
<b>December</b>	<b>3, 4, 5, 10, 11, 12</b>

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

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

<b>September</b>	<b>24, 25, and 26</b>
<b>October</b>	<b>1, 2, 3, 15, 16, 17, 22, 23, 24, 29, 30, and 31</b>
<b>November</b>	<b>13, 14, 19, 20, 27, and 28</b>
<b>December</b>	<b>3, 4, 5(Non-voting), 10, 11, and 12</b>

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

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