

MCA

Summary of Legislation

June 2011

Back End Referendum Bill Passes

As the minutes ticked by toward the deadline for Gov. Corbett to sign the state budget, Republican leaders delivered another one of the governor's budget-related priorities: a reform of the state's school district property tax referendum law. During the last hours of session, the bill teetered between passage and failure with momentum shifting back and forth. Corbett had threatened not to sign the budget bill if the referendum bill ([SB 330](#)) weren't passed. A last-ditch effort to restore the construction exemption failed as time ran out and the votes were not there to suspend rules necessary to vote on further amendments. With the removal of the construction exemption, major school construction must be approved by the voters before proceeding. Legislative leaders and the Administration have agreed to address the issue again when the legislature returns in September.

Governor Signs Repeal of Joint and Several Liability

Gov. Tom Corbett signed into law the first of several bills this month that have been top priorities for legislative Republicans the last few years, and on which Corbett ran in the 2010 election. Departing from the tradition of bill signings in the Governor's Reception room, and surrounded by nearly 100 legislators and representatives of supporting business, health care and insurance groups in the Capitol Rotunda, Corbett signed **Senate Bill 1131**, which changes Pennsylvania's current policy of joint and several liability. SB 1131 levels the playing field by disallowing joint liability in cases where a defendant is less than 60 percent legally responsible. Under the new law, defendants could still be held fully responsible, regardless of the percentage of their legally-assessed responsibility if they intended to misrepresent or break the law; or they released a hazardous substance; or they violated the state liquor code. "The "Fair Share Act" is a key component in addressing one of the most important issues to Pennsylvania, jobs," Corbett said, before signing the bill.

Corbett Delivers First Budget On Time, By 15 Minutes

Gov. Tom Corbett achieved the primary goals that he and the Republican-controlled General Assembly set when he delivered his March budget address – an on-time, no-tax increase budget for the 2011-2012 fiscal year, that begins on July 1, when he signed the legislation at 11:45 PM on June 30. The budget and accompanying enabling legislation was basically a product of agreements between the Governor and the House and Senate Republicans, with Democrats generally locked out of the discussions, weighing in with fierce criticism of each piece in floor and committee debates and largely voting against the bills. The overwhelming Republican majorities were mostly able to ignore the input from the loyal opposition, pushing their agenda through and overcoming procedural motions that only required a simple majority. The major areas where "savings" are achieved in the new \$27.149 billion spending plan ([HB 1485](#)) are in the Human Services (DPW) and education programs.

Legislative Activity

The following bills were acted on by the General Assembly this month.

[HB 285](#) RE: School Bidding Thresholds (by Rep. Mark Keller, et al)
(PN 238) Amends Public School Code increasing the amount of purchases that are subject to advertising requirements 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.

Received in the Senate and referred to Senate Education Committee, 6/3/2011

[HB 808](#) RE: WC Benefits (By Rep. Dave Hickernell, et al)
Amends the Workers' Compensation Act, in liability and compensation, requiring an employee to see a physician for a period of 180 days following an initial visit (increased from 90).

Laid on the table 6/8/2011

[HB 858](#) RE: Fair Employment Act (by Rep. Darryl Metcalfe, et al)
Requires all employers, including government entities, in the Commonwealth to enroll in the federal Employment Eligibility Verification Program (E-verify). It shall be unlawful for any employer to employ, or employer or business entity to permit the employment of, an unauthorized alien. Further provides as a condition for the award of

any Commonwealth contract or grant to an employer for which the value of employment, labor or personal service shall exceed \$10,000, the employer shall provide written documentation affirming its enrollment and participation in the E-verify Program. Also provides compensation, whether in money or in kind or in services, provided to any unauthorized alien shall not be allowed as a business expense deduction from any Commonwealth income tax or business tax. Further provides for violations, enforcement and local ordinances.

Reported from House Labor and Industry Committee with request to re-refer to House State Government Committee and rereferred to House State Government Committee, 6/14/2011

[HB 916](#) RE: Unemployment Compensation (By Rep. Scott Perry, et al)

Amends Unemployment Compensation Law further providing for definition of "credit week" to include remuneration of not less than \$125 (increased from \$50) and deleting providing relating to the establishment and maintenance of employer's reserve accounts; providing for relief from charges by stating the department will relieve an employer of charges for compensation; further providing for qualifications required to secure compensation stating compensation would be payable to an individual who is making an active search for suitable employment or who earned wages for employment for ten separate weeks, for ineligibility for compensation and for rate and amount of compensation; providing for effect of severance pay on benefits by stating an employee who receives severance pay shall have the benefit year adjusted to start the date of expiration of the period when 50% of the severance pay ends; further providing for rules of procedure; and providing for applicability by stating rules established by the board shall permit either party to a hearing to testify via telephone, without regard to distance of hearing location from either party. According to Rep. Perry, the legislation proposes reforms to the current law including: 1) tightening financial eligibility requirements; 2) requiring active job search; 3) tightening eligibility for reapplication for benefits; 4) slowing the growth of maximum benefit rate; and 5) readjusting calculation of the benefit rate.

Laid on the table, 6/8/2011

[HB 1326](#) RE: Taxpayer Relief Act Referendum Exemptions (by Rep. Seth Grove, et al)

Amends the Taxpayer Relief Act removing certain provisions of the Act relating to public referendums for approving property tax increases and states a school board may not elect to raise taxes above the rate of inflation without a voter referendum. If the referendum fails, taxes may be raised, but not higher than the rate of inflation. Taxes increased for FY 2011-2012 under a referendum exception higher than the rate of inflation are rescinded.

Laid on the table and Removed from the table, 6/25/2011

[HB 1485](#) RE: General Appropriation Act of 2011 (by Rep. Bill Adolph, et al)

Provides from the General Fund for the expenses of the Executive, Legislative and Judicial Departments of the Commonwealth, the public debt and the public schools for the fiscal year July 1, 2011, to June 30, 2012, for certain institutions and organizations, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2011; to provide appropriations from the State Lottery Fund, the Energy Conservation and Assistance Fund, the Aviation Restricted Revenue Account, the Hazardous Material Response Fund, The State Stores Fund, the Milk Marketing Fund, the Home Investment Trust Fund, the Emergency Medical Services Operating Fund, the Tuition Payment Fund, the Banking Department Fund, the Firearm Records Check Fund, the Ben Franklin Technology Development Authority Fund and the Oil and Gas Lease Fund to the Executive Department; to provide appropriations from the Judicial Computer System Augmentation Account to the Judicial Department for the fiscal year July 1, 2011, to June 30, 2012; to provide appropriations from the Motor License Fund for the fiscal year July 1, 2011, to June 30, 2012, for the proper operation of the several departments of the Commonwealth and the Pennsylvania State Police authorized to spend Motor License Fund moneys; to provide for the appropriation of Federal funds to the Executive Department of the Commonwealth and for the payment of bills remaining unpaid at the close of the fiscal year ending June 30, 2011; and to provide for the additional appropriation of Federal and State funds from the General Fund for the Executive Department of the Commonwealth for the fiscal year July 1, 2010, to June 30, 2011, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2010.

Reported as committed from Senate Appropriations Committee, and read first time, 6/14/2011

Read second time, 6/15/2011

Rereferred to Senate Appropriations Committee, 6/22/2011

Reported as amended from Senate Appropriations 6/27/2011

Read third time and passed Senate, 6-8/2011 (30-20)

Received as amended in House, rereferred to House Rules Committee, re-reported on concurrence as committed from House Rules Committee, and House concurred in Senate amendments 6/29/2011 (109-92)

Approved by the Governor 6/30/2011 Act No. 1A of 2011

[HB 1602](#) RE: Mechanics' Lien (by Rep. Tom Killion, et al)

Amends the Mechanics' Lien Law further providing for formal notice by subcontractor to the prothonotary of the Court of Common Pleas of the relevant jurisdiction as condition precedent to beginning construction. Notice must be given within 15 days of commencement of the construction. Form of the notice is provided for and a model notice given. A petition for a claim from a lien for a construction project must be filed within four months after completion of the work.

Public hearing held in House Labor and Industry Committee 6/13/2011

[SB 9](#) RE: Proof of Citizenship for Receipt of Public Benefits Act (by Sen. Joe Scarnati, et al)
requires identification of lawful presence in the United States as a prerequisite to the receipt of public benefits. This does not apply if compliance would lead to a loss of federal funding or would be in conflict with federal law.

Passed over in House State Government Committee 6/22/2011

[SB 263](#) RE: Data for Consideration by IRRC (By Sen. Ted Erickson, et al)

Amends the Regulatory Review Act to require the promulgating agency to submit to the Independent Regulatory Review Commission any data on which the information in the regulation is based and how that data was used. The agency has the burden of proving the acceptability of the data and the commission shall consider whether the regulation is supported by acceptable data in its determination of whether to approve a regulation.

Read third time and passed Senate, 6/6/2011 (49-0)

Received in the House and referred to House State Government Committee, 6/7/2011

Reported as committed from House State Government Committee, read first time, and laid on the table, 6/21/2011

Removed from the table, 6/22/1011

Read Second time and Rereferred to House Appropriations Committee, 6/27/2011

Reported as committed from House Appropriations, read third time, and passé House, 6/28/2011 (153-45)

Signed in the Senate and House, 6/29/2011

[SB 330](#) RE: Taxpayer Relief Act Back End Referendum Exemptions (by Sen. Joe Scarnati, et al)

Amends the Taxpayer Relief Act to require the school directors in school districts of the second, third, and fourth classes to adopt a resolution allowing the payment of property taxes by small businesses to be made in installments. This does not include the payment of interim or delinquent taxes. A small business is defined as a business located in this commonwealth with fewer than 50 employees. Provides any property tax increase for school districts over the rate of inflation must be submitted for voter approval. Exceptions to this requirement are tax increases to pay for the costs associated with special education and payment of certain electoral debt only the amount to pay for the amount not covered by the increase allowed for in the index. Department approval is required for the exception to referendum.

Reported as committed from House Finance Committee, read first time, laid on the table, and Removed from the table, 6/28/2011

Amended on House floor with Grove amendment, and rereferred to House Appropriations Committee, 6/29/2011

Reported as committed from House Appropriations Committee, read third time, 24 hour Rule Suspended, and passed House, 6/30/2011 (109-86)

Received as amended in Senate and rereferred Senate Rules and Executive Nominations Committee, Re-reported on concurrence as committed Senate Rules and Executive Nominations Committee, and Senate concurred in House amendments, 6/30/2011 (32-17)

Signed in the Senate and House, 6/30/2011

Approved by the Governor, 6/30/2011. Act No. 25 of 2011

[SB 552](#) RE: Industry Partnerships (By Sen. Mike Brubaker, et al)

Amends the Workforce Development Act adding a chapter providing for industry partnerships. The bill provides for the identification of industry clusters and targeted industry clusters and requires information to be published online annually by the Department of Labor and Industry along with a list of statewide and regional high-priority occupations which will guide workforce and educational investments by the department and participating agencies. The bill establishes a grant program to provide funding to industry partnerships. The grants could be used by industry partners to organize collaborative structures, identify training needs, facilitate economies of scale, and other such purposes. The bill provides for interdepartmental cooperation with the Departments of Agriculture, Community and Economic Development, Education, Corrections, and Public Welfare. The Department of Labor shall provide the necessary industry and labor market research to support and further develop the work of industry partnerships.

Reported as amended from House Labor and Industry Committee, read first time, and laid on the table, 6/27/2011

Removed from the table, 6/28/2011

Read second time and Rereferred to House Appropriations Committee, 6/29/2011

Reported as committed from House Appropriations Committee, read third time and passed House, 6/30/2011 (197-0)

Received as amended in Senate and rereferred Senate Rules and Executive Nominations Committee, Re-reported on concurrence as committed from Senate Rules and Executive Nominations Committee, and Senate concurred in House amendments 6/30/2011 (50-0)

Signed in the Senate and House, 6/30/2011

In the Hands of the Governor. Last day for action 7/10/2011

[SB 637](#) RE: E-Verify (By Sen. Kim Ward, et al)

(PN 992) Amends Title 62 (Procurement), in contracts for public works, adding a subchapter requiring verification of the employment eligibility of all employees for purposes of wage reporting and employment eligibility in certain public works projects as a precondition of being awarded a contract. The bill prescribes penalties and establishes good faith immunity under certain circumstances. (Prior Printer Number: 645)

Received in the House and referred to House Labor and Industry Committee, 6/2/2011

[SB 1030](#) RE: Unemployment Comp Benefits (By Sen. John Gordner, et al)

Amends the Unemployment Compensation Law to provide circumstances under which an employer may be relieved of paying unemployment compensation benefits. The definition of "credit week" is changed to any week in which the employee is paid not less than \$100 (to expire December 31, 2014) and starting in 2015 the definition is 16 times the minimum hourly wage required by the Minimum Wage Act. The bill provides for weekly benefit computation and a formula is provided detailing the rate and amount of compensation. If an employees weekly benefit rate is less than \$70 they shall not receive compensation. The process and procedure of filing a request for relief of unemployment compensation benefits is provided. Such relief attaches to other applications for benefits unless terminated. Provides definitions.

Reported as amended from House Labor and Industry committee, read first time, and laid on the table, 6/7/2011

Removed from the table, 6/8/2011

Amended on House floor and Rereferred to House Appropriations Committee, 6/16/2011

Reported as committed from House Appropriations Committee, amended on House floor, read third time and passed House, 6/16/2011 (194-0)

Received as amended in Senate and rereferred to Senate Rules and Executive Nominations Committee, Re-reported on concurrence as committed from Senate Rules and Executive Nominations Committee, and Senate concurred in House amendments (50-0)

Signed in the House and Senate, 6/17/2011

Approved by the Governor, 6/17/2011 (Act No. 6 of 2011)

[SB 1054](#) RE: 2011-12 Capital Budget Act (by Sen. Jake Corman, et al)

Provides for the capital budget for the fiscal year 2011-2012. Provides \$1,662,000,000 for capital improvements: \$935 million for buildings and structures, \$10 million for furniture and equipment, \$212 million for transportation assistance projects, \$270 million for redevelopment assistance projects, \$35 million for flood control projects, and \$200 million for bridge projects.

Read third time and passed Senate, 6/6/2011 (49-0)

Received in the House and referred to House Appropriations Committee, 6/7/2011

New Bills Introduced

The following bills were introduced and referred to committees this month.

[HB 1685](#) RE: Prevailing Wage (By Rep. John Bear, et al)

Amends the Pennsylvania Prevailing Wage Act stipulating that, unless otherwise authorized by statute, the secretary shall base the scope of a craft or classification of workmen on the most recent version of the Federal occupational classifications, utilizing the description of the craft or classification in the "nature of work" subsection for each rate category.

Introduced and referred to House Labor and Industry Committee, 6/17/2011

[HB 1686](#) RE: Public Transportation Trust Fund (By Rep. Bob Godshall, et al)

Amends Titles 74 (Transportation) and 75 (Vehicles), in sustainable mobility options, further providing for Public Transportation Trust Fund in relation to the Pennsylvania Turnpike and the deposit and distribution of funds in future years.

Introduced and referred to House Transportation Committee, 6/17/2011

[HB 1688](#) RE: Highway Capital Budget Project Itemization Act of 2011-2012 (By Rep. Mark Keller, et al)

Provides for the highway capital budget project itemization for the fiscal year 2011-2012 to be financed from current revenue or by the incurring of debt.

Introduced and referred to House Appropriations Committee, 6/17/2011

[HB 1698](#) RE: Highway-Railroad and Highway Bridge Capital Budget Supplemental Act for 2011-2012 (by Rep. Doyle Heffley, et al)

Supplement to the Highway-Railroad and Highway Bridge Capital Budget Act for 1982-1983, adding the Highway-Railroad and Highway Bridge Capital Budget Supplemental Act for 2011-2012, which itemizes additional state and local bridge projects.

Introduced and referred to House Transportation Committee, 6/20/2011

[SB 1136](#) RE: High-Performance State Government Buildings Standards Act (By Sen. John Rafferty, et al)

Requires the design, construction and renovation of certain state buildings to comply with specified energy and environmental building standards. The bill outlines minimum criteria for high-performance building standards. The Department of General Services, in consultation with the Department of Environmental Protection, shall develop and issue regulations for compliance.

Introduced and referred to Senate Environmental Resources and Energy Committee, 6/29/2011

[SB 1149](#) RE: Animal Housing Facility Sales Tax Exclusion (by Sen. Mike Brubaker, et al)

Amends the Tax Reform Code, in sales and use tax, to provide a definition of "animal housing facility" and to exclude from sales tax the sale at retail of materials for constructing such a facility.

Introduced and referred to Senate Finance Committee, 6/14/2011

[SB 1152](#) RE: Pennsylvania First Program (by Sen. Jane Earll, et al)

Amends Title 12 (Commerce and Trade) repealing provisions relating to opportunity grants and adding a chapter providing for the establishment, administration and implementation of the Pennsylvania First Program to (1) Consolidate existing funding programs within the department into a comprehensive program; (2) Provide flexibility to respond rapidly and concisely to the needs of companies locating or expanding in Pennsylvania with competitive grants, guarantees and loans; (3) Provide for certain costs of job creation and retention, job training, infrastructure and work force development projects; (4) Increase investment in Pennsylvania and enable the Commonwealth to compete more effectively in both the local and global economies; and (5) Create and retain jobs in Pennsylvania. The program shall be administered by the department to provide financial assistance to applicants for projects that encourage job creation, job retention or job training through economic development within this Commonwealth. An applicant may submit an application to the department requesting financial assistance for a project. The application shall be on the form required by the department and shall include certain outlined information. The department shall review the application and monitor the applicant's compliance with the program. Recipients of assistance shall submit an annual report and the department shall report annually to the General Assembly. Financial assistance for each project shall be leveraged by at a minimum \$4 of non-state matching funds per dollar of the total financial assistance approved. Financial assistance provided shall be leveraged by \$10 of non-state matching funds per dollar of the financial assistance to be measured at the end of each fiscal year. The department shall establish at the beginning of each fiscal year a reserve, which may not exceed 25% of the funds appropriated to the department for the program, for financial assistance to applicants that own or operate small businesses.

Introduced and referred to Senate Community, Economic & Recreational Development Committee, 6/16/2011

Upcoming meetings of Interest

L&I: UNIFORM CONSTRUCTION CODE REVIEW AND ADVISORY COUNCIL MEETING

The Department of Labor and Industry announced a meeting of the Uniform Construction Code Review and Advisory Council Meeting Thursday, July 28, 2011, from 10 a.m. to 5 p.m. at the Department of Labor and Industry, 651 Boas Street, Room E-100, Harrisburg. Contact: Edward Leister at (717) 783-6304.

2011 SENATE SESSION SCHEDULE

The Senate is in recess until September 19.

2011 HOUSE SESSION SCHEDULE

The House is in recess until September 26.

The Fall Legislative Schedule has not been announced.

Copies of all bills of interest can be accessed via the Internet at:
<http://www.legis.state.pa.us/WU01/LI/BI/billroom.htm>