

MCA
Summary of Legislation
May 2012

House Committee Hears About Payment Woes

The PA House committee on Labor and Industry held a public hearing on May 15th to hear testimony about payment problems in the construction industry. The hearing was held in Philadelphia and was jointly chaired by Rep. Bill Keller (D, Philadelphia) and Ron Miller (R, York). Most of the testimony presented detailed the difficulty of subcontractors receiving payment on time and in full. The presenters represented a broad cross section of the industry including representatives from the Interior Finish Contractors Association, the Architectural Glass and Metal Association, the Mechanical Contractors Association, and the Union Affiliated Plumbing Contractors of Local 690. They identified the need for a better system to ensure that subcontractors are paid including changes to the mechanic's lien law, the Contractor Subcontractor Payment act as well as new approaches. A representative of the PA Council of General Contractors also testified. When asked by the Chairman about the horror stories that had been shared by previous witnesses, he responded that his members didn't believe there was a payment problem in the industry. Although not intended to be humorous, the comment drew a loud laugh from everyone present.

Bill Would Adjust Steel Procurement Law

Since 1978, publicly financed construction projects have been subject to the state's Steel Products Procurement Act. That law requires that every contract document for construction to contain a provision that domestic steel products be utilized if they are available. **House Bill 1840** proposes to modify the requirement so that the Department of General Services can identify types of steel products that are not available in sufficient quantities based on the prior year's assessment. Many within the industry believe that certain products have not been available for years and that the current law requires an exercise in futility to demonstrate that. General Services will publish the list of exempt items and that list would be updated yearly. The bill was introduced by Representative John Bear of Lancaster County and has been referred to the committee on State Government.

Legislative Activity

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

BIDDING / CONTRACTING

[HB 1840](#) RE: Steel Products Procurement (by Rep. John Bear, et al)

Amends the Steel Products Procurement Act adding language providing section 4 of the Act shall not apply in any case where a list of exempt steel products, which has been identified by the Department of General Services as not produced in the United States in sufficient quantities in the previous calendar year, is published on the department's Internet website, which contractors, subcontractors, suppliers, bidders, offerors and public agencies can rely upon in preparing bids and contracts. Requires the department to annually update the list of exempt products on a date selected by the department. Further provides the department may not make changes to the list during the year following publication.

Introduced and referred to House State Government Committee, 5/14/2012

[HB 1901](#) RE: Emergency Contracting (By Rep. Garth Everett, et al)

Amends the Public School Code, in grounds and buildings, further providing for work to be done under contract let on bids and exceptions by requiring the school district to notify the Secretary of Education that an emergency has occurred and a bid has been selected under the emergency

process. The bill removes the provision requiring approval of such bids by the secretary and instead they must be approved by the board of school directors.

Reported as committed from Senate Education Committee and read first time, 5/22/2012

Read second time and recommitted to Senate Education Committee, 5/23/2012

[HB 2325](#) RE: School Construction Contracts (by Rep. Mark Keller, et al)

Amends Public School Code, in preliminary provisions, further providing for adjustments based on Consumer Price Index; in grounds and buildings, further providing for work to be done under contract let on bids and exception; in books, furniture and supplies, further providing for purchase of supplies; in Thaddeus Stevens College of Technology, further providing for contracts for construction, repair, renovation or maintenance; and, in State System of Higher Education, further providing for project contracts and for powers and duties of institution presidents.

Reported as committed from House Local Government Committee, read first time, and laid on the table, 5/23/2012

BUDGET RELATED BILLS

[HB 2380](#) RE: Public School Construction (by Rep. Anthony Payton,

Amends Title 24 (Education) establishing the Pennsylvania Public School Construction Authority and the Pennsylvania Public School Construction Task Force; providing for their powers and duties; establishing the Public School Construction Reserve Fund, the Public School Building and Facility Adequacy Grant Program, a direct grant program and an interest subsidy program; and authorizing the issuance of bonds.

Introduced and referred to House Education committee, 5/16/2012

[SB 1466](#) RE: FY 2012-13 Budget (by Sen. Jake Corman, et al)

Act to provide from the General Fund for the expenses of the Executive and Judicial Departments and the State Government Support Agencies and the General Assembly of the Commonwealth, the public debt and the public schools for the fiscal year July 1, 2012, to June 30, 2013, 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, 2012; also provides for funding for related agencies.

Reported as amended Senate Appropriations Committee, 5/8/2012

Read third time and passed Senate, 5/9/2012 (39-8)

Received in the House and referred to House Appropriations Committee, 5/10/2012

Reported as committed from House Appropriations Committee, read first time, and laid on the table, 5/22/2012

Removed from the table, 5/23/2012

[SB 1480](#) RE: Capital Budget Act of 2012-2013 (by Sen. Jake Corman, et al)

Appropriates the following sums for capital projects: \$995,000,000 for buildings and structures (general and special funds); \$40,000,000 for furniture and equipment (general and special funds); \$210,000,000 for transportation assistance projects (general fund); \$345,000,000 for redevelopment assistance projects (general fund); and \$85,000,000 for bridge projects (general fund or motor license fund).

Reported as committed from Senate Appropriations Committee, 5/8/2012

ENVIRONMENTAL BUILDING STANDARDS

None

HEALTH CARE REFORM

[HB 2401](#) RE: Commonwealth Health Insurance Interchange Act (By Rep. Scott Boyd, et al)

Establishes the Commonwealth Health Insurance Interchange in the Insurance Department which is designed to facilitate the purchase and sale of basic care. The bill further provides for the powers and duties of the exchange including the creation and maintenance of a website for purchasing of insurance and provision of information, among other purposes. The interchange shall also provide information and share information with the federal government and other state agencies in order to facilitate its mission. Consideration of preexisting conditions in the interchange is prohibited and the bill details the purchasing of other insurance. The bill allows employers to pay employees for the cost of insurance under the interchange instead of providing insurance. The legislation also details what basic care shall consist of and the scope of coverage. An Advisory Council is appointed for oversight of the interchange and a report is required.

Introduced and referred to House Insurance Committee, 5/21/2012

[SB 8](#) RE: Pennsylvania Health Information Technology Act (by Sen. Mike Folmer, et al)
Provides definitions and establishes the Pennsylvania Health Information Partnership Authority and for its composition, powers and duties. The authority is an independent agency set to expire December 31, 2018. Further establishes the Pennsylvania Health Information Partnership Account to be administered by the Authority. Provides health care providers are allowed to obtain medical records without consent so long as they are necessary to the care of the patient. Provides for confidentiality of patient medical records. The Authority shall create a form to allow a patient to deny the release of such medical records. Further provides for immunity from civil liability.
Reported as amended from Senate Appropriations Committee, 5/21/2012

[SB 10](#) RE: Freedom From Health Care (by Sen. Joe Scarnati, et al)
Joint resolution proposing an amendment to the Pennsylvania Constitution providing for health care services by adding that a person shall be entitled to the freedom of providing for the person's own health care. With the exception of providing indemnity and medical benefits to injured workers, no law shall be enacted: (1) requiring a person to obtain or maintain health insurance coverage, except as required by a court; (2) prohibiting a person from or penalizing a person for making direct payment to a health care provider for tendering health care services; or (3) rendering a person liable for any penalty, tax, assessment, fee or fine as a result of the failure to maintain health insurance coverage.
Reported as committed from House State Government Committee, read first time, and laid on the table, 5/22/2012

[SB 1464](#) RE: Insurance Company Mergers (by Sen. Don White, et al)
Amends The Insurance Company Law to further provide for definitions and for the process and procedure acquisition of control of or merger or consolidation with a domestic Insurer. The bill also makes substantial editorial changes and details additional disclosures that need to be made by an insurance company when registering with the Insurance Department. The bill details additional department duties in terms of examining insurance companies and for penalties for companies that fail to comply with an order of the department. A supervisory college may be appointed as a means of opening channels of communication between the private sector and the regulatory agency and the legislation details other supervisory mechanisms to be utilized by the department in cooperation with the supervisory college. The bill states all information obtained from an insurance company is confidential and not subject to right-to-know requests. The bill further details sanctions.
Reported as amended from Senate Appropriations Committee, 5/22/2012
Read second time, 5/23/2012

LOCAL/STATE GOVERNMENT/REGULATIONS

NONE

PREVAILING WAGE

NONE

TRANSPORTATION

[HB 3](#) RE: Public-Private Transportation Partnerships (By Rep. Rick Geist, et al)
Amends Title 74 (Transportation) adding a chapter providing for public-private transportation partnerships and making a related repeal.
Reported as amended from Senate Transportation Committee, and read first time, 5/23/2012

UNEMPLOYMENT/WORKERS COMP

[HB 1539](#) RE: Keystone Works I Program Act (by Rep. Stan Saylor, et al)
Establishes said program under the purview of the Department of Labor and Industry. The program shall permit a claimant to be matched with a participating business, which will then provide skill enhancement for up to 24 hours per week for up to six weeks. Upon completion of the six-week period, claimants must be considered for employment by the business. A business shall not be required to compensate claimants involved with the program. The bill outlines other duties of the department.
Reported as amended from House Labor and Industry Committee, read first time, and Laid on the table, 5/21/2012

Upcoming meetings of Interest

MONDAY - 6/4/12

House Finance Committee

9:30 a.m., Room G-50, Irvis Office Building

Public hearing on: [HB 1776](#) (Cox) - Act providing for tax levies; authorizing imposition of PIT or EIT by school district subject to voter approval; providing for sales & use tax; Public Transportation Reserve Fund; hotel occupancy tax; & repealing certain provisions.

TUESDAY - 6/5/12

House Appropriations Committee Subcommittee on Fiscal Policy

9:30 a.m., Room 140 Main Capitol

Public hearing on: [SB 405](#) (Browne) - Amends the Local Tax Enabling Act further providing for delegation of taxing powers and restrictions.

WEDNESDAY - 6/6/12

House Transportation Committee

9:30 a.m., Hearing Room 1, North Office Building

Joint public hearing with the Senate Transportation Committee on Act 44 - Sustainability of Turnpike Finances

THURSDAY - 6/7/12

House Veterans Affairs & Emergency Preparedness Committee

9:15 a.m., Room G-50, Irvis Office Building

Public hearing on: [HB 1316](#) (Miccarelli) - Amends Title 62 (Procurement) providing for disabled veteran-owned small businesses, and [SB 623](#) (Tomlinson) - Amends Title 62 (Procurement) providing for contracting with veteran-owned small businesses; and imposing duties on the Department of General Services and other Commonwealth purchasing agencies.

FRIDAY - 6/8/12

House Appropriations Committee Subcommittee on Fiscal Policy

10:00 a.m., Springfield Country Club, Ballroom, 400 W. Sproul Road, Springfield

Public hearing on: [SB 405](#) (Browne) - Amends the Local Tax Enabling Act further providing for delegation of taxing powers and restrictions.

2012 SPRING SENATE SESSION SCHEDULE

June 4, 5, 6, 11, 12, 13, 18, 19, 20, 25, 26, 27, 28, 29

2012 SPRING HOUSE SESSION SCHEDULE

June 4, 5, 6, 11, 12, 13, 18, 19, 20, 21, 22, 25, 26, 27, 28, 29

The Fall Session schedules have not yet been announced. However the House and Senate leaders have announced there will NOT be voting session days after the November elections.

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

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