

MCA
Summary of Legislation
November 2013

Transportation Bill Finally Crosses Finish Line

After several years of intense lobbying, Pennsylvania now has funding mechanisms in place to begin to address its long neglected transportation needs. On November 25, 2013, the Legislature delivered to Governor Tom Corbett a bill that will eventually result in roughly 2.3 billion dollars worth of new monies each year for roads, bridges, rail, trails and mass transit. The road to enactment took a circuitous route to say the least. Even though the Senate passed a similar, but slightly more generous, bill overwhelmingly in the spring, the House struggled mightily to do the same. In fact, the first couple of votes on the negotiated amendment failed in the House before it garnered enough votes for passage.

The sticking point in the House revolved around House Republican desires to include prevailing wage law changes in the transportation funding bill. Specifically, the desire was to raise the threshold of when prevailing rates must be paid (i.e. raising it from the current \$25k to \$100k). Many Democrats and a few Republicans wouldn't vote for it if prevailing wage was part of the package. Eventually that provision was narrowed so that the only projects that would be affected are those that are "locally funded". Because a few of the trade unions agreed to the change, a block of mostly southeast legislators got on board and helped push it through. The amount of revenue that will be generated by the lifting of the oil franchise tax cap and additional fees represents a historic increase in the level of transportation infrastructure investment in Pennsylvania.

Prevailing Wage Threshold Bill on Heels of Transportation Vote

Following closely behind the passage of the transportation funding bill was introduction of a new bill that proposes to increase the prevailing wage threshold for every project not covered by the narrow threshold increased that was contained in the transportation bill. After voting against the funding bill, Representative Stephen Bloom (Republican, Cumberland County) wasted no time in calling for an expansion of the prevailing wage threshold that he voted against. House Bill 2540 raises the threshold of when prevailing rates must be paid from \$25k to \$100,000k. The transportation bill included the same increase but is limited to locally funded transportation projects. In his cosponsorship memo, Bloom called the transportation threshold "historic" and that under his bill "projects will avoid the unnecessary administrative complexity and expense imposed by a new two-tiered threshold, while allowing school districts and municipal entities (and the property tax payers who fund them) to avail themselves of substantial savings and efficiency." Given the bitter fight that occurred over inclusion of the threshold increase in the transportation bill, passage of this legislation or any of the other similar bills already pending in the House seems unlikely.

Legislative Activity

The following bills of interest to the construction industry were acted on by the General Assembly in the past month.

BIDDING / CONTRACTING

NONE

BUDGET RELATED BILLS

[SB 680](#) RE: Capital Budget Project Itemization Act of 2012-2013 (by Sen. Jake Corman, et al)

Provides for the capital budget for the fiscal year 2013-2014; itemizing public improvement projects, furniture and equipment projects, transportation assistance projects, redevelopment assistance capital projects, flood control projects, Keystone Recreation, Park and Conservation Fund projects, State forestry bridge projects, State ATV/Snowmobile Fund projects, Pennsylvania Fish and Boat Commission projects, Manufacturing Fund projects, Oil and Gas Lease Fund projects, Environmental Stewardship Fund projects, highway bridge projects and State Stores Fund current revenue projects to be constructed or acquired or assisted by the Department of General Services, the Department of Community and Economic Development, the Department of Conservation and Natural Resources, the Department of Environmental Protection, the Department of Transportation or the Pennsylvania Fish and Boat Commission, together with their estimated financial costs; authorizing the incurring of debt without the approval of the electors for the purpose of financing the projects to be constructed, acquired or assisted by the Department of General Services, the Department of Community and Economic Development, the Department of

Conservation and Natural Resources, the Department of Environmental Protection, the Department of Transportation or the Pennsylvania Fish and Boat Commission; stating the estimated useful life of the projects; and making appropriations.

Approved by the Governor, 11/1/2013 (Act No. 85 of 2013)

ENVIRONMENTAL BUILDING STANDARDS

NONE

LOCAL/STATE GOVERNMENT/REGULATIONS

[SB 802](#) RE: Boiler and Unfired Pressure Vessel Law (By Sen. Jake Corman, et al)

Amends the Boiler and Unfired Pressure Vessel Law to update the standards applied to boilers by adopting the 2010 and 2011 national codes and allowing the Department of Labor and Industry to update those codes in the future by regulation. Allows for private inspection of boilers and unfired pressure vessels and allows the code to expand the scope to include new types of technology. Also clarifies commissioned private inspectors may either inspect uninsured boilers and vessels, or insured boilers and vessels pursuant to a contract with the insurer.

Removed from the table, 11/12/2013

Read second time, and rereferred to House Appropriations Committee, 11/13/2013

Reported as committed from House Appropriations Committee, read third time, and passed House, 11/18/2013 (201-0)

Received as amended in Senate and rereferred Senate Rules and Executive Nominations Committee, and Re-reported on concurrence as committed from Senate Rules and Executive Nominations Committee, 11/19/2013
Senate concurred in House amendments, 11/20/2013 (50-0)

Signed in the Senate, 11/20/2013

Signed in the House, 11/21/2013

In the hands of the Governor, 11/22/2013. Last day for Governor's action, 12/2/2013

LIABILITY

NONE

MANDATE WAIVERS

NONE

MECHANIC'S LIEN

[HB 982](#) RE: Mechanics' Lien Law (by Rep. Sheryl Delozier, et al)

Amends the Mechanics' Lien Law prohibiting a subcontractor from filing a lien with respect to an improvement to a residential property if: 1) the owner or tenant has paid the contractor in full; 2) the property is, or is intended to be, the residence of the owner or tenant; and 3) the residential property is a building that consists of one or two dwelling units used, intended or designed to be built, used, rented, or leased for living purposes. The bill also details instances where subcontractors do not have the right to the lien and further details when a lien may be discharged against certain property owners.

Reported as committed from House Appropriations Committee, read third time, and passed House, 11/12/2013 (200-1)

Received in the Senate and referred to Senate Labor and Industry Committee, 11/18/2013

MINIMUM WAGE

NONE

LICENSING BILLS

NONE

PREVAILING WAGE

NONE

LOCAL/PROPERTY TAX REFORM

[HB 1513](#) RE: Business Privilege Tax (by Rep. George Dunbar, et al)

Amends the Local Tax Enabling Act, allowing local taxing authorities to levy a tax on the privilege of doing business in the jurisdiction of the local taxing authority if business transactions occur fifteen or more days in a year

and/or the transactions occur through a base of operations in the jurisdiction of the levying local tax authority.
Applies to taxable years beginning January 1, 2014.

Reported as committed from Senate Finance Committee, and read first time, 11/20/2013

TRANSPORTATION

[HB 106](#) RE: Transportation Funding (by Rep. Mike Carroll, et al)

Amends Title 75 (Vehicles) to provide for the biennial registration of certain motor vehicles and remove the requirement of having a registration sticker on a license plate. The fee for biennial registration shall be set by the Department of Transportation in accordance with the provisions already set out in the Title.

Reported as amended from House Transportation Committee, read first time, laid on the table, and removed from the table, 11/13/2013

Amended on House floor, and Rereferred to House Rules Committee, 11/19/2013

[HB 1060](#) RE: Transportation Funding (by Rep. Mark Keller, et al)

Amends Title 74 (Transportation) and 75 (Vehicles) to provide for a \$2.3 billion transportation funding plan. The legislation provides for funding for roads and bridges and includes \$480 million in funding for mass transit funding. The legislation raises the revenue for the plan by uncapping the Oil Company Franchise Tax, phasing out Act 44 requirements, increasing registration and other related transportation fees, increasing fines for traffic violations, and eliminating the liquid fuels tax. The legislation also provides for multi-modal transportation funding and provides for a new Department of Transportation Deputy Secretary to oversee multimodal transportation. The legislation provides for deposits in the Public Transportation Trust Fund, local government cooperation, the transfer and deposit of money for projects. The bill details how funding for projects should be awarded and creates a Multi-Modal Fund. The bill increases the maximum speed limit from 65 to 70 miles per hour and increases the prevailing wage threshold for locally funded highway and bridge projects from \$25,000 to \$100,000. The bill provides for a bridge building program and updates and repairs to traffic signals as articulated. The various aspects of the legislation will all take effect by December 31, 2016.

Reported as committed from Senate Appropriations Committee, 11/12/2013

Read second time, 11/13/2013

Amended on Senate floor, and read third time, 11/20/2013

Senate adopted Pileggi motion to consider bill notwithstanding provisions of Senate Rule 12, and passed Senate, 11/20/2013 (43-7)

Received as amended in House and rereferred to House Rules Committee, re-reported on concurrence as committed House Rules Committee, 11/21/2013

Re-reported on concurrence as committed from House Rules Committee, Truitt motion to table HB 1060 until Dec. 9, 2013 failed, and House concurred in Senate amendments, 11/21/2013 (113-85)

Signed in the House and Senate, 11/21/2013

Approved by the Governor, 11/25/2013

[HB 1823](#) RE: Multimodal Transportation Fund and Balanced Intermodal Transportation Policy Commission (By Rep. Dwight Evans, et al)

Amends Titles 74 (Transportation) & 75 (Vehicles), providing for multimodal transportation, and establishing a Multimodal Transportation Fund and Balanced Intermodal Transportation Policy Commission, for the purpose of issuing grants through the Department of Transportation's programs relating to aviation, rail freight, passenger rail, port and waterway, bicycle and pedestrian facilities, road and bridge and other transportation modes, among other objectives. Outlines general duties, responsibilities and makeup of the Commission. Defines "diverse business" as a disadvantaged business, minority-owned or women-owned business or service-disabled veteran-owned or veteran-owned small business, and provides for the responsibilities of the Commission with regard to bidding and awarding contracts for transportation projects. The Commission will include in bidding documents notice of considerations prime contractors must make with regard to subcontracting diverse businesses. Also provides for sanctions against contractors that fail to comply with the commonwealth's diverse business guidelines. Provides for annual reports and their contents. Also provides for job placement programming and outlines funding methods. For the Fund itself, \$20 million is to be allocated annually beginning in 2015-16 from the Oil Company Franchise Tax.

Introduced and referred to House Transportation Committee, 11/8/2013

UNEMPLOYMENT/WORKERS COMP

NONE

Upcoming meetings of Interest

2013 HOUSE SESSION SCHEDULE

December 9, 10, 11, 16, 17, and 18 (Non-Voting)

2013 SENATE SESSION SCHEDULE

December 3, 4, 9, 10, 11

2014 SENATE SESSION SCHEDULE

January 7, 13, 14, 15, 27, 28, 29

February 3, 4, 5

March 10, 11, 12, 17, 18, 19, 31

April 1, 2, 7, 8, 9, 28, 29, 30

May 5, 6, 7

June 2, 3, 4, 9, 10, 11, 16, 17, 18, 19, 23, 24, 25, 26, 27, 28, 29, 30

2014 HOUSE SESSION SCHEDULE

January 7 (NV), 13, 14, 15, 27, 28, 29

February 3, 4, 5

March 10, 11, 12, 17, 18, 19, 31

April 1, 2, 7, 8, 9, 28, 29, 30

May 5, 6, 7

June 2, 3, 4, 9, 10, 11, 16, 17, 18, 19, 23, 24, 25, 26, 27, 28, 29, 30

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

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