

MCA
Summary of Legislation
April 2015

House Commerce Committee Looks at Subcontractor Payment

The PA **House Commerce Committee** held a hearing on April 7 on [HB 726](#), which amends the 1994 Contractor and Subcontractor Payment Act. Committee Chairmen Harris and Thomas conducted the hearing, which included opening comments from **Representative Mike Tobash**, the bill's primary sponsor. At the hearing Representative Tobash said the goal of his legislation is to establish that contractors cannot force subcontractors to waive provisions of the current Act, to impose new penalties for nonpayment of subcontractors and to address issues surrounding the withholding of payments to subcontractors for long periods of time. Both support for the bill and concerns about the legislation were raised by individuals testifying on behalf of various construction contractors organizations. Comments of support centered on the legislation addressing hardships for subcontractors due to language contained in waiver provisions and the financial impact of nonpayment to subcontractors by prime contractors. Comments of concern revolved around the bill providing unnecessary regulatory burdens on contractors and the belief that issues raised by the legislation could be better addressed during the negotiation of contracts by parties. Another hearing will take place on this bill on May 14th in Pottsville.

White Wins Special; Hackett and Grell Resign

26 year-old Republican **Martina White**, a first-time candidate, pulled off an upset and defeated Democratic nominee Sarah Del Ricci in the **170th State House District** special election to succeed Democrat Brendan Boyle, who won a seat in Congress last fall as well as his own House seat, then resigned the latter. White received 56% while Sarah Del Ricci received 44%. The race was marred by contentious intraparty battling among NE Philly Democrats, including Lt. Gov. Mike Stack, and Boyle and his brother, Rep. Kevin Boyle. White's surprise victory gives the House Republicans an overwhelming 120-83 majority, though it will be short-lived, to a degree, as two other Republicans have announced they are resigning to take other positions.

Cumberland County State Rep. Glen Grell (R-87) resigned effective April 30 to become the Executive Director of the Pennsylvania School Employees Retirement System. The now former State Rep. served on the PSERS board but Speaker Mike Turzai did not reappoint him, reportedly because he was seen as too close to the labor unions. Grell had developed his own pension reform legislation that was not considered by the House. There is no word yet on when a special election will take place.

State Representative Joe Hackett (R-Delaware) is also stepping down. The third-term GOP legislator, who represents the 161st district, resigned his seat effective April 30th as well. The former Ridley Township police officer wants to get back into law enforcement. The 161st is seen as a potentially competitive seat for Democrats. A special election will take place probably in August.

Yet another special election could be in store as well, as **state Rep. John Sabatina (D-Phila)**, is favored to win the May 19th special election to replace former Senator, now Lt. Governor Stack, in the 5th Senatorial district in NE Philly, creating another House vacancy.

Legislative Activity

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

BIDDING / CONTRACTING

[HB 726](#) RE: Contractor & Subcontractor Payment (by Rep. Mike Tobash, et al)

Amends the Contractor & Subcontractor Payment Act adding a language providing the provisions of the Act cannot be waived in any contract. Increases from 1 percent to 1.5 percent the monthly interest rate for an outstanding payment. Also

adds a provision allowing for posting of **security in lieu of retainage**. Increases the penalty from 1 percent per month to 1.5 percent per month in cases where an arbitrator or litigation determines that payment was wrongly withheld.

Public hearing held in House Commerce committee, 4/7/2015

[HB 874](#) RE: Stalking in Labor Disputes (by Rep. Ron Marsico, et al)

Amends Title 18 (Crimes and Offenses), in assault, further providing for the offenses of harassment, stalking and threat to use weapons of mass destruction by removing conduct by a party to a labor dispute from each section.

Introduced and referred to House Judiciary Committee, 4/1/2015

Reported as committed from House Judiciary Committee, read first time, and laid on the table, 4/14/2015

Removed from the table, 4/15/2015

Read second time, and Rereferred to House Appropriations Committee, 4/20/2015

Reported as committed from House Appropriations Committee, read third time, and passed House, 4/21/2015 (109-84)

[SB 694](#) RE: School Building Construction Approvals (by Sen. John Eichelberger, et al)

Amends the Public School Code, in grounds and buildings, further providing for approval by Department of Education of plans of buildings and exceptions; providing for accountability and reducing costs in construction process; further providing for limitation on new applications for Department of Education approval of school building projects; and, in reimbursements by Commonwealth and between school districts, further providing for definitions, for approved reimbursable rental for leases hereafter approved and approved reimbursable sinking fund charges on indebtedness, for payments on account of leases hereafter approved and on account of sinking fund charges on indebtedness for school buildings hereafter constructed and for payments on account of building costs; and providing for lump sum reimbursement for construction or reconstruction.

Introduced and referred to Senate Education Committee, 4/7/2015

Cosponsor memos filed

[HCO1730](#) (Warner) - Allows for the extension of state and local construction permits approved as of July 2, 2013.
Filed, 4/14/2015

[HCO1744](#) (Caltagirone)- Provides for master architectural designs for school facilities, to that districts may adopt or modify one of the master plans, as appropriate for the site.

Filed, 4/16/2015

BUDGET RELATED BILLS

[HB 940](#) RE: Green Roof Tax Credit (by Rep. Brian Sims, et al)

Amends the Tax Reform Code establishing a green roof tax credit.

Introduced and referred to House Finance Committee, 4/8/2015

[SB 237](#) RE: High-Performance Buildings Tax Credit (By Sen. Matt Smith, et al)

Amends the Tax Reform Code establishing the High-Performance Buildings Tax Credit which would be available to a taxpayer, whether owner or tenant, for either the construction of a high- performance building or the rehabilitation of a building which is not a high-performance building into a high-performance building. The total tax credit that is available to a taxpayer for a single eligible project shall be distributed in four equal amounts over four years. The amount shall be based on the number of gross square feet of floor space in the eligible building, that building's achievement of an appropriate standard, and the tier of achievement earned. In addition, no building may receive a tax credit unless it has earned achievement at or above the Tier I level. All the approved projects shall receive a base tax credit of \$35,000 plus an additional tax credit based on a formula outlined in the legislation. The Department of Revenue shall annually report to the House and Senate Environmental Resources and Energy Committees on the credit.

Introduced and referred to Senate Finance Committee, 4/7/2015

[SB 242](#) RE: Green Tax Roof Credit (by Sen. Matt Smith, et al)

Amends the Tax Reform Code establishing a green tax roof credit of up to \$100,000 in any fiscal year. "Green roof" is defined as an addition to a roof that supports living vegetation and includes a synthetic, high-quality waterproof membrane, drainage layer, soil layer, and lightweight medium plants. The credit would be available to individuals and businesses that provide the Department of Revenue with certain required information. A business or individual that has received and taken the credit must repay the credit to the Commonwealth if it fails to maintain the green roof in accordance with the provisions of the commitment agreement.

Introduced and referred to Senate Finance Committee, 4/7/2015

Cosponsor memos filed

[HCO1802](#) (Mentzer) - Establishes an annual spending limit on two categories of projects under the Capital Facilities Debt Enabling Act.

Filed, 4/23/2015

ENVIRONMENTAL BUILDING STANDARDS

NONE

LOCAL/STATE GOVERNMENT/REGULATIONS

[HB 904](#) RE: Uniform Construction Code Application (by Rep. Mauree Gingrich, et al)

Amends the First Class Township Code adding a new article providing the Uniform Construction Code shall apply to the construction, alteration, repair and occupancy of all buildings and structures within a first class township. Allows the township commissioners to enact an ordinance to equal or exceed the minimum requirements of the Uniform Construction Code. Further provides that notwithstanding the primacy of the Uniform Construction Code, the commissioners may enact a property maintenance ordinance and may incorporate a standard or nationally recognized property maintenance code, or a variation or change or part of the code, published and printed in book form without incorporating the text of the code in the ordinance. Also allows the commissioners to enact a standard or nationally recognized property maintenance code or a change or variation or part as the ordinance. Further provides for appointment of property maintenance inspectors; legal actions; and reserved powers.

Introduced and referred to House Local Government Committee, 4/8/2015

[HB 1045](#) RE: UCC Updates (by Rep. Pat Harkins, et al)

Amends the PA Construction Code Act, in preliminary provisions, further providing for definitions, for Uniform Construction Code Review & Advisory Council; and, in Uniform Construction Code, for revised or successor codes.

Introduced and referred to House Labor and Industry Committee, 4/27/2015

[SB 330](#) RE: Neighborhood Blight Reclamation and Revitalization (by Sen. Kim Ward, et al)

Amends Title 53 (Municipalities Generally), in neighborhood blight reclamation and revitalization, providing for failure to comply with a code requirement. The bill outlines what constitutes noncompliance and grades a second offense as a second-degree misdemeanor and three or more as a first-degree misdemeanor. Repeals the offense of municipal housing code avoidance. Lays out penalties.

Reported as amended from Senate Urban Affairs and Housing Committee, and read first time, 4/15/2015

Amended on Senate floor, 4/20/2015

Read second time, 4/22/2015

LIABILITY

NONE

MANDATE WAIVERS

NONE

LICENSURE

[SB 703](#) RE: Plumbing Contractors Licensure Act (by Sen. Tom McGarrigle, et al)

Creates a state plumbers licensing program; establishes minimum standards that individuals must meet in order to obtain a state license, and a plumbing contractors licensure board within the Department of Labor and Industry too issue licenses, develop regulations, and administer the provisions of the Act. Provides for other guidelines including reciprocity with other states, renewals, violations and penalties.

Introduced and referred to Senate Labor and Industry Committee, 4/7/2015

LOCAL/PROPERTY TAX REFORM

[HB 860](#) RE: School Property Tax Reform Act (by Rep. Stan Saylor, et al)

Establishes the School District Millage Rate Reduction Fund and the School District Homestead and Farmstead Relief Fund; providing for additional taxation; and repealing provisions of the Taxpayer Relief Act. An additional personal income tax of 0.63 percent is imposed, which shall be deposited in the School District Millage Rate Reduction Fund. Additional sales, use, and hotel taxes of one percent are imposed and shall be deposited in the School District Homestead and Farmstead Relief Fund. The legislation establishes a formula for the allocation of State funds for the dollar-for-dollar reduction of school district property taxes through millage rate reductions and funding homestead property exclusions. It also establishes the allocation of State funds generated by the additional sales, use and hotel taxes for the dollar-for-dollar reduction of school district property taxes through millage rate reductions.

Introduced and referred to House Finance Committee, 4/10/2015

MECHANIC'S LIEN

NONE

MINIMUM WAGE

NONE

PREVAILING WAGE

[SB 714](#) RE: Prevailing Wage Act (by Sen. Scott Wagner, et al)

Amends the Public School Code, in preliminary provisions, providing for prohibition of the use of the Pennsylvania Prevailing Wage Act by adding that no contract entered into by a school district, charter school, cyber charter school or institution of higher education under this act for a public work, as defined in section 2 of the Pennsylvania Prevailing Wage Act, shall be subject to the Pennsylvania Prevailing Wage Act.

Introduced and referred to Senate Labor and Industry Committee, 4/21/2015

Cosponsor memos filed

[HCO1750](#).(Marsico) - Empowers county electorates to decide for themselves whether school construction projects should be subject to the state Prevailing Wage Act.

Filed, 4/17/2015

TRANSPORTATION

NONE

WORKER'S COMP

NONE

WORKFORCE DEVELOPMENT

[SB 761](#) RE: Apprenticeship and Training Act Repeal (by Sen. Lloyd Smucker, et al)
Repeals The Apprenticeship and Training Act.

Introduced and referred to Senate Labor and Industry Committee, 4/23/2015

OTHER LEGISLATION OF INTEREST

[HR 277](#) RE: Building Safety Month (By Rep. Mauree Gingrich, et al)
Resolution designating the month of May 2015 as "Building Safety Month" in Pennsylvania.

Introduced as noncontroversial resolution, 4/20/2015

Adopted, 4/22/2015 (196-0)

Upcoming meetings of Interest

Some House Committee meetings and session can be viewed online at: <http://www.pahousegop.com/>

TUESDAY – 5/5/15

Senate Labor and Industry Committee

9:00 a.m., Hearing Room 1, North Office Building

Public hearing to consider the impacts of increasing minimum wage

Senate State Government Committee

10:30 a.m., Room 156 Main Capitol

To consider the nomination of Curtis Topper as Secretary of General Services

TUESDAY - 5/12/15

House Consumer Affairs Committee

9:15 a.m., Room B31 Main Capitol (Rescheduled from 4/29/15)

Public hearing on: [HB 48](#) (Godshall) - Amends Title 27 (Environmental Resources), in conservation and natural resources, providing for water well construction standards.

THURSDAY - 5/14/15

House Commerce Committee

10:00 a.m., Union Station, 1 Progress Circle, Pottsville

Public hearing on: [HB 726](#) (Tobash) - Amends the Contractor & Subcontractor Payment Act further providing for application of act, for owner's payment obligations, for owner's withholding payment, for errors, for retainage, withholding payment & penalty & attorney fee.

2015 SENATE SESSION SCHEDULE

May 4, 5, 6, 11, 12, 13

June 1, 2, 3, 8, 9, 10, 15, 16, 17, 18, 22, 23, 24, 25, 26, 29, 30

2015 HOUSE SESSION SCHEDULE

May 4, 5, 6, 11, 12, 13

June 1, 2, 3, 8, 9, 10, 15, 16, 17, 18, 22, 23, 24, 25, 26, 27, 28, 29, 30

The Fall legislative schedule has not been announced yet

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

<http://www.legis.state.pa.us/cfdocs/legis/home/session.cfm>