

MCA
Summary of Legislation
November 2015

Sales Tax Plan That Included Professional Services Fails

As the budget debate continues, side issues continue to rise and fall in the General Assembly. November's issues were liquor privatization and property tax reform. Both of these issues have been brought to the table by various parties to the budget negotiations, including the Governor, but have not achieved legislative success. House Speaker Mike Turzai (R-Allegheny) has made liquor privatization his number one personal priority, and this has been a key hold up to negotiations. The House had earlier passed a liquor bill, but the Senate responded with a different version, and the Governor vetoed it. Nonetheless, Rep. Turzai kept the issue going, and this fall reintroduced a slightly modified version of his original bill and it again passed the House this past month, and it sits in the Senate Law and Justice Committee, awaiting a decision by the Senate to move it again.

Meanwhile, Sen. Dave Argall (R-Schuylkill) was pushing his own quest, which he described as property tax elimination, and had introduced as [SB 76](#). This amendment would have raised the personal income and sales and use taxes, and applied the sales and use tax to many items and professional services, **including design and construction services**, not currently subject to the tax. Similar legislation had been previously sounded defeated in the House. Senate leaders promised him a vote on his legislation, though only as an amendment to a House bill, [HB 683](#), which was on the Senate calendar. After several hours of impassioned debate, the amendment failed on a tie vote broken by Lt. Mike Stack (D-Philadelphia). The Lt. Governor may vote to break ties on procedural motions and amendments, not final passage on bills, so he was provided with a rare opportunity to cast a vote. That now put to rest, House and Senate leaders and staff then spent the Thanksgiving holiday working on a budget proposal they thought they could get finally completed by early December. The House added several session days the first two weeks of December. Whether they happen remains to be seen.

Legislative Activity

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

BIDDING / CONTRACTING

[HB 874](#) RE: Labor Harassment (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. Also provides the legislative intent is to deter and prohibit an individual who is involved with matters relating to labor relations from engaging in harassment, stalking and threats to use weapons of mass destruction and not to modify or repeal an otherwise legal right that an individual who is involved with matters relating to labor relations may otherwise have.

Approved by the Governor, 11/4/2015 (Act No. 59 of 2015)

[HB 902](#) RE: Local Contracting (by Rep. Chris Ross, et al)

Amends Act entitled "An act authorizing political subdivisions, municipality authorities and transportation authorities to enter into contracts for the purchase of goods and property," adding language providing for contracts for services setting up a procedure to be followed when a political subdivision, municipality authority or transportation authority is required to advertise for bids in order to enter into a contract for services and no bids are received.

Removed from the table, 11/5/2015

Read second time and Rereferred to House Appropriations Committee, 11/9/2015

Reported as committed from House Appropriations Committee, 11/10/2015

Read third time and passed the House, 11/16/2015 (201-0)

Received in the Senate and referred to Senate Local Government Committee, 11/20/2015

[SB 316](#) RE: Service Contracts Terms (by Sen. Mike Folmer, et al)

Amends Title 62 (Procurement), in general provisions, providing for public access to procurement records; and, in source selection and contract formation, further providing for sole source procurement and for emergency procurement. Records concerning a procurement shall be made public, consistent with the Right-to-Know Law. The bill stipulates that procurement documents shall be posted on the purchasing agency's website. For certain procurements over \$250,000, the determination shall be signed by the head of the purchasing agency. Two quotes shall be solicited for emergency procurement; no written contract may be required. Lays out guidelines for legal services contracts.

Removed from the table, 11/12/2015

[SB 344](#) RE: Duty of Prime Contractor (By Sen. John Eichelberger, et al)

Amends the Public Works Contractors' Bond Law further providing for duty of prime contractor to provide financial security in certain contracts involving public works and public improvements by requiring a contractor to furnish performance bond, payment bond, irrevocable letters of credit, or escrow account.

Rereferred to Senate Appropriations, 11/17/2015

[SB 1063](#) RE: Debarment (by Sen. Rob Teplitz, et al)

Amends Title 62 (Procurement) in source selection and contract formation further providing for debarment or suspension. Adds to the list of causes for debarment or suspension to include debarment of a person or individual substantially involved in the person's contracting activities, including an officer, partner, controlling stockholder or principal; deliberate failure, without good cause, to perform in accordance with the specifications provided in a contract; failure to perform or unsatisfactory performance of one or more contracts within the preceding five years unless the failure or unsatisfactory performance was due to acts beyond the control of the person; operating in a manner designed to evade the provisions of Title 62; or if the person is a successor, affiliate, or has another type of close business relationship with a person debarred.

Introduced and referred to Senate State Government Committee, 11/13/2015

BUDGET RELATED BILLS

[HB 1460](#) RE: General Appropriation Act of 2015 (By Rep. Bill Adolph, et al)

Provides from the General Fund for the expenses of the Executive and Judicial Departments, 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, 2015, to June 30, 2016, 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, 2015; to provide appropriations from the State Lottery Fund, the Tobacco Settlement Fund, the Aviation Restricted 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 Account Guaranteed Savings Program Fund, the Banking Fund, the Firearm Records Check Fund, the Ben Franklin Technology Development Authority Fund, the Oil and Gas Lease Fund, the Home Improvement Account, the Cigarette Fire Safety and Firefighter Protection Act Enforcement Fund, the Insurance Regulation and Oversight Fund and the Pennsylvania Racehorse Development Restricted Receipt Account, to the Executive Department; to provide appropriations from the Judicial Computer System Augmentation Account to the Judicial Department for the fiscal year July 1, 2015, to June 30, 2016; to provide appropriations from the Motor License Fund for the fiscal year July 1, 2015, to June 30, 2016, for the proper operation of 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, 2015. *This is the same budget numbers that the Governor vetoed in HB 1192 in June. It will likely be the vehicle for whatever agreement is reached.*

Removed from the table, 11/9/2015

Read second time, and rereferred to House Appropriations Committee, 11/10/2015

[SB 1073](#) RE: General Appropriation Act of 2015 (by Sen. Pat Browne, et al)

Provides from the General Fund for the expenses of the Executive and Judicial Departments, 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, 2015, to June 30, 2016, 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, 2015; to provide appropriations from the State Lottery Fund, the Tobacco Settlement Fund, the Aviation Restricted 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 Account Guaranteed Savings Program Fund, the Banking Fund, the Firearm Records Check Fund, the Ben Franklin Technology Development Authority Fund, the Oil and Gas Lease Fund, the Home Improvement Account, the Cigarette Fire Safety and Firefighter Protection Act Enforcement Fund, the Insurance Regulation and Oversight Fund, the Pennsylvania Racehorse Development Restricted Receipt Account, the Justice Reinvestment Fund and the Multimodal Transportation 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, 2015, to June 30, 2016; to provide appropriations from the Motor License Fund for the fiscal year July 1, 2015, to June 30, 2016, for the proper operation of several departments of the Commonwealth and the Pennsylvania State Police authorized to spend Motor License Fund money; and 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, 2015. The bill is retroactive to July 1, 2015 and effective immediately.

Introduced and referred to Senate Appropriations Committee, 11/17/2015

Reported as committed from Senate Appropriations Committee, and read first time, 11/18/2015

Read second time, 11/23/2015

ENVIRONMENTAL BUILDING STANDARDS

[HB 48](#) RE: Water Well Construction Standards (by Rep. Bob Godshall, et al)

Amends Title 27 (Environmental Resources) providing for the adoption of National Groundwater Association standards. Provides for water well construction standards; decommissioning of abandoned wells; water well completion reports; and inspections. Also provides for the powers and duties of the Environmental Quality Board (EQB) and Department of Environmental Protection (DEP) under this new chapter and for penalties for violations of this new chapter. Requires the EQB to promulgate rules and regulations adopting the construction and decommissioning standards recommended by the American National Standards Institute/National Groundwater Association.

Laid on the table, removed from the table, 11/30/2015

[HB 1394](#) RE: Fees for Storm Water Management Activities (By Rep. Mark Mustio, et all

Amends Title 8 (Boroughs & Incorporated Towns) authorizing a borough to assess reasonable and uniform fees for storm water management activities and facilities without the need to establish a municipal authority. Also authorizes the enactment and enforcement of ordinances to govern and regulate the planning, management, implementation, construction and maintenance of storm water facilities. Provides for any of the assessment to be collected by the treasurer and requires the municipalities to specify in the ordinance the frequency of the payments. A township may consider providing exemptions and credits for properties that have already installed and are maintaining storm water facilities.

Reported as amended from House Local Government Committee, read first time, and laid on the table,

LOCAL/STATE GOVERNMENT/REGULATIONS

[HB 1661](#) RE: Storm Water Management Plans (by Rep. Mark Mustio, et al)

Amends the First Class Township Code adding an article providing for storm water management plans and facilities. The board of commissioners is authorized to plan, design, construct, assemble, install and alter facilities to manage surface water runoff.

Reported as amended from House Local Government Committee, read first time, and laid on the table,

[SB 793](#) RE: Building and Housing Regulations (by Sen. Scott Hutchinson, et al)

Amends the Second Class Township Code, in corporate powers, further providing for building and housing regulations and repealing provisions relating to building and housing inspectors; and providing for Uniform Construction Code, property maintenance code and reserved powers. The bill adds a section providing for Uniform Construction Code, Property Maintenance Code, and reserved powers. The Pennsylvania Construction Code Act and the Uniform Construction Code shall apply to the construction, alteration, repair and occupancy of the buildings and structures within a township.

Removed from the table, 11/5/2015

Read Second time and rereferred to House Appropriations Committee, 11/9/2015

Reported as committed from House Appropriations Committee, read third time, and passed House, 11/10/2015 (191-2)

Signed in the House and Senate, 11/16/2015

Approved by the Governor, 11/24/2015 (Act No. 69 of 2015)

[SB 1051](#) RE: Abolishing the Turnpike Commission (by Sen. Scott Hutchinson, et al)
Amends the Administrative Code establishing the Bureau of Toll Administration within the Department of Transportation (PennDOT). The bill authorizes the Secretary of Transportation to appoint an additional deputy secretary who shall have the title of the Deputy Secretary for Toll Administration; and provides for the powers and duties of the Deputy Secretary for Toll Administration with regard to the operation of toll roads. Also adds a section related to Toll Road and Bridge Administration; authorizes PennDOT to assume all powers and duties of the Pennsylvania Turnpike Commission related to operation, maintenance, construction and reconstruction of the Turnpike and related highways and to receive all tolls and other money otherwise payable to the commission; establishes the Bureau of Toll Administration in PennDOT; and provides for various powers and duties of the Bureau of Toll Administration related to financing functions, transfer of land, buildings, personal property and employees. The Turnpike Commission and the office of Turnpike Commissioner are abolished.

Introduced and referred to Senate Transportation Committee, 11/10/2015

LIABILITY

NONE

LICENSURE

NONE

LOCAL/PROPERTY TAX REFORM

[HB 683](#) RE: Taxpayer Relief Act (by Rep. Kathy Rapp, et al)

Amends the Taxpayer Relief Act, in senior citizens property tax and rent rebate assistance, removing from the definition of "income" federal veterans' disability payments and state veterans' benefits. Provides a definition of "state veterans' benefits". *Sen. Dave Argall attempted to amend this bill with the property tax elimination plan language contained in SB 76, but it was defeated on the Senate floor.*

Reported as committed from Senate Appropriations Committee, 11/16/2015

Read second time, 11/18/2015

Argall amendment defeated on Senate floor, 11/23/2015, (24-25)

Laid on the table, 11/24/2015

MANDATE WAIVERS

[HB 1119](#) RE: School Mandate Waivers (by Rep. Kristin Hill, et al)

Amends the Public School Code to allow public schools to apply for waivers of certain delineated statutory mandates, provided conditions are met. Provides for a five-year report and renewal cycle. Also allows fulfillment of certain legal notice requirements by publishing on a publicly accessible website.

Removed from the table, laid on the table, 11/4/2015

MECHANIC'S LIEN

NONE

MINIMUM WAGE

[HB 1694](#) RE: Minimum Wage Raise (by Rep. Mark Cohen, et al)

Amends the Minimum Wage Act increasing the minimum wage incrementally over approximately three years to \$15 per hour and tying the wage to the consumer price index thereafter. The department shall collect information of

the number of employers who violate the provisions of this act, including the amount of fines imposed for violations, and shall publish the information on the department's publicly accessible Internet website. The department shall update the information every six months. Certain preemption provisions are repealed.

Introduced and referred to House Labor and Industry Committee, 11/12/2015

PREVAILING WAGE

NONE

TRANSPORTATION

NONE

WORKER'S COMP

Cosponsor Memo Filed

[HCO2529](#) (Mackenzie) - Requires that all reasonable and necessary treatments, services, products, or accommodations be consistent with nationally-recognized, evidence-based medical treatment guidelines selected by DLI.

Filed, 11/5/2015

WORKFORCE DEVELOPMENT

NONE

Upcoming meetings of Interest

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

TUESDAY - 12/8/15

House Labor and Industry Committee

8:30 a.m., Room 205, Ryan Office Building

Public hearing on: [HB 635](#) (Evankovich) - Amends the PA Construction Code Act, in prelim.provisions, further providing for UCC Review and Advisory Council; in UCC, further providing for revised or successor codes; &, in certif. of inspectors, for education.

WEDNESDAY - 12/9/15 (Note date, time and place change)

House Professional Licensure Committee

9:00 a.m., Room 205, Ryan Office Building (Rescheduled from 11/16/15)

Public hearing on: HB [1357](#) (Christiana) - State Licensure of Plumbers.

Updated House and Senate Fall Session schedule

The House and Senate have both added session days to try to resolve the budget impasse. More m

Fall 2015 SENATE SESSION SCHEDULE

December 2, 7, 8, 9

Fall 2015 HOUSE SESSION SCHEDULE

December 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 14, 15, 16

Spring 2016 Session scheduled have 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>