

MCA
Summary of Legislation
December 2016

2015-16 Session Ends Quietly, Bills for Next Session Already Being Circulated

The often turbulent 2015-16 legislative session, marked by the longest budget stalemate in history, ended officially on November 30, with little activity since the last report. But fresh off an overwhelmingly Republican November election season in the commonwealth, which saw the Senate Republicans increase their margin to a “veto-proof” 34-16 advantage, and House Republicans move their number to 121, legislators turned their attention to the upcoming two-year term that begins officially with swearing-in ceremonies on January 3, by circulation hundreds of memos announcing introduction, or in many cases, reintroduction, of bills on a vast array of topics that they hope will be considered in 2017-18. A list of those memos follows below.

Mid-Year Budget Briefing: Equal Mix of Doom and Gloom With a Twist of Optimism

Budget Sec. Randy Albright held the annual mid-year budget briefing on December 14, offering a retrospective on the current fiscal year and looking ahead to what challenges will confront lawmakers in crafting the spending plan for the coming fiscal year. Sec. Albright reported the \$31.5 billion budget for FY 2016-2017 is likely to come in \$603.7 million short due to a combination of lower-than-anticipated revenue collections and suggested \$182 million supplemental appropriation to augment spending the Department of Human Services will be required.

Last month, the **Independent Fiscal Office** said the department would likely need a supplemental appropriation of around \$400 million, but Sec. Albright said internal moves by the administration have cut that in half.

“The budget we inherited in our first year and the budget challenges we continue to face in the third year wouldn’t be on the breeziest side of the ledger,” he said. “[The budget issues are] significant, they’re as significant or more significant than any previous administration has faced at least in my 30-plus years of state service.”

The current practice of trying to mitigate costs within the Department of Human Services is, according to Sec. Albright, a likely sign of things to come in terms of cost containment as the entire Wolf administration seeks to dampen the impact of a large deficit for the current year and likely struggles making ends meet in the coming fiscal year.

“I think that what **we intend to do is work very surgically within each department**,” he said. “These decisions are best done and best made from the bottom-up rather than edicts that come from the top down.”

Further complicating the **deficit number is that is assumes \$100 million from gaming expansion revenue**, something the legislature failed to agree on in the last half of the year before adjourning for the session. However, Sec. Albright said, a recent meeting between Gov. Tom Wolf and legislative leaders from all four caucuses presented a renewed desire on behalf of legislative players to push some form of gaming expansion through in the early part of the 2017-2018 legislative term. Most of the \$100 million would come from one-time fees, so the budgeted-for amount could still be attainable in the current fiscal year.

The current fiscal year’s budget woes will only add to the already difficult that will be faced in budgeting for FY 2017-2018. According to Sec. Albright, the Commonwealth will have to grapple with mandated increased expenditures for pension contributions and General Fund debt obligations, but also likely to have to up the General Fund’s obligation to the solvency of the Lottery Fund and provide larger amounts in terms of federal matching funds and expanding service needs in the area of human services.

In articulating administration priorities for the coming budget year, Sec. Albright said—while the governor will present a detailed strategy for how to balance the budget during his February 7, 2017, budget address—the governor will not abandon his commitment to schools, nonprofits, local governments, and middle class families impacted by the Great Recession.

Additionally, he said, the governor will maintain his commitment to seeking increased education funding and exhausting opportunities for reasonable cuts and spending reductions before asking the taxpayers for more money.

This was a sentiment that was emphasized by Republicans Tuesday. **House Majority Leader Dave Reed (R-Indiana)** doubled down on previous statements made about rethinking the structure of government as budgeting moves forward by proposing mergers of various state departments that provide overlapping and similar services. Particularly noted was merging the Department of Health and the Department of Human Services. **The majority leader also said it's time to look at the battery of grants, low-interest loans and tax loopholes that have evolved over the years in the name of economic development.** Sec. Albright expressed some skepticism about the feasibility of mergers, especially given the legislature failed to pass a merger of the Department of Corrections and the Board of Probation and Parole, something most involved in process felt was a reasonable move. He added, however, “[o]f course, we have to be open to considering any reasonable ideas or suggestions to provide a more effective or efficient delivery of programs or services.”

Senate Republicans also responded to the mid-year budget briefing, saying the administration's numbers were more optimistic than what they've been seeing.

"We tend to be more cautious on our approach and we are hoping that in the coming months to have a better understanding of how the administration arrived at these numbers," said caucus spokesperson Jenn Kocher. "At the same time, we will continue to look for efficiencies in government and other revenue sources before we would ever consider turning to taxpayers."

As to those taxpayers, Sec. Albright said that, “everything is on the table” in terms of revenue sources, but the hope is to work with every diligence to avoid going to taxpayers for more money. All the negative news aside, Sec. Albright noted there are some positive national trends that nod in favor of an overall economic turnaround that could spell brighter days for Pennsylvania budgeting. While he pointed out leveling increases in pension obligations, a predicted increase in personal income, and an increasing Federal Reserve interest rate, there appears to be a large pent-up demand awaiting the results of the Presidential election, which is best signified by recent stock market gains.

Electoral College Meets, Chooses Trump

Amid scores of protesters outside the capitol, the 20 elected members of the PA Electoral College delegation met on December 19 in the state House chambers, and affirmed the November 8 election results, giving Donald Trump its votes, which along with those of the other states, officially elected Trump President of the United States. Trump will take office on January 20, 2017.

Senate and House Announce New Standing Committee Chairs

Senate President Pro Tempore Joe Scarnati and House Speaker Mike Turzai have announced the appointment of new Chairs for the 2017-18 session. Those committees of interest to the construction industry are as follows.

Appropriations:

Pat Browne (R-Lehigh)

Vincent Hughes (D-Philadelphia)

Community, Economic & Recreational Development:

Mario Scavello (R-Monroe)

Larry Farnese (D-Philadelphia)

Consumer Protection & Professional Licensure:

Robert Tomlinson (R-Bucks)

Lisa Boscola (D-Northampton)

Education:

John Eichelberger (R-Blair)
Andrew Dinniman (D-Chester)

Environmental Resources & Energy:

Gene Yaw (R-Lycoming)
John Yudichak (D-Luzerne)

Finance:

Scott Hutchinson (R-Venango)
John Blake (D-Lackawanna)

Labor & Industry:

Kim Ward (R-Westmoreland)
Tina Tartaglione (D-Philadelphia)

Local Government:

Scott Wagner (R-York)
John Blake (D-Lackawanna)

Rules & Executive Nominations:

Jake Corman (R-Centre)
Jay Costa (D-Allegheny)

State Government:

Mike Folmer (R-Lebanon)
Anthony Williams (D-Philadelphia)

Transportation:

John Rafferty (R-Montgomery)
John Sabatina (D-Philadelphia)

Urban Affairs & Housing:

Tom McGarrigle (R-Delaware)
Wayne Fontana (D-Allegheny)

Full Committee rosters will be announced shortly.

House Committee Chairs for 2017-18

House Appropriations

Stanley Saylor (R-York)
Joseph Markosek (D-Allegheny)

House Commerce

Brian Ellis (R-Butler)
Curtis Thomas (D-Philadelphia)

House Consumer Affairs

Bob Godshall (R-Montgomery)
Thomas Caltagirone (D-Berks)

House Education

Dave Hickernell (R-Lancaster)
James Roebuck (D-Philadelphia)

House Environmental Resources and Energy

John Maher (R-Allegheny)
Mike Carroll (D-Luzerne)

House Finance

Bernie O'Neill (R-Bucks)
Jake Wheatley (D-Allegheny)

House Judiciary

Ron Marsico (R-York)
Joe Petrarca (D-Westmoreland)

House Labor and Industry

Rob Kauffman (R-Franklin)
John Galloway (D-Bucks)

House Local Government

Kate Harper (R-Montgomery)
Bob Freeman (D-Northampton)

House Professional Licensure

Mark Mustio (R-Allegheny)
Harry Readshaw (D-Allegheny)

House State Government

Daryl Metcalfe (R-Butler)
Greg Vitali (D-Delaware)

House Transportation

John Taylor (R-Philadelphia)
William Keller (D-Philadelphia)

House Urban Affairs

Mark Keller (R-Perry)
Michael O'Brien (D-Philadelphia)

Legislative Activity

The General Assembly was not in session in December, but members filed the following cosponsor memos of interest to contractors in the past month.

Bidding / Contracting

[SCO 8](#) (Farnese) - Places dollar limits on political contributions of bidding contractors and requires disclosure of those political contributions.

Filed, 12/1/2016

[SCO 98](#) (Haywood) - Creates targeted initiatives that would enable small & disadvantaged businesses to better compete for government contracts.

Filed, 12/7/2016

Budget Related Bills

[HCO 17](#) (Cox) - Allows any county that receives an Act 44 allocation to use any remaining funds to assist their municipalities through a grant program.

Filed, 12/1/2016

[HCO 149](#) (Driscoll) - Establishes a state grant program aimed at increasing both public and private investment and economic development in PA's coastal and waterfront areas.

Filed, 12/7/2016

[HCO 168](#) (Harper) - Imposes a severance tax on natural gas extraction in the Commonwealth.

Filed, 12/8/2016

[HCO 206](#) (Boback) - Creates an independent Pennsylvania Tourism Commission that would serve as the state's official tourism marketing agency.

Filed, 12/12/2016

[HCO 237](#) (Pashinski) - Creates the Budget Impasse Negotiation Act which provides for continuing budget negotiations during a budget impasse.

Filed, 12/14/2016

[SCO 30](#) (Brooks) - Reduces the Corporate Net Income Tax rate.

Filed, 12/2/2016

[SCO 31](#) (Bartolotta) - Eliminates the floor tax on electronic cigarettes (e-cigarettes) and vaping products that was included in the 2016-17 State Budget.

Filed, 12/2/2016

[SCO 225](#) (Tartaglione) - Closes a method of corporate tax evasion known as the Delaware Loophole.

Filed, 12/13/2016

[SCO 228](#) (Blake) - Reduces the Corporate Net Income Tax over a five-year period from its current 9.99%, to 6.99% & provides for a phased closing of the Delaware Loophole by implementing mandatory combined reporting.

Filed, 12/13/2016

Environmental Building Standards

[HCO 66](#) (Godshall) - Establishes water well construction standards in the Commonwealth.

Filed, 12/2/2016

[HCO 69](#) (Baker) - Provides for changes to the PA One Call law.

Filed, 12/2/2016

[HCO 219](#) (Harper) - Provides for water well construction standards through the adoption of rules and regulations recommended by the National Groundwater Association.

Filed, 12/13/2016

[SCO 18](#) (Bartolotta) - Elevates DEP's Erosion and Sediment Control permit obligations into statute and establishes reporting requirements of DEP to General Assembly.

Filed, 12/2/2016

Liability

[HCO 11](#) (Bizzarro) - Creates a process to quickly dismiss Strategic Lawsuits Against Public Participation (SLAPP) lawsuits based upon constitutionally protected speech through a motion to dismiss.

Filed, 12/1/2016

[SCO 1](#) (Farnese) - Creates a process to quickly dismiss SLAPP lawsuits based upon protected speech through a motion to dismiss.

Filed, 12/1/2016

Local/State Government/Regulations

[HCO 355](#) (Thomas) - Improves the delivery of information from DEP and permit applicants to the general public and is based upon current DEP protocol in relation to Environmental Justice Areas.

Filed, 12/21/2016

[HCO 360](#) (Santora) - Provides for a riparian buffer waiver process and provides more flexibility and choices in protecting water quality.

Filed, 12/21/2016

[HCO 448](#) (Maloney) - Requires the Department of Labor & Industry to contract with the International Codes Council (ICC) to create and publish a set of code books that specifically represent the requirements of PA's Uniform Construction Code (UCC).

Filed, 1/4/2017

[SCO 100](#) (Baker) - Transfers PA One Call from the Department of Labor and Industry to the Public Utility Commission, removes excavation work exemptions for extracting natural resources, & provides for mapping of lines.

Filed, 12/7/2016

[SCO 346](#) (L.Baker) - Corrects the imbalances of previous modifications to the PA Construction Code, creates a process that retains the 2/3 approval vote, & creates an expedited approval process.

Filed, 1/4/2017

Professional Licensure

[SCO 121](#) (Greenleaf) - Creates a state licensure requirement for home inspectors practicing in Pennsylvania.

Filed, 12/7/2016

Local/Property Tax Reform

[HCO 425](#) (M. Baker) - Provides a Sale and Use tax (SUT) exemption for items and/or services purchased by a contractor(s) on behalf of a school district, intermediate unit, area vocational-technical school or charter school related to a construction project.

Filed, 12/30/2016

Mandate Waivers

NONE

Mechanic's Lien

NONE

Prevailing Wage

[HCO 458](#) (Marsico) - Exempts political subdivisions and their authorities, agencies, or instrumentalities from the Prevailing Wage Act's coverage, repealing the prevailing wage mandate.

Filed, 1/4/2017

[SCO 132](#) (Tartaglione) - Provides for changes to PA's Wage Payment & Collection Law to raise penalties for violators and repeat offenders of the law, prohibit retaliation, and establish a Wage Enforcement Fund.

Filed, 12/8/2016

School Construction

NONE

Transportation

NONE

Worker's Comp/ Unemployment Comp

[HCO 155](#) (Schweyer) - Extends the Service and Infrastructure Improvement Fund (SIIF) funding for one year.

Filed, 12/7/2016

[SCO 144](#) (Tartaglione) - Provides funding for the Department of Labor's Service and Infrastructure Improvement Fund (SIIF) to support the functioning of state call centers.

Filed, 12/8/2016

Workforce Development

[SCO 222](#) (Boscola) - Provides for a job-training & education program in which high school seniors obtain experience in the workplace and businesses receive a tax credit.

Filed, 12/13/2016

[SCO 229](#) (Folmer) - Updates the registered apprenticeship program in Pennsylvania.

Filed, 12/13/2016

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/>

The 2015-16 Legislative Session officially ended on November 30. Any bills that did not make it to the Governor's desk died, and must be reintroduced next session.

2017 SENATE SESSION SCHEDULE

January	3, 23, 24, 25, 30, 31
February	1, 6, 7, 8
March	20, 21, 22, 27, 28, 29
April	17, 18, 19, 24, 25, 26
May	8, 9, 10, 22, 23, 24
June	5, 6, 7, 12, 13, 14, 19, 20, 21, 22, 26, 27, 28, 29, 30

2017 HOUSE SESSION SCHEDULE

January	3, 23, 24, 25
February	6, 7, 8
March	13, 14, 15, 20, 21, 22
April	3, 4, 5, 18, 19, 24, 25, 26
May	8, 9, 10, 22, 23, 24
June	5, 6, 7, 12, 13, 14, 19, 20, 21, 22, 26, 27, 28, 29, 30

Copies of all bills of interest can be accessed via the Internet at:
<http://www.legis.state.pa.us/cfdocs/legis/home/session.cfm>