

MCA Summary of Legislation May 2016

Getting Ready for June

Despite promising talk of leaving the prior budget debacle behind and working toward an on-time budget for 2016-17, the House and Senate made little progress this month in advancing that cause. Tangential issues were taken up and mostly discarded, while the 2016-17 budget bill, [HB 1999](#), remained in the House Appropriations Committee, far from the end of the race. Some House Republicans had said they would have the bill to the Senate by Memorial Day, but that did not happen. The House and Senate then recessed for the holiday, and will resume, presumably in earnest, work on the budget the week of June 6. A total of 17 calendar days in June are scheduled for session at this point. That number may shrink, or grow, depending on the progress of the negotiations. All four legislative caucuses and the Governor have stated that this year will be different from last, but with qualifiers that don't necessarily inspire confidence. One of the holdups appears to be the settling on a "cost to carry" number between the negotiators, a combination of a perceived "structural" deficit, and other existing costs remaining from the current budget year. As is reported below, although a Capital Budget project bill was approved, bills demanded by the House dealing with caps to RACP have fallen off the calendar in the Senate.

Revenue is also a matter of debate. Senate Democrats have proposed revamping the tax structure, to allow for a graduated tax, while House Republicans, continuing to oppose most new or increased taxes, took an ultimately unsuccessful run at one of their tried and true "non-tax" revenue sources, expanded gambling. A bill amending the Gaming law came up for a vote this month, but proposed amendments on allowing video gaming terminals in bars, clubs and other businesses, as well as other casino-related language, were proposed and failed on the House floor, and the bill was left on the calendar. Meanwhile a bicameral group of legislators calling themselves the "Taxpayers' Caucus", led by York County legislators **Sen. Scott Wagner** and **Rep. Seth Grove**, held a press conference May 24 to announce their report finding over \$3 billion in potential savings, decrying the need for any of the Governor's proposed revenue increases. The details of their report can be found here:

<http://www.repgrove.com/Display/SiteFiles/103/CaucusFiles/Documents/CaucusReport.pdf>

Fasten your seat belts, it appears it's going to be another bumpy ride.

Quigley Resigns DEP Post

Sec. John Quigley resigned May 20 as head of the Department of Environmental Protection, a day after it was revealed that he sent a private email to environmental organizations highly critical of their lack of effort, in his opinion to support the Department's Oil & Gas regulations that both House and Senate Environmental committees disapproved, after IRRC approved them. Quigley's abrupt departure means that three of Gov. Tom Wolf's original top advisors on environmental issues, Quigley, John Hanger, and Katie McGinty, are no longer part of the administration. Patrick McDonnell, currently the director of policy for the department, will take over as acting secretary.

Public Works Modernization Town Hall Meetings Announced

L& I Deputy Secretary Liz O'Reilly will be holding town meetings across the State to discuss the Modernization of Public Works to the Professional and Contracting Communities. There are three main parts to Modernization, which include:

- Business Processes (including Job Order Contracting)
- IT (eBuilder and other hardware and software)
- People (Organizational Re-design)

During these presentations all 3 aspects of Public Works Modernization will be discussed in order to familiarize your Communities with the evolution of Public Works, why they are doing it, and what it means to contractors. The Town Hall schedule can be found below:

Central Region

June 15, 2016 at 10:00 am
DGS Public Works
Corporate Board Room
18th & Herr Streets
Harrisburg, PA 17103

Eastern Region

June 16, 2016 at 10:00 am
AIA Bookstore and Design Center
1218 Arch Street
Philadelphia, PA 19107

Western Region

June 17, 2016 at 10:00 am
U-PARC Building 6 Auditorium
William Pitt Way
Pittsburgh, PA 15238

Regulatory Activities

L&I Publishes Final Uniform Construction Code Regulations

The Pennsylvania Department of Labor and Industry (L&I) amended §§ 401.1, 403.21 and 405.2 (relating to definitions; Uniform Construction Code; and standards), which adopts current accessibility standards to ensure that commercial buildings meet current standards for accessible and usable facilities. This final-omitted rulemaking was effective upon publication in the *Pennsylvania Bulletin*, in the May 7, 2016. The contact person is **Jennifer L. Berrier**, Director, Bureau of Occupational and Industrial Safety, Department of Labor and Industry, 16th Floor, Labor and Industry Building, 651 Boas Street, Harrisburg, PA 17121, jeberrier@pa.gov. The Independent Regulatory Review Committee Approved this rulemaking on April 16, 2016. The full regulation can be found online here: <http://www.pabulletin.com/secure/data/vol46/46-19/783.html>

Department of Health Announces Adoption of 2012 Edition Of The Life Safety Code

The Pennsylvania Department of Health announced it will adopt the 2012 edition of the National Fire Protection Association's (NFPA) Life Safety Code (LSC), NFPA # 101, effective July 5, 2016. As of July 5, 2016, the Department will apply these new requirements to all plans for new construction or renovations of licensed health care facilities and for State licensure inspections of these facilities. Persons interested in purchasing a copy of the 2012 LSC may submit an order to the NFPA at (800) 344-3555 or www.nfpacatalog.org. Questions regarding this notice should be directed to Charles Schlegel, Director, Division of Safety Inspection at (717) 787-1911. The announcement, published in the June 3, 2016 *PA Bulletin* can be found here: <http://www.pabulletin.com/secure/data/vol46/46-23/957.html>

Legislative Activity

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

Bidding / Contracting

[HB 902](#) RE: Contracts for Services When No Bids Are Received (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.

Reported as committed from Senate Local Government Committee, and read first time, 5/10/2016

[HB 1653](#) RE: Diverse and Disadvantaged Businesses (by Rep. Donna Oberlander, et al)

Amends Title 62 (Procurement) adding a chapter providing for diverse and disadvantaged businesses. "Diverse and disadvantaged businesses" is defined as a minority-owned business, a woman-owned business, or a veteran-owned business. The department shall establish a process to verify a diverse or disadvantaged business as Pennsylvania home state-certified for the purpose of other state or national disadvantaged business programs. The department shall also verify a business that has been certified as a diverse or disadvantaged business by a third party organization. Requires the department to compile, maintain and make available source lists of businesses verified by the department as a diverse or disadvantaged business for the purpose of encouraging procurement from those businesses.

Reported as committed from Senate State Government Committee, and read first time, 5/10/2016

Budget Related Bills

[HB 928](#) RE: RACP Caps (by Rep. Steven Mentzer, et al)

In capital facilities, further providing for appropriation for and limitation on redevelopment assistance capital projects and for administration of redevelopment assistance capital projects. Beginning July 1, 2018, and each July 1 thereafter until the sum of the outstanding obligations for redevelopment assistance capital projects equals \$2,950,000,000, the sum of the maximum amount of outstanding obligations for redevelopment assistance projects shall be decreased by \$50,000,000. Grant agreements shall include a signed affidavit stating that the applicant will hold at least one public informational meeting for the project and an additional public informational meeting as necessary, as required by the bill.

Laid on the table, 5/16/2016

[HB 930](#) RE: RACP Debt Ceiling (By Rep. Tarah Toohil, et al)

Amends the Capital Facilities Debt Enabling Act reducing the Redevelopment Assistance Capital Projects (RACP) Debt ceiling by \$475 million. Adds language providing that the maximum amount of additional public improvement projects released for funding by the Commonwealth in a fiscal year shall not exceed \$350 million and the maximum amount of additional redevelopment assistance capital projects released for funding by the Commonwealth in a fiscal year shall not exceed \$125 million. Also provides for carry-forward.

Laid on the table, 5/16/2016

[HB 1999](#) RE: General Appropriation Act of 2016 (by Rep. Bill Adolph)

Provides provide 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, 2016, to June 30, 2017, 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, 2016; 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, 2016, to June 30, 2017; to provide appropriations from the Motor License Fund for the fiscal year July 1, 2016, to June 30, 2017, 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 and Judicial Departments of the Commonwealth and for the payment of bills remaining unpaid at the close of the fiscal year ending June 30, 2016.

Removed from the table, read second time, and rereferred to House Appropriations Committee, 5/2/2016

[HB 2077](#) RE: Budget Impasses (by Rep. Jaret Gibbons, et al)

Amends the Fiscal Code, in general budget implementation, providing for appropriations during budget impasse by adding that during a budget impasse, the same amount of money appropriated for a line item in the general

appropriation act for the prior fiscal year shall be appropriated for the current fiscal year. The bill excepts appropriations to the governor, lieutenant governor, Senate and House.

Introduced and referred to House Appropriations Committee, 5/23/2016

[HB 2103](#) RE: Natural Gas Severance Tax (by Rep. Mike Sturla, et al)

Amends Title 58 (Oil & Gas) providing for natural gas severance tax; and establishing the Severance Tax Restricted Account.

Introduced and referred to House Environmental Resources and Energy Committee, 5/25/2016

[SB 811](#) RE: Capital Budget Act of 2015-2016 (by Sen. Vincent Hughes, et al)

Act providing for the capital budget for the fiscal year 2015-2016. Appropriations total \$1,290,000,000. Effective July 1, 2015, or immediately, whichever is later.

Read third time, and passed House, 5/3/2016 (181-18)

Approved by the Governor, 5/18/2016 (Act No. 27 of 2016)

[SB 1250](#) RE: Capital Budget Act of 2016-2017 (by Sen. Vincent Hughes, et al)

Appropriates \$1,110,000,000 for the capital budget for the fiscal year 2016-2017. Effective July 1, 2016, or immediately, whichever is later.

Introduced and referred to Senate Appropriations Committee, 5/11/2016

[SB 1257](#) RE: Graduated Income Tax (by Sen. Arthur Haywood, et al)

A Joint resolution proposing an amendment to the Pennsylvania Constitution authorizing the imposition of a graduated income tax. Constitutional amendments require approval in two consecutive legislative sessions and then approval by the voters through a referendum.

Introduced and referred to Senate Finance Committee, 5/18/2016

[SB 1258](#) RE: Personal Income Tax (by Sen. Arthur Haywood, et al)

Amends the Tax Reform Code, in personal income tax, further providing for imposition of tax and for amount of withholding tax. The bill imposes a tax of 3.07 percent on compensation and interest. The tax rate shall be four percent on net profits; net gains or income from disposition of property; net gains or income derived from or in the form of rents, royalties, patents and copyrights; dividends; gambling and lottery winnings other than prizes of the Pennsylvania State Lottery; and net gains or income derived through estates or trusts.

Introduced and referred to Senate Finance Committee, 5/18/2016

Environmental Building Standards

[HB 1394](#) RE: Storm Water Facilities (by Rep. Mark Mustio, et al)

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. 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 borough shall consider providing exemptions and credits for properties that have already installed and are maintaining storm water facilities. Restricts storm water fees assessed by a borough to the amount necessary to meet the necessary requirements of the Federal Water Pollution Control Act and requires boroughs to consider and provide appropriate exemptions or credits for properties which have installed and are maintaining storm water facilities that meet best management practices and are approved or inspected by the borough.

Recommitted to Senate Local Government, 5/9/2016

Reported as amended from Senate Local Government Committee, 5/10/2016

[SB 289](#) RE: Sewage Disposal Systems (by Sen. Wayne Fontana, et al)

Amends the act entitled "An act to provide for and regulate the accumulation, investment, and expenditure of funds by cities, boroughs, incorporated towns and townships for preparing plans for sewage disposal systems, and for the construction, improvement or replacement of sewage disposal systems for which plans have been approved by the Sanitary Water Board of the Commonwealth," further providing for definitions, for creation of a Sewage Disposal

System Fund and for expenditure of fund; providing for expenditure of public funds for private lateral sewer lines; and further providing for grants of moneys. A municipality or municipal authority may use public funds for the improvement, extension, repair or rehabilitation of private lateral sewer lines connected to sewage disposal systems, where the municipality or municipal authority determines that those activities will benefit the sewage disposal system or the public health, or will prevent damages to public property. Before using public funds, the municipality or municipal authority shall consider the available public funds, equipment, personnel and facilities and the competing demands of the municipality for the public funds, equipment, personnel and facilities. No municipality or municipal authority that has completed the improvement, extension, repair or rehabilitation of private sewer lines shall be deemed to be the owner of the private lateral sewer lines, or to have any further responsibility to conduct those activities, unless the municipality or municipal authority makes an affirmative determination to accept such obligations.

Laid on the table, Removed from the table, 5/11/2016

Local/State Government/Regulations

[HB 1409](#) RE: Change of Code Administrator (by Rep. Kathy Rapp, et al)

Amends the Pennsylvania Construction Code Act, in adoption and enforcement by municipalities, further providing for administration and enforcement by adding that in the case of a change of code administrator with jurisdiction over a project, subsequent code administrators shall be subject to decisions previously rendered on the project by the board of appeals.

Read second time, and rereferred to House Appropriations Committee, 5/25/2016

[HB 1543](#) RE: Uniform Construction Code (by Rep. David Maloney, et al)

Amends the Pennsylvania Construction Code Act, in Uniform Construction Code, further providing for revised or successor codes; and, in training and certification of inspectors, further providing for education and training programs. The bill adds that the department may contract with the ICC to establish and publish code manuals that contain the standards of the Uniform Construction Code. The department shall require in any such contract that the standards be made available on the department's website.

Reported as amended from House Labor and Industry Committee, read first time, and laid on the table, 5/2/2016

[HCR 1](#) RE: Disapproval of DEP Oil & Gas Regulation (sponsor withdrew)

House Concurrent Regulatory Review Resolution H.C.R.R.R. 1 provides for the disapproval of regulation 3042 Environmental Quality Board (EQB) #7-484: Environmental Protection Performance Standards at Oil and Gas Wellsites, which is intended to regulate conventional and unconventional drilling.

Reported as originated from House Environmental Resources and Energy Committee, 5/4/2016

Liability

NONE

Prevailing Wage

NONE

Professional Licensure

NONE

Local/Property Tax Reform

NONE

Mandate Waivers

NONE

Mechanic's Lien

NONE

School Construction

NONE

Transportation

NONE

Worker's Comp

NONE

Workforce Development

[SB 1197](#) RE: Second Chance (by Sen. Scott Wagner, et al)

Amends Title 18 (Crimes and Offenses), in dissemination of criminal history record information, further providing for general regulations and for order for limited access, providing for clean slate for convictions of misdemeanors and summary offenses, for charges not leading to convictions and for records of juvenile delinquency and for effects of expunged offenses and offenses provided limited access and further providing for use of records by licensing agencies.

Reported as amended from Senate Judiciary Committee, and read first time, 5/10/2016

Rereferred to Senate Appropriations Committee, 5/16/2016

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/>

TUESDAY - 6/7/16

House Commerce Committee

Off the Floor, Room G-50, Irvis Office Building

To consider: [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.

And numerous other bills

2016 SENATE SESSION SCHEDULE

June 6, 7, 8, 13, 14, 15, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30

2016 HOUSE SESSION SCHEDULE

June 6, 7, 8, 13, 14, 15, 20, 21, 22, 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/cfdocs/legis/home/session.cfm>