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MCA **Summary of Legislation** **August 2008**

Second Hearing on Contractor/Trade Licensing Held

In July, the House Labor Relations and the House Professional Licensure committees held a hearing in eastern Pennsylvania on the topic of licensing construction contractors and tradesmen. On August 4th, the committees held a public hearing on the same topic in Pittsburg. Individuals representing operating engineers (re: crane operator licensing), electricians (electrical contractor licensing), plumbers (plumbing contractor licensing) and the Better Business Bureau all testified in favor of licensing by the State. Both the union and non-union testifiers endorsed the proposal on plumbing contractor licensing. The only group testifying in opposition at either hearing was the General Contractors Association of Pennsylvania which testified in Pittsburgh.

Transportation Committee Examines Public Private Partnerships

On August 18th, the House Transportation committee held a hearing on two bills that would allow the Commonwealth and regional transportation authorities to enter into agreements with the private sector to design, construct, manage or maintain new or expanded transportation infrastructures and facilities through public-private partnerships. As written, both **House Bill 555** and **Senate Bill 1158**, would exempt any of these partnership projects from the requirements of the Separations Act.

At the hearing, representatives from SEPTA and the **Port Authority of Allegheny County** both endorsed the idea of **eliminating the applicability of Separations Act** for their projects. Both entities have a history of opposing the separate primes requirements. On the other side, mechanical, electrical and plumbing contractors are opposed to the Separations Act exemption. The State Building and Construction Trades are opposed to the partnerships in general and have asked that both bills be opposed. Representative Joe Markosek, Chairman of the committee, is not expected to move either bill in the little time remaining this legislative session. However, the proponents of the Turnpike Lease are reportedly looking for another bill to amend. If that occurs, there may yet be a vote on Public Private Partnerships before the session ends on November 30th.

House Transportation Committee Looks at Cost of Roads

On August 19th, the House Transportation committee heard testimony regarding the increasing cost of road building materials and its impact on highway construction and reconstruction projects. In recent weeks, municipalities have been clamoring for a change to the Prevailing Wage law to undue a recent PA Supreme Court decision that makes road-milling projects subject to prevailing rates. In support of their argument, local governments have cited much higher costs as the projects are now being re-bid and attribute the increases to prevailing wages. While the Transportation Committee hearing did not address the prevailing wage issue, it provides evidence that the higher costs for recently bid projects is most likely due to higher asphalt prices. Following are excerpts from to testifiers at the hearing:

***Robert Latham**, executive vice president of the Associated Pennsylvania Constructors, provided the committee members with a chart from the American Road & Transportation Builders Association outlining the cost of highway and street construction materials. He pointed out the cost was up 18.9% in June 2008 compared to the same month last year while during the same period, inflation, as measured by the consumer price index, was 5%. Latham said over the last five years, the price of highway and street construction materials has risen 70%.*

Ronald Cominsky, executive director of the Pennsylvania Asphalt Pavement Association, provided data on the liquid cost impact on the hot-mix asphalt industry. He noted the cost per ton for liquid asphalt, in August 2007, was \$349 in eastern Pennsylvania and \$323 in western Pennsylvania. Cominsky said the cost is now \$834 in eastern Pennsylvania and \$735 in western Pennsylvania.

Senate Bill 333 redefines the definition of "maintenance work" in the Prevailing Wage Act so that road- milling projects are no longer covered. It also raises the threshold for all projects from \$25,000 to \$175,000. The bill was reported out of the Senate Labor and Industry committee in early June and is presently tabled in the Senate. A vote by the full Senate is not anticipated.

Legislative Activity

No bills of interest to the construction industry were acted on by the General Assembly in the past month.

The House and Senate are in recess until fall.

2008 SENATE FALL SESSION SCHEDULE

The Senate has announced the following remaining session days for the 2007-08 session.

September 16, 17, 18, 22, 23, 24

October 6, 7

November 20 and 21 will be non-voting session days, at this point

2008 House FALL SESSION SCHEDULE

September 15, 16, 17, 22, 23, 24

October 6, 7, 8

November 12, 13, 17, 18, 19, 24, 25

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

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