



MCA Summary of Legislation September 2009

Budget "Deal" Reached, Details Still Being Worked Out

Earlier this month, legislative leaders and Governor Rendell announced a tentative budget agreement. The package announced on Sept. 18, calls for about \$28 billion in spending. The proposed budget raises business and cigarette taxes and legalizes table games at slot parlors. The plan also imposes a sales tax on tickets to plays, concerts, museums and zoos, and taxes small games of chance. More recently, Governor Rendell held a press conference to announce that he has set a deadline of October 4th for the budget to reach his desk.

Despite having an agreement, it is currently unclear if there are enough votes in the House to pass the proposed budget. House Republican Leaders say their Caucus opposes the latest deal and some moderate Democrats have also expressed opposition. Presently, the major effort is to round up enough votes in the House to pass the budget that was agreed to back on September 18. In the meantime, many agencies throughout the State are operating on lines of credit or are shutting down.

Anti-PLA bill Introduced

Representative John Bear (Republican, Lancaster Co.) is introducing a bill that would ban Project Labor Agreements (PLAs) in Pennsylvania. House Bill 2010 says that project labor agreements cannot be entered into by state or local agencies or any corresponding agencies or authorities. To announce the introduction of this legislation, Representative Bear held a press conference on the Capitol steps in Harrisburg on September 29th. The press conference took an unexpected turn when building trades workers showed up and outnumbered the House Bill 2010 supporters by roughly ten to one. The building trades members demonstrated their support for PLAs loud and long. Despite the raucous nature of the event, no incidents were reported. House Bill 2010 has been referred to the House Labor committee. It is highly unlikely that the bill will ever come before the committee for a vote.

Project Labor Agreements are the subject of lawsuits filed against the Commonwealth by the Associated Builders and Constructors (ABC). The ABC and several individual non-union contractors have challenged the legality of the Department of General Services plans to build a number of new prison facilities using PLAs. The suit mentions Graterford prison in Montgomery County and Rockview prison in Centre County as the projects covered by a PLA between the Commonwealth and the building trades. At this time, no dates have been set for the hearings.

New Mechanic's Lien Amendments Circulating

Even though an amendment to the Mechanic's Lien Law was enacted just last month, a new bill is circulating in the House and is expected to be introduced shortly. Last month, the Governor signed Senate Bill 563 which changed the laws definition for residential projects. The new bill, to be offered by Representative Mike Turzai, aims at requiring a "notice of commencement" that would be required of all contractors and suppliers on a project in order to preserve their lien rights. The lien law received a major overhaul in 2006 with the most notable change being that contractors could not waive their lien rights unless either the project was residential or a payment bond had been posted. The Turzai legislation would create another category of contractors that lose lien rights, those that failed to file the "notice of commencement" in time. A bill number and committee assignment for this legislation will be available once the bill is officially introduced.

MENSCH CRUISES TO VICTORY IN 24TH SENATE SPECIAL ELECTION

State Representative Bob Mensch was easily elected September 29 in the Senate Special Election to replace Rob Wonderling. Mensch won 66.2% of the vote in defeating Democrat Anne Henning Scheuring (30.3%) and

Libertarian Barbara Steever (3.5%). His victory retains the seat for Republicans, putting the Senate Republican caucus back at a 30 to 20 majority. Mensch will face re-election to a full term in the Senate in November of 2010. The 24th District seat includes parts of Bucks, Lehigh, Montgomery, and Northampton Counties. Mensch's victory creates a vacancy in his state House seat. A Special Election will be needed to fill the 147th District seat in western Montgomery County held by Mensch since 2006. Speaker of the House Keith McCall (D-Carbon) will determine the date of the Special Election.

Legislative Activity

[HB 11](#) RE: School Code (by Rep. Jim Roebuck, et al)

Amends the Public School Code, in duties and powers of boards of school directors, establishing parent involvement programs and policies in school districts; **in school finances, providing for workers' compensation**, and further providing for annual budget and for limitation on certain unreserved fund balances; **in grounds and buildings, further providing for referendum or public hearing required prior to construction or lease**; providing for certification of teachers by the national board for professional teaching standards; in certification of teachers, further providing for certificates qualifying persons to teach and for kinds of state certificates; providing for residency certificates, and further providing for disqualifications; in pupils and attendance, providing for use of seclusion; further providing for compulsory school attendance and for exceptions to compulsory attendance; providing for interview reports for withdrawing and illegally absent students; further providing for cost of tuition and maintenance of certain exceptional children in approved institutions and in the four charter schools for education of the deaf and blind; and providing for emergency permits at approved private schools and chartered schools for the deaf and blind; in school health services, further providing for possession and use of asthma inhalers and epinephrine and auto-injectors; in high schools, further providing for academic degrees; in charter schools, further providing for funding for charter schools and for annual reports and assessments; in education empowerment act, further providing for education empowerment districts and for **mandate waiver program**; in educational improvement tax credit, further providing for definitions, for tax credit and/or limitations; in transfers of credits between institutions of higher education, further providing for duties of public institutions of higher education, for transfer and articulation oversight committee and for participation by independent institutions of higher education or state-related institutions; in funding for public libraries, providing for state aid for 2009-2010; in reimbursement by commonwealth and between school districts, further providing for definitions, for basic education funding for student achievement and for accountability to commonwealth taxpayers, and for payments to intermediate units; and providing for special education funding for student achievement and instruction of eligible students in regular classrooms and for special education accountability to commonwealth taxpayers.

Reported as committed from House Rules Committee and laid on the table, 9/10/2009

Removed from the table Rereferred to House Appropriations Committee, 9/11/2009

[HB 687](#) RE: Guaranteed Energy Savings Contracts (by Rep. Frank Dermody, et al)

Amends Title 62 (Procurement), in guaranteed energy savings contracts, amending the definition of "energy conservation measure" to include technology upgrades designed to reduce water and wastewater consumption or operating costs, and inserting water and wastewater-related provisions into language relating to contract procedures and provisions.

Laid on the table and removed from the table, 9/18/2009

[HB 1418](#) RE: Capital Budget Act of 2009-2010 (By Rep. Dwight Evans, et al)

Provides for the capital budget for the fiscal year 2009-2010. Also itemizes transportation assistance projects to be constructed or acquired or assisted by the Department of General Services or the Department of Transportation, together with their estimated financial costs. Authorizes the incurring of debt without the approval of the electors for the purpose of financing the transportation assistance projects. In addition, states the estimated useful life of the projects and makes appropriations.

Second consideration 9/16/2009

Laid on the table, Removed from the table, 9/18/2009

[HB 1531](#) RE: Tax Code Changes (by Rep. Bud George, et al)

Amends Tax Reform Code further providing for time for filing returns, for time of payment, for continuation of the Military Family Relief Assistance Program through taxable years ending December 31, 2015, and for payment of taxes withheld, and providing for an educational improvement tax credit and for a **limited tax amnesty program for the period July 1, 2009, through June 30, 2010**. Participants in past amnesty programs would not be eligible to

participate in this program; participants in this program would not be eligible to participate in future programs. Participants in the program shall make payment of all taxes and 50% of all interest due to the commonwealth. The department may assess and collect from a taxpayer all penalties and interest forgone through the tax amnesty program within two years after the end of the program if the taxpayer becomes delinquent for three consecutive periods of payment or the taxpayer becomes delinquent and is eight or more months late in payment of taxes due or filing of returns on an annual basis. All revenue generated by the program shall be distributed as follows: (1) all money from General Fund sources shall be deposited in the General Fund no later than June 30, 2010; (2) all revenue from Motor License Fund sources shall be deposited in the Motor License Fund no later than June 30, 2010; and (3) all revenue from Liquid Fuels Tax Fund sources shall be deposited in the Liquid Fuels Tax Fund no later than June 30, 2010. In addition, certain licensees must file returns on a semi-monthly basis. Other reporting requirements and related deduction estimates are also adjusted. The bill establishes the Educational Improvement Tax Credit and provides for its objectives, administration and management. Various support levels and scholarship requirements are also laid out, as well as other rules governing the distribution of tax credits.

Reported as committed from House Appropriations Committee and read third time, 9/17/2009

1 Floor amendment adopted 9/17/2009

Passed House, 9/17/2009 (196-0)

Received in the Senate and referred to Senate Appropriations Committee, 9/23/2009

Reported as committed from Senate Appropriations Committee, read first time, and recommitted to Senate Appropriations Committee, 9/23/2009

Reported as amended from Senate Appropriations Committee, read second time, 9/24/2009

Read third time and Passes Senate, 9/25/2009 (47-1)

Received as amended in House and rereferred House Rules Committee, 9/28/2009

[HB 1876](#) RE: Advertising Requirements (by Rep. John Hornaman, et al)

Amends Title 45 (Legal Notices) adding language providing that from the effective date through June 30, 2012, a newspaper of general circulation shall not charge a government unit a rate or price that exceeds 75% of the legal advertising rates in effect on July 1, 2009, or that exceeds 75% of the lowest base classified advertising rate charged by the newspaper to its non-contractual commercial customers for advertisements of the same size, composition and use, whichever is lower. Further provides that after June 30, 2012, the rate or price may be raised no more than the annual cost-of-living increase calculated by applying the percentage change in the consumer price index for all urban consumers for the Pennsylvania, New Jersey, Delaware and Maryland area, for the most recent twelve month period for which the figures have been officially reported. In no event shall the rate or price charged exceed 75% of the lowest base classified advertising rate charged by the newspaper to its non-contractual commercial customers for advertisements of the same size, composition and use. This shall not apply to fees for services requested by a government unit in addition to publication, or to legal advertising for which the cost is reimbursed to the government unit. Also provides for publication of notice and an annual audit of the legal advertising rate charged by newspapers of general circulation at the discretion of the Auditor General. In addition, except as otherwise provided by statute, every notice or advertisement required by law or rule of court to be published in one or more newspapers of general circulation, unless dispensed with by special order of court, shall also be published on an internet website with a searchable database of legal notices, maintained by or contracted to provide such service by a newspaper of general circulation. Publication shall be subject to the same stipulations and regulations as those imposed for the publication of print notices.

Reported as committed from House Rules Committee, and laid on the table, 9/10/2009

Removed from the table and Rereferred to House Appropriations Committee, 9/11/2009

[HB 1900](#) RE: UC Information Disclosure (by Rep. Bob Belfanti, et al)

Amends Unemployment Compensation Law stating unemployment compensation is confidential and may be disclosed only as outlined in the legislation and shall not be competent evidence and shall not be used in any action or proceeding in any court or other tribunal. The bill provides for the safeguarding of the information and penalties.

Reported as committed from House Rules Committee and laid on the table, 9/10/2009

Removed from the table and rereferred to House Appropriations Committee, 9/11/2009

[SB 850](#) RE: The General Appropriations Act of 2009 (By Sen. Jake Corman)

The Senate Republicans 2009-10 budget. Provides from the General Fund for the expenses of the Executive, Legislative and Judicial Departments of the Commonwealth, the public debt and the public schools for the fiscal year July 1, 2009, to June 30, 2010, 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, 2009; to provide appropriations from the State

Lottery Fund, the Energy Conservation and Assistance Fund, 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 Payment Fund, the Banking Department Fund, the Firearm Records Check Fund, the Ben Franklin Technology Development Authority Fund and the Tobacco Settlement 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, 2009, to June 30, 2010; to provide appropriations from the Motor License Fund for the fiscal year July 1, 2009, to June 30, 2010, for the proper operation of the 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, 2009; to provide for the additional appropriation of Federal and State funds from the General Fund, from the State Lottery Fund and from the Tobacco Settlement Fund for the Executive Department of the Commonwealth for the fiscal year July 1, 2008 to June 30, 2009, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2008; and making interfund transfers for the fiscal year July 1, 2008, to June 30, 2009.

Passed Senate, 5/6/2009 (30-20)

Passed House, 8/4/2009 (195-3)

Approved by the Governor 8/5/2009. Act No. 1A of 2009

Bill, together with Governor's Line Item Veto Message, laid on the table and Removed from the table, 8/10/2009

Four override votes failed in Senate, 30-19

All motions to override Governor's Line Item Veto Message, in part, reconsidered 9/9/2009

Laid on the table, Removed from the table, 9/18/2009

[SB 1085](#) RE: Supplemental General Appropriation Act of 2009 (by Sen. Jake Corman, et al)

Provides from the General Fund for the expenses of the Executive, Legislative and Judicial Departments of the Commonwealth, the public debt and the public schools for the fiscal year July 1, 2009, to June 30, 2010, 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, 2009; to provide appropriations from the State Lottery Fund, the Energy Conservation and Assistance Fund, the Aviation Restricted Revenue 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 Payment Fund, the Banking Department Fund, the Firearm Records Check Fund, the Ben Franklin Technology Development Authority Fund and the Tobacco Settlement 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, 2009, to June 30, 2010; to provide appropriations from the Motor License Fund for the fiscal year July 1, 2009, to June 30, 2010, for the proper operation of the 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, 2009; to provide for the additional appropriation of Federal and State funds from the General Fund, from the State Lottery Fund and from the Tobacco Settlement Fund for the Executive Department of the Commonwealth for the fiscal year July 1, 2008 to June 30, 2009, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2008; and making interfund transfers for the fiscal year July 1, 2008, to June 30, 2009.

Introduced and referred to Senate Appropriations Committee, 9/8/2009

Reported as committed from Senate Appropriations Committee, read first time, and recommitted to Senate Appropriations Committee, 9/9/2009

New Bills Introduced

The following bills have been introduced since the last report.

[HB 1954](#) RE: Flood Control Law (By Rep. Bud George, et al)

Amends the Flood Control Law transferring all duties of the Water and Power Resources Board to the Department of Environmental Protection; further providing for purpose of act; adding definitions; further providing for plans by authorizing the department to make appropriate surveys upon request of one or more municipalities, repealing provisions relating to proceedings against the board, for powers and duties of the Department of Environmental Protection to include enhancement of water quality and stream corridor ecological functions, for eminent domain, for flood control works and for financing; and making editorial changes. Additionally, the legislation increases the threshold to \$25,000 at which projects must be performed by the lowest responsible bidder; eminent domain

authority is granted to DEP for any of its structural flood protection measures; the federal government shall be held free from all damages arising from flood control works and improvements projects; costs for such projects shall be paid from the General Fund General Government Operations Appropriations of the department or Capital Budget authorizations for specific flood control works and improvements projects.

Introduced and referred to House Environmental Resources and Energy Committee, 8/31/2009

[HB 1986](#) RE: Mandate Waiver Program (by Rep. Sam Rohrer, et al)

Amends the Public School Code, in education empowerment, further providing for mandate waiver program by adding that a school district receiving a mandate waiver of the provisions of section 751 regarding separation of contracts shall be granted such waiver under the condition that the school district shall solicit bids for the school construction project both as a single-prime contractor construction project and a multiple-prime contractor construction project that complies with the provisions of section 751. The department shall collect and analyze the bids submitted and report its findings regarding the potential costs or savings of mandate waivers of the provisions of section 751 within three years.

Introduced and referred to House Education Committee, 9/18/2009

[HB 2010](#) RE: Open Contract Act (By Rep. John Bear, et al)

Provides for open contracting on state contracts; prohibiting requirements which mandate that a successful bidder or any of its subcontractors must utilize workers that are union or union affiliated.

Introduced and referred to House Labor Relations Committee, 9/29/2009

Press Conference Held, 9/29/2009

[SB 1077](#) RE: Thickness of Log Walls (By Sen. Lisa Baker, et al)

Amends the PA Construction Code Act permitting log walls with a minimum average wall thickness of five inches or greater without insulation.

Introduced and referred to Senate Labor and Industry Committee, 9/2/2009

Upcoming Meetings of Interest

THURSDAY - 10/8/09

House Labor Relations and House Professional Licensure Committees (PUBLIC HEARING)

2:00 p.m., Court Room 653, City Hall, Broad & Market Streets, Philadelphia

Joint public hearing with the House Professional Licensure Committee on:

[HB 1141](#) (Solobay) - Act providing for plumbing contractors licensure; est. the State Bd of Plumbing Contractors & for powers & duties on the Dept. of Labor & Industry; for fees, fines & civil penalties; for a licensure account; & for an appropriation.

Remaining 2009 Session Schedules

SENATE SESSION SCHEDULE FOR 2009

October 1, 2, 3

HOUSE SESSION SCHEDULE FOR 2009

TBA

More days may be added as needed to pass the FY 2009-2010 state budget.

The Fall session schedule has not yet been announced.

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

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