



MCA Summary of Legislation February 2010

Governor proposes expansion of sales tax

As part of his proposed Commonwealth budget for the 2010-2011 year which starts in July, Governor Ed Rendell floated the idea of greatly expanding the state sales tax to cover 74 currently exempt goods and services. Of particular note is the idea of assessing sales tax on services, something the Commonwealth has rarely done. While the Governor also proposed that the sales tax rate is to be lowered from 6% to 4%, the elimination of the 74 exemptions generates more revenue than is currently collected via this tax.

If enacted the expansion of the tax will make development and building more expensive. Architectural, engineering and other design services would be taxed for the first time as would construction management services. The labor portion of construction contracts would also be taxed so that contractors would need to account for that in their bids. There is already a fair amount of opposition to the expanded sales tax with Republicans in both the House and Senate indicating that it is a non-starter for them. Regardless, a broad coalition of organizations has coalesced for the purpose of defeating the tax. The next several months will be critical in determining whether or not the expanded sales tax proposal finds a place in what is certain to require difficult choices on both the expense and revenue sides.

Legislative Activity

[HB 1551](#) RE: Crane Operators Licensure (By Rep. Don Walko, et al)

Amends the Crane Operator Licensure Act further providing that an individual shall be eligible to licensure without certification until December 9, 2011.

Read Second time, 2/2/2010

Read Third time and passed Senate, 2/9/2010 (48-0)

Signed in the Senate, Signed in the House, 2/9/2010

Approved by the Governor 2/17/2010. Act No. 7 of 2010

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

Amends Title 45 (Legal Notices) providing for exceptions to the level of advertising rates by stating the following exceptions apply to newspapers of general circulation: (1) 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 noncontractual commercial customers for advertisements of the same size, composition and use, whichever is lower; (2) 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. In no event shall the rate or price charged exceed 75% of the lowest base classified advertising rate charged by the newspaper to its noncontractual commercial customers for advertisements of the same size, composition and use; and (3) These provisions 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. Each newspaper of general circulation which accepts publication of legal notices shall be required to print for three consecutive days a notice in 12- point type of the rate or charge which the newspaper intends to charge for the publication of legal notices. Such notices shall be placed in the section where legal notices are ordinarily published. At the same time, the newspaper shall deliver to each government unit within its area of circulation a notice of its rates and charges for the publication of legal notices. The legal advertising rate charged by newspapers of general circulation shall be subject to annual audit at the discretion of the Auditor General of the Commonwealth. The bill also requires publication of legal notices on a 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. The bill provides for exceptions if broadband service is not available in the area or in instances of temporary disruption.
Received in the Senate and referred to Senate State Government Committee, 2/8/2010

[HB 2041](#) RE: Towing Standards Act (by Rep. Anthony DeLuca, et al)
Provides for standards for towing; establishes notification requirements regarding fees for towing, storage and other related services and its hours of operation; and prohibits storage fees.
Reported as amended from House Appropriations Committee, 2/8/2010

[HB 2066](#) RE: Sales and Use Tax Study Act (by Rep. Anthony DeLuca, et al)
Establishes the Sales and Use Tax Commission for the purpose of studying and analyzing the existing sales and use tax law, and to propose recommendations to the Governor and the General Assembly for amending the tax. The bill outlines the composition of the commission, and provides for a report on the subject.
Reported as amended from House Appropriations Committee, 2/8/2010

[SB 1077](#) RE: Log Walls (By Sen. Lisa Baker, et al)
Amends the Pennsylvania Construction Code Act adding provisions relating to buildings with log walls. The bill states residential buildings log walls with a minimum average wall thickness of five inches or greater which comply with the International Code Council standard on the design and construction of log structures, ICC 400-2007 shall be permitted if the area weighted average U-factor for fenestration products in the log walls is a maximum of 0.31 and the building heating equipment meets or exceeds certain Department of Energy ratings. This exception would expire December 31, 2012. The bill does not apply to certain manufactured homes and the bill requires a report to be made by the Joint Legislative Budget and Finance Committee.
Amended on Senate floor, 2/1/2010
Rereferred to Senate Appropriations Committee, 2/2/2010
Reported as amended Senate Appropriations, 2/8/2010
Read second time, 2/9/2010

New Bills Introduced

The following bills have been introduced since the last report.

[SB 1210](#) RE: Small Business Definition in Procurement (by Sen. LeAnna Washington et al)
Amends Title 62 (Procurement) redefining "small business" as a business in the United States which is independently owned, is not dominant in its field of operation and employs 250 or fewer employees with up to \$45,000,000 in gross revenue. The department shall have the authority to review the employee limit and gross revenue threshold annually and make adjustments to both or either to reflect changing industry norms and to reflect the best interest of the Commonwealth.
Introduced and referred to Senate State Government Committee, 2/1/2010

[SB 1211](#) RE: Statewide Bonding Program (by Sen. Wayne Fontana, et al)
Amends Title 62 (Procurement) further providing for Statewide bonding program to enable small businesses and disadvantaged businesses to build capacity and to competitively bid on State and other public contracts. The department shall establish the criteria and structure for the statewide bonding program based on best practices. \$5 million is appropriated to the Department of General Services to carry out the purposes of the legislation.
Introduced and referred to Senate State Government Committee, 2/1/2010

[SB 1212](#) RE: Mentor-protégé Program (by Sen. Anthony Williams, et al)
Amends Title 62 (Procurement) providing for mentor-protégé program. All Commonwealth agencies, independent agencies, State-affiliated agencies, quasi-independent agencies, boards, commissions, colleges and universities shall adopt and institute, with the department's assistance, a mentor-protégé program to assist, support and enable small businesses and disadvantaged businesses to successfully compete for prime and subcontract awards by partnering with large companies, which shall serve as mentors, in State contracts. The mentor-protégé arrangement between a prime contractor and small business or disadvantaged business shall be an important factor to be considered by the agency, board, commission, college or university in the award of any Commonwealth contract or award.
Introduced and referred to Senate State Government Committee, 2/1/2010

[SB 1213](#) RE: Pennsylvania Unified Certification Program (PA UCP) (by Sen. LeAnna Washington et al) Amends Title 62 (Procurement) providing for reciprocity of certifications by stipulating that the department shall accept the certification of the Pennsylvania Unified Certification Program (PA UCP). Certification of any minority-owned business, women-owned business or disadvantaged business enterprise by the department may be accepted by any governmental or public entity as being adequate certification for the purpose of bidding or participating in any governmental or public bid, contract or award. If a governmental or public entity, including colleges and universities, does not have a minority-owned business, women-owned business or disadvantaged business enterprise program, the Commonwealth's program under the Bureau of Minority and Women Business Opportunities within the department shall be applied to any contract, grant or project funded with State dollars to ensure compliance with all requirements.

Introduced and referred to Senate State Government Committee, 2/1/2010

[SB 1214](#) RE: Minority/Women-Owned or Disadvantaged Business Programs (by Sen. LeAnna Washington et al) Amends Title 62 (Procurement) providing for small business reserve by stating that if a governmental or public entity, including colleges and universities, does not have a minority-owned business, women-owned business or disadvantaged business enterprise program, the Commonwealth's program under the Bureau of Minority and Women Business Opportunities within the department shall be applied to any contract, grant or project funded with State dollars to ensure compliance with all requirements. The bill lays out amounts and self-certification tiers.

Introduced and referred to Senate State Government Committee, 2/1/2010

[SB 1215](#) RE: Contracting Opportunities for Disadvantaged Businesses (by Sen. Anthony Williams, et al) Amends Title 62 (Procurement) providing for oversight and responsibility by requiring all Commonwealth agencies, independent agencies, State-affiliated agencies, quasi-independent agencies, boards, commissions, colleges and universities to identify best practices to significantly increase contracting opportunities for disadvantaged businesses, and establish an overall aspirational target of awarding 25% of procurement and construction dollars to disadvantaged businesses for certain contracts.

Introduced and referred to Senate State Government Committee, 2/1/2010

[SB 1216](#) RE: Disadvantaged Business Subcontractor Participation (by Sen. Tina Tartaglione et al) Amends Title 62 (Procurement) providing for prime contractors' performance by requiring the department to develop concise and detailed good faith effort requirements for its prime contractors to ensure their genuine attempt at meeting the Commonwealth's disadvantaged business subcontractor participation requirements. The bill also requires contractors and grantees to make reasonable and good faith efforts to provide maximum practicable opportunities for small businesses and disadvantaged businesses to participate as contractors, professional service providers, subcontractors and suppliers.

Introduced and referred to Senate State Government Committee, 2/1/2010

[SB 1217](#) RE: Prompt Payment Requirement (by Sen. Shirley Kitchen, et al) Amends Title 62 (Procurement) further providing for contractors' and subcontractors' payment obligations by shortening the prompt payment requirement from 14 days to five.

Introduced and referred to Senate State Government Committee, 2/1/2010

[SB 1218](#) RE: Statewide Bonding Program (by Sen. LeAnna Washington, et al) Amends Title 62 (Procurement) further providing for the definition of "small business;" establishing a statewide bonding program; providing guidelines for a Mentor-protégé program; establishing a small business reserve for the purpose of increasing economic opportunities for small and disadvantaged businesses; requiring each agency to set aside 10 percent of its moneys available for procurement into a small business reserve for award to qualified small and disadvantaged businesses.

Introduced and referred to Senate State Government Committee, 2/1/2010

Upcoming Meetings of Interest

TUESDAY - 3/9/2010

House Labor Relations Committee (PUBLIC HEARING)

10 AM, 60 East Wing

To consider:

[HB 2178](#) (Galloway) - Amends Manufactured Housing Improvement Act expanding the coverage of the act to relocated housing. "Relocated manufactured home" is defined as a manufactured home which has been transported to a site other than its original installation site.

2010 SENATE SESSION SCHEDULE

March 8, 9, 10, 15, 16, 17, 22, 23, 24
(Budget Hearings: 1, 2, 3, 4)
April 12, 13, 14, 19, 20, 21
May 3, 4, 5, 24, 25, 26
June 7, 8, 9, 14, 15, 16, 21, 22, 23, 28, 29, 30

2010 HOUSE SESSION SCHEDULE

March: 8, 9, 10, 15, 16, 17, 22, 23, 24
April: 19, 20, 21, 26, 27, 28
May: 3, 4, 5, 24, 25, 26
June: 7, 8, 9, 14, 15, 16, 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/WU01/LI/BI/billroom.htm>