



Summary of Legislation June 14, 2018

Budget Deal Rumored, Vehicles Begin to Emerge

With a historically contentious election campaign season looming, state legislators seem primed to make good on their earlier prognostications of an on-time, or even early, 2018-19 budget plan. Although neither chamber has yet passed the General Appropriations bill, many of the ancillary “Code” bills (i.e. Fiscal, Administrative, Human Services and Education) have been moved into place on one side of the rotunda or the other. We are told that the House and Senate Republican leaders have agreed on a total “spend” number, which the Governor may be willing to agree with, though the Democrat leaders were not part of the decision, nor are they jumping for joy at the number. How that translates into a final budget product, including the lines of particular interest to PEDA, remains a mystery. No new taxes, including the long-sought Marcellus Shale extraction tax, are anticipated, nor are raids of “special funds” that were discussed last year, and into 2018 in some circles.

During June, the House and Senate construct a “trade list” of various bills that one chamber or the other determines “needs” to be passed, in exchange for other bills from the other chamber. Many times the issues themselves are secondary to the sheer number, and there are sometimes some “pride of authorship” issues to deal with regarding some legislation that has passed one or the other chamber. Resolution of these issues affects when and how the budget gets done, even though they often have no budget implications at all on their own. Such issues as redistricting, abortion, sex trafficking and workers compensation reform can distract the attention of legislators and the press, while leaders negotiate the budget deal. That is where we are at this writing.

We expect the House and Senate to both be in session for as many as seven days the week of June 18, attempting to get the budget done early, so they can clear out of town and begin door knocking for re-election. It remains to be seen if those “other issues” causes the whole train to derail, or if they prove to be a minor delay.

Legislative Activity

The following bills of interest to PEDA were acted on by the General Assembly this past month.

Budget Related Bills

[HB 83](#) RE: Capital Facilities Debt (by Rep. John Lawrence, et al)

Amends the Capital Facilities Debt Enabling Act, in capital facilities, further providing for bonds, issue of bonds and notes, maturity and interest. The bill adds that retirements of principal for funding bonds authorized under section 312 shall be regular and substantial if made in annual or semiannual amounts whether by stated serial maturities or by mandatory sinking fund retirements computed in accordance with either a level annual debt service plan as nearly as may be or upon the equal annual maturities plan. Provisions allowing the issuing officials to enter into agreements or contracts to insure or secure payment of principal, interest or the purchase price of bonds which will assist in managing the interest costs of the debt of the Commonwealth are repealed.

Laid on the table, removed from the table, 6/13/2018

[HB 110](#) RE: Spending Limits (by Rep. Ryan Warner, et al)

A Joint Resolution proposing an amendment to the Constitution of the Commonwealth of Pennsylvania, in taxation and finance, establishing that total spending by the Commonwealth shall be restricted to an increase over the prior fiscal year equal to the sum of the average percentage increase in the consumer price index for the three preceding calendar years and the average percentage increase in the population of the Commonwealth for the three preceding three calendar years. Prohibits total spending from being circumvented by transferring spending from the General Fund to special funds or restricted receipt accounts. Allows the percentage increase in the spending limitation in any

fiscal year to be increased only by the affirmative vote of three-fourths of the members elected to the Senate and House. Constitutional amendments require approval in two consecutive legislative sessions and then approval by the voters through a referendum.

Reported as committed from Senate State Government Committee, and read first time, 6/13/2018

[HB 2017](#) RE: Appreciation (by Rep. Frank Ryan, et al)

Amends the Tax Reform Code, in corporate net income tax, further providing for the definition of "taxable income" relating to deduction for appreciation. The stated intent of the bill is to reverse the provisions of Bulletin 2017-02.

Read second time, and rereferred to Senate Appropriations Committee, 5/21/2018

[SB 1192](#) RE: General Appropriation Act of 2018 (by Rep. Patrick Browne, et al)

Provides 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, 2018, to June 30, 2019, 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, 2018; 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, 2018; and to provide for the additional appropriation of Federal and State funds from the General Fund, the State Lottery Fund and the Tobacco Settlement Fund for the Executive and Judicial Departments of the Commonwealth for the fiscal year July 1, 2017, to June 30, 2018, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2017. Effective July 1, 2018, or immediately, whichever is later.

Introduced and referred to Senate Appropriations Committee, 6/4/2018

Passed over in Senate Appropriations Committee, 6/6/2018

KOZ/CRIZ/Tax Credits

[HB 2464](#) RE: Entertainment Production Tax Credit (by Rep. Tim Briggs, et al)

Amends the Tax Reform Code, in entertainment production tax credit, further providing for the definition of postproduction expense. The bill adds that postproduction expense includes the purchase of music rights if: the purchase is from a resident of this Commonwealth; or the purchase is from an entity subject to taxation in this Commonwealth and the transaction is subject to taxation under Article III, IV or VI.

Introduced and referred to House Finance Committee, 6/5/2018

[SB 234](#) RE: Property Assessed Clean Energy (PACE) Programs (by Sen. John Blake, et al)

Amends Title 12 (Commerce and Trade) adding a chapter authorizing counties or municipalities to create property assessed clean energy programs, which authorize assessments for energy improvements in districts designated by municipalities. Before a real property can establish an assessment under the program and begin local financing or owner financing of a qualified project, the following shall occur: (1) Any financial institution holding a lien, mortgage or security interest in or other encumbrance of the real property that secures a current, future or contingent payment obligation must be given written notice of the real property owner's intention to participate in the program and acknowledge in writing to the property owner and municipality or county that established the program that they have received such notice; and (2) Any financial institution required to be given notice must provide written consent to the property owner and municipality or county that established the program that the property may participate in the program. Reviews and public notice are required. An assessment and any interest or penalties on the assessment is a first and prior lien on the real property and has the same priority status as a lien for any other tax.

Read second time, and rereferred to House Appropriations Committee, 5/22/2018

Reported as committed from House Appropriations Committee, read third time, and passed House, 5/23/2018 (163-28)

Signed in the Senate and in the House, 6/4/2018

Approved by the Governor, 6/12/2018 (Act No. [30](#) of 2018)

Partnerships/Liability

NONE

Local/State Government Regulations

[HB 1237](#) RE: "Economically Significant" Regulations (by Rep. Dawn Keefer, et al)

Amends the Regulatory Review Act adding language providing if the Independent Regulatory Review Commission issues an order to approve a final-form regulation or final-omitted regulation that is an economically significant regulation or if the agency decides to proceed with a regulation the commission disapproved, the agency shall submit a copy of the order and, if applicable, the agency response to the Senate and the House and shall request a concurrent resolution approving the order. The House and the Senate shall each have 30 calendar days or ten legislative days, whichever is longer, to adopt the concurrent resolution. Requires the Regulatory Analysis Form to include the specific statutory citation indicating the provision of law that authorizes the agency to promulgate the regulation for that purpose; requires the concurrent resolution to be referred to the committee before being referred to the full House or Senate and requires the House and Senate to consider the concurrent resolution; and ensures the committee review process for a regulation and House and Senate consideration of a concurrent resolution shall include both calendar days and legislative days. If the General Assembly does not adopt the concurrent resolution in the time prescribed, the regulation shall be deemed not approved and the regulation shall not take effect. An economically significant regulation is defined as a regulation that, if implemented, may reasonably be expected to result in the direct or indirect cost to the Commonwealth, its political subdivisions and to the private sector in excess of \$1 million on an annual basis.

Received in the Senate and referred to Senate Rules and Executive Nominations Committee, 5/18/2018

[HB 1960](#) RE: State Agency Regulatory Compliance Officer Act (by Rep. Brian Ellis, et al)

Requires each state agency to designate an employee as the agency's regulatory compliance officer. Provides for the powers and duties of the regulatory compliance officer. Requires each agency to submit an annual report to the General Assembly detailing the progress made by each agency and the regulatory compliance officer in the preceding calendar year towards compliance with this act, the number of regulated communities served, and the type of regulated communities serves.

Received in the Senate and referred to Senate Inter-Governmental Operations Committee, 5/18/2018

[HB 2276](#) RE: Strategic Management Program (by Rep. Tom Mehaffie, et al)

Amends the Municipalities Financial Recovery Act, in Early Intervention Program, further providing for definitions, for program objectives and for authorization; in municipal financial distress, further providing for limitation of status; and making an editorial change. The bill changes the Early Intervention Program to the Strategic Management Program.

Reported as committed from House Local Government Committee, read first time, and Rereferred to House Rules Committee, 6/12/2018

[HB 2468](#) RE: Eminent Domain in Conservation Easements (by Rep. Warren Kampf, et al)

Amends Title 26 (Eminent Domain), in limitations on use of eminent domain, defining "conservation easement" and "open space benefits" and providing for eminent domain of land subject to conservation easement. The bill states no agency of the Commonwealth, political subdivision, authority, public utility or other body having or exercising powers of eminent domain shall condemn any land subject to a conservation easement for any purpose, unless prior approval has been obtained from the orphans' court of the county in which the land is located. This condemnation approval shall not be required for an underground public utility facility that does not permanently impact the open space benefits protected by the conservation easement. The bill provides for determination of blight, notice, review, findings and decisions, injunctions, and emergency exception.

Introduced and referred to House Local Government Committee, 6/6/2018

Reported as amended from House Local Government Committee, read first time, and rereferred to House Rules Committee, 6/12/2018

[SB 667](#) RE: Land Banks (by Sen. Patrick Stefano, et al)

Amends Title 68 (Real and Personal Property) relating to land banks. Add a new subsection providing a land bank jurisdiction located in the county of the second A, third, fourth, fifth, sixth, seventh or eighth class may, by ordinance, designate a redevelopment authority as land bank for the jurisdiction. Provides an authority designated as a land bank shall exercise the powers of land bank subject to certain limitations.

Reported as amended from House Urban Affairs Committee, read first time, and laid on the table, 5/23/2018

Removed from the table, 5/24/2018

Read second time, and rereferred to House Appropriations Committee, 6/4/2018

Reported as committed from House Appropriations Committee, read third time, and passed House, 6/6/2018 (195-0)

Received as amended in Senate and rereferred to Senate Rules and Executive Nominations Committee, 6/11/2018

**Re-reported on concurrence as committed from Senate Rules and Executive Nominations Committee, 6/12/18
Senate concurred in House amendments, 6/13/2018 (49-0)**

Signed in the House, and in the Senate, 6/13/2018

[SB 1189](#) RE: Delaware River Basin Commission Eminent Domain Activity Act (by Sen. Lisa Baker, et al)
Provides that a ban as described under section 4 (relating to designation of condemnation) shall constitute a taking by the Delaware River Basin Commission of the property of the owners of the oil and gas estates in the impacted counties and the owners shall be entitled to be paid appropriate and just compensation by the commission, in accordance with law, as a remedy for the taking. Effective immediately.

Introduced and referred to Senate Environmental Resources and Energy Committee, 6/1/2018

Reported as committed from Senate Environmental Resources and Energy Committee, and read first time, 6/1/2018

Read second time, and rereferred to Senate Appropriations Committee, 6/13/2018

Local/Property Taxes

NONE

Minimum Wage

NONE

Permitting

[HB 1959](#) RE: Permit Administration Act (by Rep. Greg Rothman, et al)

Provides for the administration of permits by state agencies, for a tracking system for permit applications, for the establishment of permit programs and for annual reports. The bill requires state agencies to establish, maintain and make available a secure tracking system for applicants to track the status of applications on their websites. Delineates the types of categories that are required for reporting to the General Assembly.

Received in the Senate and referred to Senate Inter-Governmental Operations Committee, 5/18/2018

Procurement

[HB 1284](#) RE: Pennsylvania Business Permitting Portal Act (by Rep. Michael Pifer, et al)

Provides for the Pennsylvania Business Permitting Portal within the Department of Community and Economic Development; and establishes the Pennsylvania Business Permitting Portal Advisory Board. The department shall establish the Pennsylvania Business Permitting Portal to provide a single online access point to aid existing and potential business owners in completing the necessary permit applications associated with establishing and operating a business in this Commonwealth.

Laid on the table, removed from the table, 6/11/2018

Sales/Use Taxes

NONE

Workforce Development

[HB 1641](#) RE: Employment First Act (by Rep. Bryan Cutler, et al)

Provides for competitive integrated employment in state and county agencies and any entity providing publicly funded education, training, employment and related services and long-term services and supports for working-age Pennsylvanians with a disability; establishes Employment First, the Governor's Cabinet for People with Disabilities and the Employment First Oversight Commission and provides for their powers and duties; and confers powers and

imposes duties on the Governor and the Office of the Governor. The bill establishes that it shall be the policy of the Commonwealth that competitive integrated employment shall be the preferred outcome for all individuals with a disability eligible to work under federal or state law, regardless of severity of disability and assistance required and work-based learning experiences for all youth with a disability in collaboration with the Department of Labor and Industry. Employment services and opportunities must be offered to all individuals with a disability receiving publicly funded services, regardless of whether they live in their own home or in a residential setting. The Office of the Governor shall develop an initial three-year plan based upon information provided by the state agencies for implementing Employment First for submission to the General Assembly. The plan shall identify the specific policies and implementation dates for state agency compliance.

Reported as committed from Senate Labor and Industry Committee, and read first time, 6/5/2018

Read second time, and Rereferred to Senate Appropriations Committee, 6/6/2018

Reported as committed from Senate Appropriations Committee, 6/11/2018

Read third time, and passed Senate, 6/12/2018 (49-0)

Signed in the House and in the Senate, 6/13/2018

[HB 2206](#) RE: WIB Membership (by Rep. Jim Roebuck, et al)

Amends the Workforce development Act, in local workforce investment areas and boards, adding that membership shall include at least one local administrator of a career and technical center.

Received in the Senate and referred to Senate Labor and Industry Committee, 5/21/2018

[SB 1173](#) RE: Career and Technical Education (by Sen. Vincent Hughes, et al)

Amends the Public School Code replacing references to "vocational-technical" with "career and technical," replacing references to "vocational" with "career and technical" and replacing references to "vocation" with "career and technical"; deleting references to vocational school districts; renaming the State Board for Vocational Education as the State Board of Career and Technical Education; and making editorial changes.

Introduced and referred to Senate Education Committee, 5/18/2018

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/>

MONDAY - 6/18/18

Senate Republican Policy Committee

10:30 a.m., Room 461 Main Capitol

Joint workshop with the Senate Urban Affairs and Housing Committee on historic preservation tax credits

TUESDAY - 6/19/18

House State Government Committee

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

To consider:

[HB 2101](#) (Grove) - Amends Title 71 (State Government), in boards and offices, providing for Commonwealth Office of Management and Budget.

[HB 2102](#) (Ryan) - Amends Title 71 (State Government), in boards & offices, est. Dept. of Business, Tourism & Workforce Development & transferring specific powers & duties from Dept. of Labor & Industry, DCED & Dept. of State.

[HB 2103](#) (Dowling) - Amends Title 71 (State Government), in boards & offices, est. Dept. of Local Government & Community Affairs & transferring specific powers & duties from DCED and Dept. of State.
And others

Commonwealth Financing Authority Meeting Schedule (Subject to Change)

Tuesday, July 17

10:30 AM

Forest Room, CKB Meeting Center, 1st Floor (plaza) Commonwealth Keystone Building
400 North Street, Harrisburg

Tuesday, September 18

10:30 AM

Forest Room, CKB Meeting Center, 1st Floor (plaza) Commonwealth Keystone Building
400 North Street, Harrisburg

Wednesday, November 14

10:30 AM

Forest Room, CKB Meeting Center, 1st Floor (plaza) Commonwealth Keystone Building
400 North Street, Harrisburg

For more information:

<https://dced.pa.gov/programs-funding/commonwealth-financing-authority-cfa/>

Remaining 2018 SENATE SPRING SESSION SCHEDULE

June 18, 19, 20, 25, 26, 27, 28, 29

Remaining 2018 HOUSE SPRING SESSION SCHEDULE

June 18, 19, 20, 21, 25, 26, 27, 28, 29, 30

The Fall Legislative Schedules have not been announced yet.

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

<http://www.legis.state.pa.us/cfdocs/legis/home/session.cfm>