

MCA

Summary of Legislation

December 2013

Resolution Takes Aim at Separations Act

The Senate State Government committee reported a resolution (Senate Resolution 207) to the full Senate that is a thinly veiled attempt to develop negative recommendations regarding the state's law requiring separate primes. The resolution tries to sound like it's about good government and genuine research, but closer examination reveals its true intent. The resolution claims that "for more than 100 years, there have been no substantive changes to this Commonwealth's public construction laws". In truth, most laws dealing with public construction have been enacted within the last 100 years and many of them have received significant amendments during the last few decades. No doubt the writer of the resolution was addressing the so called "Separations Act" which is one of the oldest on the books having been enacted in 1913.

The resolution was voted out of committee on a party line vote, but not before a significant amendment was added. The original version of Senate Resolution 207 called for a study group appointed by the legislative leaders to study public and private construction and recommend changes. The amendment changed the makeup of the advisory committee by designating its representatives. For example, the committee would have 2 open shop contractors (one of which must have over 150 full time employees) and one union contractor. The entire composition of the Advisory Committee is clearly slanted to non-union contractors and other individuals that work in large scale (over \$50 million) projects. Participation by smaller and signatory contractors is woefully under represented. No floor vote has been scheduled yet and opposition to this resolution is growing.

Reapportionment, Personal Reasons Lead Several Legislators to Announce Retirement

With the filing deadline to run for the State House and Senate just a few weeks away, a number of veteran legislators have announced that they will not run for re-election to their current seats. In December, long-time Mercer County Republican **Sen. Bob Robbins** added his name to the list of Senators and Representatives who will relinquish their seats in 2014. So far a total of 5 Senators and nine House members have announced their intention to vacate their seats when the 2013-14 session ends. In addition, a handful of House incumbents will, by virtue of the newly realigned districts, be facing the prospect of running against one of their fellow colleagues, or retiring. It seems almost certain that there will be more announcements in the coming weeks. Those candidates wishing to run in the May primaries must have their petitions filed by March 11.

As of December 31, 2013, **the following members will not be seeking reelection in 2014:**

- Sen. Mike Brubaker (R-Lancaster)
- Sen. Mike Waugh (R-York)
- Sen. Edwin Erickson (R-Delaware)
- Sen. Jim Ferlo (D-Allegheny)
- Sen. Bob Robbins (R-Mercer)

- Rep. Jerry Stern (R-Blair)
- Rep. Chris Ross (R-Chester)
- Rep. Phyllis Mundy (D-Luzerne)
- Rep. Dick Stevenson (R-Mercer)
- Rep. Ryan Aument (R-Lancaster) - running for state Senate
- Rep. Gordon Denlinger (R-Lancaster) - running for state Senate
- Rep. Mike McGeehan (D-Philadelphia)
- Rep. RoseMarie Swanger (R-Lebanon)
- Rep. Mario Scavello (R-Monroe) - running for state Senate

In addition, below is a rundown of potential races involving two incumbents who find themselves in the same district after the new lines were approved by the Supreme Court.

- **HD-3.** Ryan Bizzarro (D) vs Greg Lucas (R). This is the battle of the freshmen. Last year Bizzarro, 28, replaced longtime Rep. John Hornaman (D) and Lucas, 53, replaced Rep. John Evans (R). The district contains part of the city of Erie and the county down to Edinboro. It's a Dem district in registration and performance and Lucas would have the uphill battle. Voters in the new district are 84% Bizzarro's

constituents and just 16% Lucas's. Evans' district moved to Berks County. **Lucas has announced his desire to run for the newly open Senatorial seat currently held by Bob Robbins, so this may be a non-issue.**

- **HD-36.** Erin Molchany (D) vs. Harry Readshaw (D). Readshaw has been in office 18 years, Molchany, 36, won her seat after a complicated primary in the wake of a special election last year. She campaigned against the party when she won in 2012 and she's been raising money in the past few months. She will challenge Readshaw, 71. 72% of voters in the new district are from Readshaw's current district, while just 21% live in Molchany's district. Molchany's Allegheny County district moved east to Allentown, ironically her home town.
- **HD-71/72/73.** Cambria County. Freshman Republican State Rep. Tommy Sankey of Clearfield won the seat of retired Democrat Rep. Bud George in 2012, then saw his district number (74) moved to Chester County. Sankey keeps 73.5% of the voters who elected him, and should be a solid candidate in the GOP-leaning district. Dem Reps. Bryan Barbin, Frank Burns and Gary Haluska split Cambria County. Burns and Haluska now live in HD-72 and have a primary. Voters in new HD-72 come 54.8% from Haluska's current district and 42.9% from Burns' current district, meaning Burns is at a disadvantage at first blush in that primary. Barbin keeps 82.5% of his current voters in new HD-71. It remains to be seen if Haluska chooses to retire. Barbin, 56, and Burns, 38, won their seats in 2008. Halusa, 63, was elected in 1994.
- **HD-112.** Fellow freshman Reps. Frank Farina (D) and Kevin Haggerty (D). are pitted together in the redrawn Lackawanna County seat, and must run against each other. Both were elected last year after winning contested primaries against incumbents, and are friends. Farina's HD-115 is being sent south to Monroe County and his district merged with Haggerty's. 49% of registered Democrats in the newly drawn 112th are Haggerty's current voters. 43% reside in Farina's current district.
- **HD-174.** Ed Neilson (D) vs. John Sabatina (D). At first blush, the district favors Sabatina, 43, who won a special election in 2006, when Alan Butkovitz became City Controller. 53% of the registered Democrats in the newly drawn 174th live in Sabatina's current district. Neilson, 50, won a special election for his seat just last year. Only 25% of Dems in the new district are his current constituents. His district was moved to York County. But Neilson is closely aligned with the IBEW Local 98 union which wields considerable clout in the city.

Legislative Activity

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

BIDDING / CONTRACTING

[SB 1189](#) RE: Public Works Contractors' Bond Law (by Sen. John Eichelberger, et al)

Amends the Public Works Contractors' Bond Law further providing for duty of prime contractor to provide financial security in certain contracts involving public works and public improvements by requiring a contractor to furnish performance bond, payment bond, irrevocable letters of credit, or escrow account.

Reported as committed from Senate Local Government Committee, and read first time, 12/10/2013

Read second time, 12/11/2013

[SR 207](#) RE: Costs of Public Construction Laws (by Sen. Mike Folmer, et al)

A Resolution directing the Joint State Government Commission to establish an advisory committee to conduct a comprehensive study of the costs and efficiencies of the requirements under Pennsylvania's public construction laws.

Reported as amended from Senate State Government Committee, 12/3/2013

BUDGET RELATED BILLS

[HB 1882](#) RE: Capital Projects Oversight Act (By Rep. Ron Waters, et al)

Provides for the establishment of the Capital Projects Oversight Board in order to provide review and oversight of capital projects. The board shall also assist in providing information relating to ways each specific project benefits the community at large. The board shall consist of members who reflect the racial and ethnic diversity of Pennsylvania and the bill provides for appointment by the governor and legislative leaders. The board shall publish on the internet a list of the capital projects for which the board has oversight as well as the times and dates of all board meetings. Additionally, the board shall prepare a comprehensive annual report detailing its review of each capital project.

Introduced and referred to House Finance Committee, 12/9/2013

ENVIRONMENTAL BUILDING STANDARDS

NONE

LOCAL/STATE GOVERNMENT/REGULATIONS

[HB 1523](#) RE: Approved Resource, Recreation or Land Use Plans (by Rep. Marcy Toepel, et al)

Amends "An act authorizing the Commonwealth of Pennsylvania and the local government units thereof to preserve, acquire or hold land for open space uses" adding that revenue from the tax levy may be used for expenses necessary to prepare the resource, recreation or land use plan; and for costs associated with design, engineering, improvement and development of the real property consistent with the approved resource, recreation or land use plan.

Read Second time, and Rereferred to Senate Appropriations Committee, 12/4/2013

Reported as committed from Senate Appropriations Committee, 12/9/2013

Read third time and passed Senate, 12/10/2013 (50-0)

Signed in the Senate and House, 12/11/2013

Approved by the Governor, 12/18/2013 (Act No. 115 of 2013)

[HB 1877](#) RE: Demolition Safety Act (By Rep. Bill Keller, et al)

Provides for demolition standards for buildings and structures in cities of the first class (Philadelphia), for permits, for inspections, for powers and duties of the Department of Labor and Industry and for training and enforcement; imposes penalties; and establishes the Demolition Safety Training and Enforcement Account. A municipality may elect coverage under this act. Demolition permits are required for a contractor or an owner of a property who will perform demolition work on a building or structure and a subcontractor or individual who is not an employee of the demolition permit holder. The department, the city, and municipalities that have elected coverage may assess an additional fee on each permit issued under the authority of this act and the Pennsylvania Construction Code Act in the amount of 15 percent of the total cost of the permit, which shall be deposited in the Demolition Safety Training and Enforcement Account and used for grants for enhanced enforcement of this act and the Pennsylvania Construction Code Act, including training and staffing of code administrators, construction code officials and inspectors, and associated administrative costs. The department shall annually report to the House and Senate Labor and Industry Committees.

Introduced and referred to House Labor and Industry Committee, 12/9/2013

Reported as amended from House Labor and Industry Committee, read first time, and Laid on the table, 12/11/2013

LIABILITY

NONE

MANDATE WAIVERS

NONE

MECHANIC'S LIEN

NONE

MINIMUM WAGE

NONE

LICENSING BILLS

NONE

PREVAILING WAGE

[HB 665](#) RE: "Public Work" (by Rep. Ron Marsico, et al)

Amends the Pennsylvania Prevailing Wage Act by adding that "public work" includes combination maintenance/rehabilitation/ reconstruction projects where non-maintenance items exceed fifteen percent of the total project cost; and "maintenance work" includes the following actions taken on roads: (1) replacement in kind, or compliance with current Department of Transportation design criteria and standards, of guide rails, curbs, pipes, line painting and other related road equipment; (2) repair of pavement service by laying bituminous material up to three and a half inches thick or up to 420 pounds per square yard on asphalt pavement, cement concrete or other hard

surface, including associated milling, and related work raising existing paved shoulders to new grade; or patching of cement concrete surface to include joint spalling and repair work; (3) widening of existing alignment which does not result in additional lanes or new shoulders; and (4) bridge cleaning, washing, resurfacing with blacktop, minor non-structural repairs or improvements and painting except when combined with complete bridge rehabilitation. Provides anti-retaliation protection for workers, and prohibits dividing projects to circumvent the act.

Laid on the table, Removed from the table, 12/17/2013

[HB 796](#) RE: Prevailing Wage Act Threshold (by Rep. Dave Millard, et al)

Amends the Prevailing Wage Act raising the threshold from \$25,000 to \$100,000. Provides anti-retaliation protection for workers, and prohibits dividing projects to circumvent the act.

Laid on the table, Removed from the table, 12/17/2013

[HB 1915](#) RE: "Public Work" (By Rep. Steve Bloom, et al)

Amends the Pennsylvania Prevailing Wage Act to redefine "public work" as the construction, reconstruction, demolition, alteration and/or repair work other than maintenance work, done under contract and paid for in whole or in part out of the funds of a public body where the estimated cost of the total project is in excess of \$100,000 (increased from \$25,000), but shall not include work performed under a rehabilitation or manpower training program or work performed under 75 Pa.C.S. 9024 (relating to application of Prevailing Wage Act to locally funded highway and bridge projects).

Introduced and referred to House Labor and Industry Committee, 12/12/2013

LOCAL/PROPERTY TAX REFORM

[HB 1513](#) RE: Business Privilege Tax (by Rep. George Dunbar, et al)

Amends the Local Tax Enabling Act, allowing local taxing authorities to levy a tax on the privilege of doing business in the jurisdiction of the local taxing authority if business transactions occur fifteen or more days in a year and/or the transactions occur through a base of operations in the jurisdiction of the levying local tax authority. Applies to taxable years beginning January 1, 2014.

Read second time, and Rereferred to Senate Appropriations Committee, 12/4/2013

TRANSPORTATION

[HB 1902](#) RE: Repeal of Transportation Funding Act (by Rep. Brad Roae, et al)

Act repealing Act 89 of 2013, regarding transportation funding. Effective immediately.

Introduced and referred to House Transportation Committee, 12/10/2013

UNEMPLOYMENT/WORKERS COMP

NONE

Workforce Development

[HB 1878](#) RE: Pennsylvania Workforce Investment Strategy Act (by Rep. Eli Evankovich, et al)

Provides for the establishment of the Pennsylvania Workforce Investment Strategy Program to incentivize businesses to organize and collaborate with each other to address common personnel needs and training shortfalls. Participating businesses shall, with the assistance and oversight of the department and the local workforce investment board, develop employee training programs and implement them utilizing preexisting infrastructure that is readily available. The businesses shall be eligible for a tax credit to subsidize a portion of their incurred expenses for participation in the program. Expands the definition of "qualifying workforce expenditure" to include money paid to the local Workforce Investment Board (WIB) by participating businesses to cover administrative costs; and expands the tax credit from 60 percent reimbursement threshold to 90 percent. The program shall be administered by the Department of Labor and Industry. The bill provides for duties of the department and local workforce investment boards, for employee training programs, and amount and allocation of the Pennsylvania Workforce Investment Strategy Tax Credit. The Department of Community and Economic Development, the Department of Revenue, and the Department of Labor and Industry shall jointly develop written guidelines for the implementation of the tax credit provisions. The department shall issue a report annually. Effective immediately.

Introduced and referred to House Labor and Industry Committee, 12/9/2013

Reported as amended from House Labor and Industry Committee, read first time, and Laid on the table, 12/10/2013

Removed from the table, 12/16/2013

Read second time, and Rereferred to House Appropriations Committee, 12/17/2013

Upcoming meetings of Interest

2014 SENATE SESSION SCHEDULE

January	7, 13, 14, 15, 27, 28, 29
February	3, 4, 5
March	10, 11, 12, 17, 18, 19, 31
April	1, 2, 7, 8, 9, 28, 29, 30
May	5, 6, 7
June	2, 3, 4, 9, 10, 11, 16, 17, 18, 19, 23, 24, 25, 26, 27, 28, 29, 30

2014 HOUSE SESSION SCHEDULE

January	7 (NV), 13, 14, 15, 27, 28, 29
February	3, 4, 5
March	10, 11, 12, 17, 18, 19, 31
April	1, 2, 7, 8, 9, 28, 29, 30
May	5, 6, 7
June	2, 3, 4, 9, 10, 11, 16, 17, 18, 19, 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>