

MCA
Summary of Legislation
May 2013

Transportation Funding Reaching Critical Stage

It's June in Harrisburg which means it's time for the Legislature to get serious about enacting the Commonwealth Budget. It's not unusual for other issues to get tied into budget negotiations and this year is no exception. In fact, the budget sets the backdrop for possible passage of a number of titanic legislative issues that have spent years clamoring for attention. The fate of transportation funding, liquor privatization, pension reform and education funding are all in the mix. It may be one of the worst kept secrets on the Hill, but rumors have it that the House won't pass transportation funding if the Senate doesn't pass liquor privatization. There is no clear answer if that deal will get done. There is also concern over whether the House can find enough votes regardless of any trades that may be made. Further complicating matters is that the Senate proposal includes fee increases that the House and Governor haven't exactly embraced. How all this works out will determine if the Commonwealth's transportation system gets a boost, be it \$1.9 billion, \$2.5 billion, something less or nothing at all. The deadline for the budget is June 30th. In practical terms, that is D Day for transportation funding too. Stay tuned...

Senate Approves Comprehensive Plan to Fund State's Transportation Needs

By an overwhelming majority, a bill providing for a comprehensive proposal to fund Pennsylvania's transportation needs, was approved by a vote of 45 to 5 and now moves to the House of Representatives for consideration. Sponsored by Senate Transportation Committee Chairman John Rafferty (R-44), [Senate Bill 1](#) will invest more than \$2.5 billion in the Commonwealth's highways and bridges, transit agencies, railways, airports and ports. It follows the major recommendations made by the Governor's Transportation Funding Advisory Commission.

"I am very pleased by the collaborative effort of members from rural, suburban and urban communities in crafting this legislation," Rafferty said. "It received such strong bipartisan support because it will benefit residents in every area of our state."

Rafferty said the bill represents a bipartisan effort to fund transportation projects throughout the state and address critical safety issues. Pennsylvania has more structurally deficient bridges – nearly 4,400 – than any other state in the nation, and 23 percent of its 44,000 miles of state-owned roads are in poor condition.

Senate President Pro Tempore Joe Scarnati (R-25) praised Transportation Secretary Barry Schoch for his efforts to gain passage of the bill.

Senate Majority Leader Dominic Pileggi (R-9) said the measure is crucial not only to public safety but to economic growth.

"Transportation funding is a core responsibility of state government, and it has been 16 years since Pennsylvania enacted a meaningful transportation funding program," Pileggi said. "The time for action is now."

Senate Bill 1 will raise revenue through a number of sources, including adjusting outdated vehicle driver fees for inflation, increasing fines, uncapping the Oil Company Franchise Tax over three years and modernizing many PennDOT services for cost savings.

Key elements of the legislation that passed the Senate are:

PHASE OUT

- Phases out the \$1.25 cap on the oil company franchise tax over a three-year period; at today's price, that would add 28.5 cents per wholesale gallon;
- Temporarily reduces the 12 cents per gallon flat tax at the pump to 11 cents per gallon in 2013-14 and 10 cents per gallon in 2014-15.

FINES

- Imposes a \$100 surcharge on drivers who violate traffic laws, like speeding or running a red light;
- Increases fines for violation for failure to obey traffic control devices from \$25 to a sliding scale of \$100 to \$300.

FEES

- Imposes \$50.50 licensing fee for six years, instead of a \$29.50 fee for four years;
- Imposes \$104 registration fee for two years, instead of a \$36 fee annually.

REIMBURSEMENTS

- After eight years, ends an annual Pennsylvania Turnpike Commission transfer of \$200 million for highways and \$250 million for mass transit; replaces it with a transfer of \$450 million a year from a vehicle sales tax beginning in 2021.

SPENDING

- \$1.9 billion a year for state and local highways and bridges;
- \$510 million a year for Pennsylvania's 36 mass transit agencies, including \$60 million to help them convert fleet vehicles to alternative fuels, such as compressed natural gas;
- \$115 million a year for railways, airports, ports and bicycle and pedestrian programs, including \$20 million to \$35 million a year for related highway or bridge projects picked by the transportation secretary.

Legislative Activity

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

BIDDING / CONTRACTING

[HB 1451](#) RE: Centralized Design of Physical Plants (by Rep. Tom Caltagirone, et al)

Amends the State Public School Building Authority Act to require contracts between the Authority and school districts to be conditioned upon the preparation of general plans for the centralized design of physical plants.

Introduced and referred to House Education Committee, 5/28/2013

BUDGET RELATED BILLS

[HB 1437](#) General Appropriation Act of 2013 (By Rep. Bill Adolph, et al)

The House FY 2013-14 budget. Spreadsheet: <http://www.pabudget.com/Display/SiteFiles/154/2013-14%20HRC%20Budget%20Proposal.pdf>

Introduced and referred to House Appropriations Committee, 5/29/2013

Reported as committed from House Appropriations Committee, read first time, and laid on the table, 6/3/2013

[SB 680](#) RE: Capital Budget Project Itemization Act of 2012-2013 (by Sen. Jake Corman, et al)

Provides for the capital budget for the fiscal year 2012-2013; itemizes public improvement projects, furniture and equipment projects, transportation assistance projects, redevelopment assistance capital projects, flood control projects, Keystone Recreation, Park and Conservation Fund projects, Environmental Stewardship Fund projects, State forestry bridge projects, State ATV/Snowmobile Fund projects and Manufacturing Fund projects to be constructed or acquired or assisted by the Department of General Services, the Department of Community and Economic Development, the Department of Conservation and Natural Resources, the Department of Environmental Protection 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 projects to be constructed, acquired or assisted by the Department of General Services, the Department of Community and Economic Development, the Department of Conservation and Natural Resources, the Department of Environmental Protection or the Department of Transportation; states the estimated useful life of the projects; and makes appropriations.

Read third time, and passed Senate, 5/1/2013 (49-0)

Received in the House and referred to House Appropriations Committee, 5/6/2013

ENVIRONMENTAL BUILDING STANDARDS

NONE

LOCAL/STATE GOVERNMENT/REGULATIONS

[HB 124](#) RE: Industrialized/ Commercial Modular Buildings (By Rep. Ryan Aument, et al)

Amends the Industrialized Housing Act regarding industrialized/ commercial modular buildings and industrialized/commercial building modules to provide the department with the power and authority to regulate the identification, inspection and assembly and certification in a similar manner as industrialized housing through the use of uniform standards. The bill also provides that the department has authority over installation standards.

Read third time, and passed Senate, 5/7/2013 (50-0)

Received as amended in House and rereferred House Rules Committee, 5/8/2013

Re-reported on concurrence as committed from House Rules committee, and House concurred in Senate amendments, 5/13/2013 (197-0)
Signed in the House 5/13/2013
Signed in the Senate, 5/14/2013
In the hands of the Governor, 5/16/2013
Approved by the Governor, 5/21/2013 (Act No. 8 of 2013)

[HB 484](#) RE: Swimming Pools (By Rep. Rob Kauffman, et al)

Amends Pennsylvania Construction Code Act stipulating a swimming pool or spa may not be filled with water until the barrier requirements of the act are met and during construction of a swimming pool, temporary barriers shall be erected as required by department regulations.

Reported as committed from House Appropriations Committee, 5/6/2013

[SB 441](#) RE: Plumbing Contractors Licensure Act (By Sen. Ted Erickson, et al)

Creates a state plumbers licensing program; establishes minimum standards that individuals must meet in order to obtain a state license, and a plumbing contractor's licensure board to issue licenses, develop regulations, and administer the provisions of the Act. Provides for other guidelines including reciprocity with other states, renewals, violations and penalties.

Rereferred to Senate Appropriations Committee, 5/8/2013

Reported as committed from Senate Appropriations Committee, 5/13/2013

Read second time, 5/14/2013

[SB 802](#) RE: Boiler Standards (by Sen. Jake Corman, et al)

Amends the Boiler and Unfired Pressure Vessel Law to update the standards applied to boilers by adopting the 2010 and 2011 national codes and allowing the Department of Labor and Industry to update those codes in the future by regulation. Allows for private inspection of boilers and unfired pressure vessels and allows the code to expand the scope to include new types of technology.

Reported as amended from Senate Labor and Industry Committee, and read first time, 5/7/2013

Rereferred to Senate Appropriations Committee, 5/14/2013

LIABILITY

NONE

MANDATE WAIVERS

NONE

MECHANIC'S LIEN

[SB 145](#) RE: Mechanics' Lien Law (By Sen. Kim Ward, et al)

Amends the Mechanics' Lien Law to detail instances where subcontractors do not have the right to the lien and further details when a lien may be discharged against a residential property owner.

Laid on the table. 5/14/2013

MINIMUM WAGE

NONE

PREVAILING WAGE

[HB 1304](#) RE: Pennsylvania Prevailing Wage Act Repeal (by Rep. Gordon Denlinger, et al)

Repeals the Pennsylvania Prevailing Wage Act.

Introduced and referred to House Labor and Industry Committee, 5/1/2013

[HB 1378](#) RE: Worker Classifications (by Rep. Gordon Denlinger, et al)

Amends the Pennsylvania Prevailing Wage Act to further provide for definitions and to place duties on the Department of Labor and Industry to develop and adopt worker classifications and the definitions of their classifications. The legislation provides a list of sources the department shall use in determining the classifications and definitions.

Introduced and referred to House Labor and Industry Committee, 5/13/2013

[HB 1381](#) RE: Standard Wage for All Work (by Rep. Rob Matzie, et al)

Amends Title 12 (Commerce and Trade) providing a standard wage for all work performed on or related to projects that receive a state subsidy; providing recordkeeping requirements; and directing the Department of Labor and Industry and the Department of Community and Economic Development to issue regulations.

Introduced and referred to House Commerce Committee, 5/13/2013

TRANSPORTATION

[SB 1](#) RE: Transportation Infrastructure (by Sen. John Rafferty, et al)

Amends Titles 20 (Decedents, Estates & Fiduciaries), 74 (Transportation) and 75 (Vehicles), comprising a comprehensive transportation funding plan that raises approximately \$2.5 billion in annual funding by fiscal year 2017-18. Adjusts vehicle and driver fees for inflation, surcharges fines for drivers who violate traffic laws, uncaps the Oil Company Franchise Tax over three years and provides for the modernization of various PennDOT services. Funds raised would be allocated \$1.9 billion for state and local highways and bridges; \$510 million for the commonwealth's 36 urban and rural transit agencies; and \$115 million for railways, airports, ports and bicycle and pedestrian programs.

Reported as committed from Senate Transportation Committee, and read first time, 5/7/2013

Read second time, and rereferred to Senate Appropriations Committee, 5/14/2013

Discussed at House Budget press conference, 5/29/2013

UNEMPLOYMENT/WORKERS COMP

NONE

Upcoming meetings of Interest

WEDNESDAY - 6/5/13

House Local Government Committee

10:00 a.m., Room 39, East Wing

To consider:

[SB 583](#) (Eichelberger) - Amends the Economic Development Financing Law further providing for competition in award of contracts.

[SB 591](#)(Vulakovich) - Amends the Fiscal Code, in Local Government Capital Project Loan Fund provisions, further providing for assistance to municipalities.

And others

Prevailing Wage Appeals Board

The Prevailing Wage Appeals Board will hold a public meeting on Wednesday, June 5, 2013, at 11 a.m. in the Capitol Associates Building, 901 North Seventh Street, 3rd Floor Conference Room, Harrisburg

2013 HOUSE SESSION SCHEDULE

June 3, 4, 5, 10, 11, 12, 17, 18, 19, 20, 24, 25, 26, 27, 28

2013 SENATE SESSION SCHEDULE

June 3, 4, 5, 10, 11, 12, 17, 18, 19, 24, 25, 26, 27, 28

The Fall Legislative 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>