

MCA
Summary of Legislation
March 2014

Hearing Held on School Construction Funding

While much has been publicized regarding state budget cuts and the need to create a new formula for basic education funding, cuts to school construction funding have received far less attention. On March 31st, the school construction issue had its day in the sun as the House Education committee held a public hearing on what is referred to as PlanCon. PlanCon, which stands for Planning and Construction Workbook, is a long standing program under which the state has reimbursed school districts for a portion of their construction costs provided that they comply with the multi-stepped process required by the Department of Education. The Commonwealth's annual appropriation for the reimbursements is roughly \$300 million. There are many projects requesting the money and the phased process results in a waiting line of sorts. In any given year, the projects that receive reimbursement have been in the waiting line for years.

The Corbett administration is no fan of the PlanCon process. In fact over the past few years, the Department of Education has advocated for a moratorium on new PlanCon project applications. As a result, any school district that didn't have an application submitted by October 1, 2012 cannot receive PlanCon funding. The state has continued the \$300 million appropriation but that money goes to districts that had their applications submitted prior to that date. Obviously, the program will eventually cease to exist if the moratorium isn't lifted.

Representative Seth Grove has introduced legislation, House Bill 2124, that makes changes to the whole process, lifts the moratorium and changes the program name to ArCon (Accountability and Reducing Costs in Construction Process). The public hearing drew testifiers from school districts, design professionals, contractors and the Department of Education. Testifying in favor of the bill on behalf of the construction industry was James Gaffney of Goshen Mechanical Inc. Mr. Gaffney is a member of both the Concerned Contractors of Pennsylvania and the Mechanical Contractors Association of Eastern PA. Gaffney said the moratorium is hurting contractors and school district. "PlanCon is good for the Commonwealth of Pennsylvania. The \$300 million in construction each year betters our schools, our students, our workers, and finally our local taxing authority," stated Gaffney. "It keeps the transparency in the system that everyone needs and it allows my workers to live in the areas where they currently reside."

The committee Chair, Representative Paul Clymer indicated that the legislation will be considered at a voting meeting of the committee at some point soon.

Legislative Activity

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

BIDDING / CONTRACTING

NONE

BUDGET RELATED BILLS

NONE

ENVIRONMENTAL BUILDING STANDARDS

[SB 1023](#) RE: Review and Advisory Council Administration Account (by Sen. Chuck McIlhinney, et al)

Amends the Pennsylvania Construction Code Act further providing for the duties of the council by adding that the annual report shall include those items specified for rejection (changed from adoption). Additionally, the council shall include a professor of engineering with a concentration or specialty in building energy efficiency and an architect specializing in building energy efficiency. Per diems paid to council member shall be \$60 and reasonable travel, hotel, and other necessary expenses incurred in performing their duties. The department shall promulgate regulations within 12 months (changed from three) of receipt of the report. A third account is established, the Review and Advisory Council Administration Account, which shall receive 25 percent of specified moneys collected shall be deposited; the remaining 75 percent shall be divided equally between the Municipal Code Official Training Account and the Construction Contractor Training Account. Moneys in the Review and Advisory Council Administration Account shall be transmitted quarterly to the Department of Labor and Industry for per diem and expenses of the Review and Advisory Council and administrative assistance as determined necessary by the council and the department. Establishes the Review and Advisory Council Administration Account to be

funded by a \$1 dollar surcharge to the building permit fee; extends the amount of time for the council's report; allows the council to also consider code modifications; and allows the council to review 2012 codes not previously adopted.

Amended on Senate floor, 3/10/2014

Read second time, 3/11/2014

Rereferred to Senate Appropriations Committee, 3/12/2014

[SB 1254](#) RE: Definition of "Lead Free" (by Sen. John Yudichak, et al)

Amends the Plumbing System Lead Ban and Notification Act changing the definition of "lead free" to, when used with respect to solders and flux, solders and flux containing not more than 0.2 percent lead and, when used with respect to the wetted surfaces of pipes, pipe fittings, plumbing fittings and fixtures, the term refers to the wetted surfaces of pipes, pipe fittings, plumbing fittings and fixtures containing not more than a weighted average of 0.25 percent lead. The definition includes a formula for calculating the weighted average lead content of a pipe, pipe fitting, plumbing fitting or fixture.

Reported as committed from Senate Environmental Resources and Energy Committee, and read first time, 3/11/2014

Read second time, 4/2/2014

Read third time, and passed Senate, 4/8/2014 (49- 0)

LOCAL/STATE GOVERNMENT/REGULATIONS

[HB 2073](#) RE: PA Construction Code Act Exclusions (by Rep. Michele Brooks, et al)

Amends the PA Construction Code Act adding to the list of exclusions for application decks that are no more than 30 inches above grade and attached to a residential building as well as accessory structures that are attached to a residential building that cover an entranceway and no more than one story high and patio covers as defined in the 2009 International Residential Code for One- and Two-Family Dwellings.

Introduced and referred to House Labor and Industry Committee, 3/10/2014

[HB 2089](#) RE: Building and Housing Regulations and Inspectors (by Rep. Kate Harper, et al)

Amends the First Class Township Code further providing for powers of the board of township commissioners as to building and housing regulations and inspectors; and providing for Uniform Construction Code, property maintenance code and reserved powers. The bill adds an article providing for Uniform Construction Code, property maintenance code, and reserved powers. The article states the Pennsylvania Construction Code Act and the Uniform Construction Code shall apply to the construction, alteration, repair and occupancy of all buildings and structures within a township. The commissioners may enact an ordinance to equal or exceed the minimum requirements of the Uniform Construction Code in accordance with and subject to the requirements of section 503 of the Pennsylvania Construction Code Act. Any ordinance exceeding the provisions of the Uniform Construction Code shall be required to meet the standards provided in the Pennsylvania Construction Code Act. Any construction contrary to any of the provisions of any ordinance passed may be declared, by a court of law, a public nuisance, and may be abatable as such, which exceptions. Commissioners may enact a property maintenance ordinance and may appoint property maintenance inspectors who shall have the right to enter upon and inspect any premises.

Introduced and referred to House Local Government Committee, 3/13/2014

[HB 2091](#) RE: Building and Housing Regulations and Inspectors (by Rep. Kate Harper, et al)

Amends the Second Class Township Code further providing for building and housing regulations; repealing provisions relating to building and housing inspectors; and providing for Uniform Construction Code, property maintenance code and reserved powers. The bill adds an article providing for Uniform Construction Code, property maintenance code, and reserved powers. The article states the Uniform Construction Code shall apply to the construction, alteration, repair and occupancy of all buildings and structures within a township. Any construction contrary to any of the provisions of any ordinance passed may be declared, by a court of law, a public nuisance, and may be abatable as such, which exceptions. Supervisors may enact a property maintenance ordinance and may appoint property maintenance inspectors who shall have the right to enter upon and inspect any premises.

Introduced and referred to House Local Government Committee, 3/13/2014

[HB 2124](#) RE: Approval of School Building Projects (By Rep. Seth Grove, et al)

Amends the Public School Code, in grounds and buildings, further providing for approval by Department of Education of plans, etc. of buildings and exceptions; providing for accountability and reducing costs in construction process; further providing for limitation on new applications for Department of Education approval of school building projects; providing for interest on delayed reimbursement; and, in reimbursements by Commonwealth and between school districts, further providing for definitions, for approved reimbursable rental for leases hereafter approved and approved reimbursable sinking fund charges on indebtedness, for payments on account of leases hereafter approved and on account of sinking fund charges on indebtedness for school buildings hereafter constructed and for payments on account of building costs; and providing for

lump sum reimbursement for construction or reconstruction. For the 2014-2015 fiscal year the General Assembly shall appropriate not less than \$396,198,000 to the Authority Rentals and Sinking Fund Requirements line item in the General Appropriation Act. Section 731.2(d), (e), (f) and (g) 4 are effective July 1, 2015; and the remainder is effective immediately.

Introduced and referred to House Education Committee, 3/25/2014
Public hearing held in House Education Committee 3/31/2014

LIABILITY

[HR 648](#) RE: Flood Coverage (by Rep. David Millard, et al)

Resolution urging the Congress of the United States to reexamine the Biggert-Waters Flood Insurance Reform Act of 2012.

Reported as amended from House Insurance Committee, 3/10/2014
Adopted, 3/17/2014 (194-0)

[SB 1096](#) RE: Eminent Domain Costs (by Sen. Don White, et al)

Amends Title 26 (Eminent Domain) further providing for limited reimbursement of appraisal, attorney and engineering fees by adding that the limit of \$4,000 shall be per property, regardless of right title or interest, except where the taking is for an easement related to underground piping for water or sewer infrastructure, in which case the reimbursement is limited to \$1,000, regardless of right, title or interest.

Reported as amended Senate Appropriations Committee, 3/17/2014
Read second time, 3/19/2014

[SB 1236](#) RE: Oil and Gas Leases (by Sen. Gene Yaw, et al)

Amends the Oil and Gas Lease Act defining "lessee," "lessor," and "joint venture"; further providing for payment information to interest owners by requiring a unique property identification; providing for accumulation of proceeds from production by adding that proceeds shall be paid within 60 days, but proceeds from oil and gas may be remitted quarterly for accumulation of proceeds totaling less than \$100; further providing for conflicts; adding language providing for joint ventures; and providing for a lessor to inspect the records of a lessee. The bill outlines the procedure for inspections for records and provides for confidentiality.

Reported as amended from Senate Environmental Resources and Energy Committee and read first time, 3/11/2014
Read second time, 3/17/2014

[SB 1274](#) RE: Warning Signs (By Sen. Tim Solobay, et al)

Amends Title 35 (Health and Safety), in the State Fire Commissioner, requiring warning signs to be posted by owners of any commercial or industrial structure that uses light-frame truss-type construction. The bill provides for penalties and regulations.

Introduced and referred to Senate Veterans Affairs & Emergency Preparedness Committee, 3/12/2014

[SR 207](#) RE: Public Construction Study (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.

Tabled, 3/19/2014

Licensure Bills

[HB 1063](#) RE: Fire Sprinkler Contractor Licensing Act (by Rep. John Taylor, et al)

Requires licensure of any individual or organization engaging in the business of planning, design, installation or service of fire sprinkler equipment or systems, unless the individual is an employee who is working under the supervision of an individual or organization that is licensed. The legislation requires certification by NICET and to meet NICET certification requirements. It also provides for duties of subcontractors relating to licensure and exemptions while further detailing license application process and procedure. Licensing qualifications and qualified designs of sprinkler systems are also detailed in the Act. The bill also provides requirements related to reciprocity, transfer of licenses, and temporary licenses as well as penalties and violations. Section 10 shall take effect immediately; the remainder of the act shall take effect upon the effective date of the regulations or on July 1, 2013, whichever is sooner.

Reported from House Professional Licensure Committee, with request to re-refer to House Labor & Industry Committee, and so referred, 3/17/2014

MANDATE WAIVERS

NONE

MECHANIC'S LIEN
NONE

MINIMUM WAGE
NONE

PREVAILING WAGE
NONE

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.

Reported as committed from Senate Appropriations Committee, 3/17/2014

[HB 1962](#) RE: KRIZ extensions (By Rep. Stan Saylor, et al)

Amends the Tax Reform Code, in city revitalization and improvement zones, to allow for the approval of two additional zone applications.

Reported from House Urban Affairs Committee, with request to re-refer to House Commerce Committee, and so referred, 3/19/2014

TRANSPORTATION
NONE

UC/Workers Comp

[SB 1195](#) RE: Workers Comp Claims (by Sen. John Gordner, et al)

Amends the Workers' Compensation Act transferring \$4 million from the Administrative Fund to the Uninsured Employers Guaranty Fund. Requires an injured worker to file a claim petition within 180 days of the currently required notice to the fund and requires the worker to provide proof of wages before filing a claim of lost employment. Also provides for medical treatment for injured workers through a list of designated health care providers. Effective immediately.

Amended on Senate floor, 3/10/2014

Read third time, and passed Senate, 3/11/2014 (25-23)

Received in the House and referred to House Labor and Industry Committee, 3/13/2014

Upcoming Meetings of Interest

2014 SENATE SESSION SCHEDULE

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

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>