

**MCA**  
**Summary of Legislation**  
**March 2016**

### **Hearing on Apprenticeship Ratios Highlighted by Conflicting Testimony**

On March 22nd, the Senate Labor and Industry committee held a public hearing on two bills that would radically change the apprenticeship programs currently approved by the state Apprenticeship and Training Council which is under the PA Department of Labor and Industry. **Senate Bill 761** outright repeals the Apprenticeship and Training Act 60 days after it passes. **Senate Bill 280** repeals the Apprenticeship and Training Act and replaces it with a new commission. At the heart of both bills is an effort to establish 1 to 1 ratios for all construction trades. Non union construction contractors have been lobbying to eliminate the apprenticeship council's authority to set ratios so that the ratio defaults to the federal 1:1 ratio. The new twist at this public hearing was a claim by the Associated Builders and Contractors (ABC) that union contractors are permitted to have 1:1 ratios which places the non union at a competitive disadvantage when bidding prevailing wage work. Oddly enough, the union side of the industry has traditionally opposed the 1:1 ratio for non union programs because it would place them at a competitive disadvantage when bidding prevailing wage work. Ratios are typically a collectively bargained item and the ratios are greater than 1:1. As this was a public hearing, no votes were held on either bill but the committee can bring up either piece of legislation at any time.

### **Plumbers Licensing Bill Advances**

**Senate Bill 703**, the Plumbing Contractors Licensure Act, creates a state plumbers licensing program; establishes minimum standards that individuals must meet in order to obtain a state license, and creates a plumbing contractors licensure board within the Department of Labor and Industry to issue licenses and develop regulations. That bill was reported out of the Senate Labor and Industry committee with only one Senator voting in the negative. Similar bills have passed the full Senate 3 times during previous legislative sessions. The House has been the problem area for this legislation as those bills have never made it to the House floor for a final passage vote. In February, the House held a public hearing on its own plumbing contractors licensing bill (**HB 1357**). It remains to be seen if the House takes further action on that bill. Meanwhile it seems likely that the Senate will move forward with SB 703. Surprisingly, the state of Pennsylvania does not presently license any construction contractors.

### **Wolf Allows 2015-16 Budget to Become Law; 2016-17 Budget Looms**

Gov. Tom Wolf surprised many at the Capitol with his announcement that, despite his prior threat to again veto what the General Assembly had passed and sent to him, he would allow the supplemental budget bill, [HB 1801](#), to become law without his signature, on March 27. Gov. Wolf continued to insist that the budget passed by lawmakers is not balanced and, therefore, he could not sign it. However, to move the process forward, he opted to let the bill become law - which it did on March 28 - and deal with the consequences in the next budget.

The new law restores about \$7 billion in funds the Governor had "bluelined" from [HB 1460](#), in total, including about \$6 million in funds from the DCED budget, back in December. [This spreadsheet](#) shows the various lines from the budget bills enacted this session, and showing the 2014-15 budget lines, for purposes of comparison. So now we are essentially down to just one budget to pass, due June 30, for FY 2016-17. However, the Governor also announced that he would veto the companion bill amending the Fiscal Code, [HB 1327](#), which outlines how the 2015-16 funding would be spent, in narrative form, Department by Department. The Governor stated that he had some concerns, including Constitutional issues, with various provisions of the bill, and would reject it, throwing the capitol into a state of confusion as to the ramifications of having spending authorized, with no direction. The House had already put another bill in place to reinstate much of the language, ahead of the veto which, ultimately, came on March 25th.

### **Legislative Activity**

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

## **BIDDING / CONTRACTING**

[HB 726](#) RE: Contractor & Subcontractor Payment Act (by Rep. Mike Tobash, et al)

Amends the Contractor & Subcontractor Payment Act adding a language providing the provisions of the Act cannot be waived in any contract. Increases from 1 percent to 1.5 percent the monthly interest rate for an outstanding payment. Also adds a provision allowing for posting of security in lieu of retainage. Increases the penalty from 1 percent per month to 1.5 percent per month in cases where an arbitrator or litigation determines that payment was wrongly withheld.

**Passed over in House Commerce Committee, 3/16/2016**

[HB 1894](#) RE: Legal Pennsylvania Workers Act (by Rep. Daryl Metcalfe, et al)

Prohibits the employment of unauthorized aliens by an employer. "Employer" is defined as an individual or organization that transacts business in this Commonwealth, that has a license issued by an agency in this Commonwealth and that employs at least one individual. Employer includes the Commonwealth, any political subdivision of this Commonwealth and any self-employed person.

**Introduced and referred to House State Government Committee, 3/14/2016**

[SB 344](#) RE: Duty of Prime Contractor (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 Appropriations Committee, 3/15/2016**

[SB 930](#) RE: Diverse or Disadvantaged Businesses (By Sen. Pat Stefano, et al)

Amends Title 62 (Procurement) providing for certification of woman-owned business, minority-owned business or veteran-owned business. Includes relevant definitions and requires the department to establish a process to verify a diverse or disadvantaged business as Pennsylvania home state-certified for the purpose of other state or national disadvantaged business programs, and to verify that a business that has been certified as a diverse or disadvantaged business by a third-party organization recognized by the department. Provides for notice and list requirements. The department may promulgate regulations governing the certification.

**Reported as amended from Senate State Government Committee, and read first time, 3/15/2016**

**Rereferred to Senate Appropriations Committee, 3/21/2016**

## **BUDGET RELATED BILLS**

[HB 928](#) RE: RACP Caps (by Rep. Steven Mentzer, et al)

In capital facilities, further providing for appropriation for and limitation on redevelopment assistance capital projects and for administration of redevelopment assistance capital projects. Beginning July 1, 2018, and each July 1 thereafter until the sum of the outstanding obligations for redevelopment assistance capital projects equals \$2,950,000,000, the sum of the maximum amount of outstanding obligations for redevelopment assistance projects shall be decreased by \$50,000,000. Grant agreements shall include a signed affidavit stating that the applicant will hold at least one public informational meeting for the project and an additional public informational meeting as necessary, as required by the bill.

**Reported as committed from Senate Appropriations Committee, and read first time, 3/23/2016**

[HB 930](#) RE: RACP Debt Ceiling (By Rep. Tarah Toohil, et al)

Amends the Capital Facilities Debt Enabling Act reducing the Redevelopment Assistance Capital Projects (RACP) Debt ceiling by \$475 million. Adds language providing that the maximum amount of additional public improvement projects released for funding by the Commonwealth in a fiscal year shall not exceed \$350 million and the maximum amount of additional redevelopment assistance capital projects released for funding by the Commonwealth in a fiscal year shall not exceed \$125 million. Also provides for carry-forward.

**Reported as committed from Senate Appropriations Committee, and read first time, 3/23/2016**

[HB 1327](#) RE: Fiscal Code Amendments (by Rep. Michael Pifer, et al)

Amends the Fiscal Code, in financially distressed municipalities, providing for financial recovery; in oil and gas wells, providing for the Environmental Stewardship Fund; in tax credits, providing for Department of Community

and Economic Development; in special funds, further providing for funding, for State Workers' Insurance Board, for expiration and for other grants; in additional special funds, further providing for use of the Tobacco Settlement Fund and for distributions from the Pennsylvania Race Horse Development Fund and providing for miscellaneous limitations and transfers and for the Natural Gas Infrastructure Development Fund; in general budget implementation, further providing for the Department of Community and Economic Development, for the Department of Environmental Protection and for the Department of General Services, providing for the Pennsylvania Gaming Control Board, further providing for the Department of Human Services, for the Pennsylvania State Police and for the Environmental Quality Board and providing for the Commonwealth Financing Authority; providing for school district debt refinancing bonds; providing for 2015-2016 budget implementation; making a related repeal; and making editorial changes.

**Re-reported on concurrence as amended from Senate Rules and Executive Nominations Committee, and Senate concurred in House amendments to Senate amendments as amended, 3/16/2016**

**Received as amended in House and rereferred to House Rules Committee, re-reported on concurrence as committed from House Rules Committee and House concurred in Senate amendments, 3/16/2016 (120-71) Vetoed by the Governor, 3/25/2016**

[HB 1605](#) RE: Heritage Area Program Act (by Rep. Lee James, et al)

Establishes the Heritage Area Program within the Department of Conservation and Natural Resources to identify, protect, develop, enhance, and promote the historic, recreational, natural, cultural, and scenic resources of the Commonwealth. The department will adopt guidelines and policies for the implementation of the program. The department will also allocate appropriate funds to run the program. The bill provides for the use and eligibility of the heritage area.

**Removed from the table, 3/14/2016**

**Read second time, and rereferred to House Appropriations Committee, 3/15/2016**

**Reported as committed from House Appropriations Committee, read third time, and passed House, 3/16/2016 (191-0)**

**Received in the Senate and referred to Senate Environmental Resources and Energy Committee, 3/22/2016**

[HB 1801](#) RE: 2015/16 Supplemental Budget (by Rep. Rich Irvin, et al)

Supplement to the act of December 29, 2015 (P.L. , No.10A), entitled "An act to provide from the General Fund 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, 2015, to June 30, 2016, 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, 2015; to provide appropriations from the State Lottery Fund, the Tobacco Settlement Fund, the Aviation Restricted Account, the Hazardous Material Response Fund, The State Stores Fund, the Milk Marketing Fund, the Home Investment Trust Fund, the Emergency Medical Services Operating Fund, the Tuition Account Guaranteed Savings Program Fund, the Banking Fund, the Firearm Records Check Fund, the Ben Franklin Technology Development Authority Fund, the Oil and Gas Lease Fund, the Home Improvement Account, the Cigarette Fire Safety and Firefighter Protection Act Enforcement Fund, the Insurance Regulation and Oversight Fund, the Pennsylvania Racehorse Development Restricted Receipt Account and the Justice Reinvestment Fund to the Executive Department; to provide appropriations from the Judicial Computer System Augmentation Account to the Judicial Department for the fiscal year July 1, 2015, to June 30, 2016; to provide appropriations from the Motor License Fund for the fiscal year July 1, 2015, to June 30, 2016, for the proper operation of several departments of the Commonwealth and the Pennsylvania State Police authorized to spend Motor License Fund money; to provide for the appropriation of Federal funds to the Executive Department of the Commonwealth and for the payment of bills remaining unpaid at the close of the fiscal year ending June 30, 2015; and to provide for the additional appropriation of Federal and State funds from the General Fund and the State Lottery Fund for the Executive Department of the Commonwealth for the fiscal year July 1, 2014, to June 30, 2015, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2014," further providing for additions to appropriations and replacement of appropriations from the General Fund for the expenses of the Executive Department, the General Assembly and Government Support Agencies of the Commonwealth and the public schools for the fiscal year July 1, 2015, to June 30, 2016, 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, 2015; providing for replacement of appropriations from the Tobacco Settlement Fund to the Executive Department; further providing for additions to

appropriations from the Pennsylvania Racehorse Development Restricted Receipt Account to the Executive Department; and providing for required lapsing of money in the General Fund. Retroactive to July 1, 2015.

**Reported as committed from Senate Appropriations Committee and read first time, 3/14/2016**

**Read second time, rereferred to Senate Appropriations Committee, and reported as amended from Senate Appropriations Committee, 3/15/2016**

**Read third time and passed Senate, 3/16/2016 (31-18)**

**Received as amended in House and rereferred to House Rules Committee, re-reported on concurrence as committed from House Rules Committee and House concurred in Senate amendments, 3/16/2016 (128-63)**

**Became law without Governor's signature, 3/28/2016 (Act No. 1A of 2016)**

[HB 1901](#) RE: Sewage Facilities Grants (by Rep. Stan Saylor, et al)

Amends the Pennsylvania Sewage Facilities Act further providing for grants and reimbursements authorized by adding that from funds appropriated for such grants for the 2015-2016 fiscal year and thereafter, the department shall give funding priority to approved grant applications from municipalities in counties of the third, sixth, seventh and eighth class.

**Introduced and referred to House Local Government Committee, 3/15/2016**

## **ENVIRONMENTAL BUILDING STANDARDS**

[SB 289](#) RE: Private Lateral Sewer Lines (by Sen. Wayne Fontana, et al)

Amends the act entitled "An act to provide for and regulate the accumulation, investment, and expenditure of funds by cities, boroughs, incorporated towns and townships for preparing plans for sewage disposal systems, and for the construction, improvement or replacement of sewage disposal systems for which plans have been approved by the Sanitary Water Board of the Commonwealth," further providing for definitions, for creation of a Sewage Disposal System Fund and for expenditure of fund; providing for expenditure of public funds for private lateral sewer lines; and further providing for grants of moneys. A municipality or municipal authority may use public funds for the improvement, extension, repair or rehabilitation of private lateral sewer lines connected to sewage disposal systems, where the municipality or municipal authority determines that those activities will benefit the sewage disposal system or the public health, or will prevent damages to public property. Before using public funds, the municipality or municipal authority shall consider the available public funds, equipment, personnel and facilities and the competing demands of the municipality for the public funds, equipment, personnel and facilities. No municipality or municipal authority that has completed the improvement, extension, repair or rehabilitation of private sewer lines shall be deemed to be the owner of the private lateral sewer lines, or to have any further responsibility to conduct those activities, unless the municipality or municipal authority makes an affirmative determination to accept such obligations.

**Reported as committed from Senate Appropriations Committee, 3/22/2016**

## **LOCAL/STATE GOVERNMENT/REGULATIONS**

[HB 914](#) RE: Sewage Siting Fees (by Rep. Chris Ross, et al)

Amends the Pennsylvania Sewage Facilities Act authorizing a local agency to charge a fee of up to \$100 (increased from \$25) to verify the permit-exempt system is located in accordance with siting requirements.

**Removed from the table, 3/14/2016**

**Read second time, and Rereferred to House Appropriations Committee, 3/15/2016**

**Reported as committed from House Appropriations Committee, read third time, and passed House, 3/16/2016 (132-59)**

[HB 1103](#) RE: High Tunnels (by Rep. David Zimmerman, et al)

Amends the Storm Water Management Act defining "high tunnel" and exempting high tunnels from the act. A municipality that has adopted a watershed storm water plan or enacted a local ordinance or regulation that regulates high tunnels prior to the effective date shall amend the plan, ordinance or regulation in order to comply.

**Read second time, and rereferred to House Appropriations Committee, 3/15/2016**

**Reported as committed from House Appropriations Committee, read third time, and passed House, 3/16/2016 (154-37)**

**Received in the Senate and referred to Senate Environmental Resources and Energy Committee, 3/22/2016**

[HB 1409](#) RE: Change of Code Administrator (by Rep. Kathy Rapp, et al)

Amends the Pennsylvania Construction Code Act, in adoption and enforcement by municipalities, further providing for administration and enforcement by adding that in the case of a change of code administrator with jurisdiction over a project, subsequent code administrators shall be subject to decisions previously rendered on the project by the board of appeals.

**Reported as amended from House Local Government Committee, read first time, and laid on the table, 3/23/2016**

[SB 1114](#) RE: Alternative Systems (by Sen. Gene Yaw, et al)

Amends Pennsylvania Sewage Facilities Act authorizing the inclusion of alternative systems in the site planning process.

**Reported as committed from Senate Environmental Resources and Energy Committee and read first time, 3/22/2016**

**Read second time, 3/23/2016**

## **LIABILITY**

NONE

## **PREVAILING WAGE**

[HB 63](#) RE: PW Threshold (by Rep. Fred Keller, et al)

Amends the Pennsylvania Prevailing Wage Act raising the threshold for applicability for public works projects from \$25,000 to \$190,000, adjusted annually on March 1 to conform with increases in CPI.

**House Labor and Industry Committee Meeting cancelled for 03/21/16**

## **PROFESSIONAL LICENSURE**

[SB 703](#) RE: Plumbing Contractors Licensure Act

creates a state plumbers licensing program; establishes minimum standards that individuals must meet in order to obtain a state license, and a plumbing contractors licensure board within the Department of Labor and Industry 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. Section 501 shall take effect in one year and the remainder of the act shall take effect in 60 days.

**Reported as amended from Senate Labor and Industry Committee, and read first time, 3/22/2016**

[SB 761](#) RE: Apprenticeship and Training Act Repeal by Rep. Mike Tobash, et al)

Repeals The Apprenticeship and Training Act.

**Discussed in public hearing in Senate Labor and Industry Committee, 3/22/2016**

## **LOCAL/PROPERTY TAX REFORM**

NONE

## **MANDATE WAIVERS**

NONE

## **MECHANIC'S LIEN**

NONE

## **SCHOOL CONSTRUCTION**

NONE

## TRANSPORTATION

NONE

## WORKER'S COMP

[HB 1800](#) RE: WC Treatment (by Rep. Ryan Mackenzie, et al)

Amends the Workers Compensation Act to require that all reasonable and necessary treatments, services, products, or accommodations be consistent with treatment guidelines selected by the Department of Labor and Industry. Provides for a panel of medical providers, selected by the L&I Secretary, to review and propose amendments to adopted guidelines.

**Public hearing held in House Labor and Industry Committee, 3/17/2016**

## Workforce Development

[HR 750](#) RE: STEAM Initiative Week (By Rep. Brandon Neuman, et al)

A Resolution designating the week of April 3 through 9, 2016, as "STEAM Initiative Week" in Pennsylvania.

**Introduced as noncontroversial resolution, 3/18/2016**

**Adopted, 3/22/2016 (194-0)**

## 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 - 4/11/16

**House Democratic Policy Committee**

**10:00 a.m., Room 418 Main Capitol**

Public hearing on clean energy jobs

## 2016 House and Senate Session schedule

### 2016 SENATE SESSION SCHEDULE

**April 4, 5, 6, 11, 12, 13**

**May 9, 10, 11, 16, 17, 18**

**June 6, 7, 8, 13, 14, 15, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30**

### 2016 HOUSE SESSION SCHEDULE

**April 4, 5, 6, 11, 12, & 13**

**May 2, 3, 4, 16, 17, 18, 23, 24, & 25**

**June 6, 7, 8, 13, 14, 15, 20, 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/cfdocs/legis/home/session.cfm>