

**CAWP**  
**Summary of Legislation**  
**June 2010**

**Legislative News**

**2010-11 Budget Passed “On Time”**

The General Assembly passed a \$28.05 billion state budget on June 30, marking the first on-time budget during the Rendell Administration. The Governor signed the budget bill, and the fiscal code bill, which enables many of the mechanics of the budget, on July 6. The enacted budget is cognizant of the future financial challenges facing Pennsylvania and does not include any broad based tax increases.

The Senate was first to pass an amended version of HB 2279 last Wednesday afternoon. The Senate voted 37 to 13 in favor of the bill with twenty Republican votes and seventeen Democrat votes. Later, the House concurred with the Senate passed budget bill by a 117 to 84 vote. Sixteen Republicans joined 101 Democrats in support of the measure.

Some of the major aspects of the budget agreement include:

- The assumption of \$850 million in additional federal Medical Assistance Program (FMAP) dollars. The U.S. Senate recently voted down a bill that included the FMAP money.
- A \$250 million increase in basic education spending. Governor Rendell had sought a \$354 million increase, but settled for \$250 million in the final deal.

The budget does not include:

- New or increased taxes on cigarettes, cigars, or smokeless tobacco.
- Any expansion of the sales tax.
- Elimination of the vendor allowance for sales tax collection.
- A severance tax on natural gas with funds allocated to this year's state General Fund spending. (An agreement was made to craft a separate piece of legislation by October 1 that will include a severance tax that balances recovery of capital investments with compensation to local governments for industry impacts. The agreement also calls for the legislation to provide for regulatory consistency across jurisdictions and "pooling" of land holdings before a tax would take effect January 1.) Details still have to be worked out.

**State Board of Crane Operators Publishes Initial Rulemaking**

The State Board of Crane Operators proposed in an initial general regulation to add Chapter 6 as authorized under sections 302 and 2102 of the Crane Operator Licensure Act. The proposal is a comprehensive regulatory scheme intended to implement and affect the General Assembly's intent as manifested by the act. The proposed regulation is available for comment at:

<http://pabulletin.com/secure/data/vol40/40-23/1064.html>

## Legislative Activity

### **BUDGET BILLS**

[HB 2279](#) RE: The General Appropriations Act of 2010 (by Rep. Dwight Evans, et al)

Provides from the General Fund for the expenses of the Executive, Legislative and Judicial Departments of the Commonwealth, the public debt and the public schools for the fiscal year July 1, 2010, to June 30, 2011, 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, 2010; to provide appropriations from the State Lottery Fund, the Energy Conservation and Assistance Fund, the Aviation Restricted Revenue 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 Payment Fund, the Banking Department Fund, the Firearm Records Check Fund, the Ben Franklin Technology Development Authority Fund and the Tobacco Settlement 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, 2010, to June 30, 2011; to provide appropriations from the Motor License Fund for the fiscal year July 1, 2010, to June 30, 2011, for the proper operation of the several departments of the Commonwealth and the Pennsylvania State Police authorized to spend Motor License Fund moneys; 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, 2010; to provide for the additional appropriation of Federal and State funds from the General Fund for the Executive Department of the Commonwealth for the fiscal year July 1, 2009, to June 30, 2010, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2009; and making interfund transfers for the fiscal year July 1, 2010, to June 30, 2011.

**Reported with a negative recommendation from Senate Appropriations Committee, and read first time, 6/14/2010**

**Read second time, and recommitted to Senate Appropriations Committee, 6/15/2010**

**Reported as amended from Senate Appropriations Committee, read third time, and passed Senate, 6/30/2010 (37-13)**

**Received as amended in House and re-referred House Rules Committee, re-reported on concurrence as committed from House Rules Committee, and House concurred in Senate amendments, 6/30/2010 (117-84)**

**Signed in the House and Senate, 6/30/2010**

**In the hands of the Governor 6/30/2010.**

**Signed by the Governor 7/6/2010**

[HB 2286](#) RE: Workers Comp Fund Appropriation (By Rep. Dwight Evans, et al)

An Act making appropriations from the Workmen's Compensation Administration Fund to the Department of Labor and Industry and the Department of Community and Economic Development to provide for the expenses of administering the Workers' Compensation Act, The Pennsylvania Occupational Disease Act and the Office of Small Business Advocate for the fiscal year July 1, 2010, to June 30, 2011, and for the payment of bills incurred and remaining unpaid at the close of the fiscal year ending June 30, 2010.

**Reported as committed from Senate Appropriations Committee, and read first time, 6/14/2010**

**Read second time, and recommitted to Senate Appropriations Committee, 6/15/2010**

**Reported as amended from Senate Appropriations Committee, read third time, and passed Senate, 6/30/2010 (50-0)**

**Signed in the House and Senate, 6/30/2010**

**In the hands of the Governor 6/30/2010. Last day for Governor's action, 7/10/2010**

[HB 2289](#) RE: Capital Budget Act of 2010 (By Rep. Dwight Evans, et al)

Provides for the capital budget for fiscal year 2010-2011. *This bill may be held until fall.*

**Reported as committed from Senate Appropriations Committee, and read first time, 6/14/2010**

**Read second time, and recommitted to Senate Appropriations Committee, 6/15/2010**

[HB 2290](#) RE: Capital Facilities Debt Enabling Act (By Rep. Dwight Evans, et al)

Amends Capital Facilities Debt Enabling Act further providing for appropriation for and limitation on redevelopment assistance capital projects by stating that the maximum amount of redevelopment assistance capital projects undertaken by the commonwealth for which obligations are outstanding shall not exceed, in aggregate, \$4,250,000,000. *This raises the cap by \$600 million.*

**Reported as committed from Senate Finance Committee, read first time, and recommitted to Senate Finance Committee, 6/30/2010**

[HB 2435](#) RE: Tax Reform Code (By Rep. Dwight Evans, et al)  
(PN 3573) Amends Tax Reform Code repealing certain provisions relating to discounts; providing for the imposition of tax reports and the payment of tax; providing a 30 percent tax on the purchase price charged to the retailer for the purchase of any tobacco product; establishing the Natural Gas Severance Tax Act and imposing a 5 percent tax on the gross value of units severed at the wellhead during a reporting period, plus 4.7 cents per unit severed.  
**Laid on the table and removed from the table, 6/30/2010**

## **ENVIRONMENTAL STANDARDS**

[HB 1450](#) RE: Environmental Advisory Councils (by Rep. Dan Deasy, et al)  
Amends Title 53 (Municipalities Generally) transferring provisions relating to environmental advisory councils; authorizing a municipal corporation to establish an environmental advisory council to advise other local government agencies; adding the Geologically Hazardous Areas Act providing for the designation and regulation of geologically hazardous areas throughout this Commonwealth to protect people and limit property damage and the disruption of commerce from the possible dangers associated with land development in areas that are prone to landslides, sinkholes or other geologic hazards; imposing duties and conferring powers on the State Conservation Commission, the Department of Community and Economic Development, the Department of Environmental Protection, the Department of Conservation and Natural Resources and municipalities; and providing for enforcement and remedies.  
**Reported as amended from House Environmental Resources and Energy Committee, read first time, and Referred to House Rules Committee, 6/29/2010**

## **PROJECT LABOR AGREEMENTS**

[HR 761](#) RE: PLA's (by Rep. Marc Gergely, et al)  
Resolution offering the support and recommendation of the House of Representatives for the use of project labor agreements for all publicly funded or guaranteed public works construction, alteration, renovation, demolition, excavating and paving projects in this Commonwealth.  
**Reported as committed from House Labor Relations Committee, 6/8/2010**

## **EMPLOYEE VERIFICATION**

[HB 1502](#) RE: E-Verify (by Rep. John Galloway, et al)  
Amends Title 62 (Procurement), in contracts for public works, requiring verification of Social Security numbers of all employees of public works contractors contracting with the Commonwealth for purposes of wage reporting and employment eligibility. The bill prescribes penalties and establishes good faith immunity, stipulating that a contractor or subcontractor that relies in good faith on NVS and EVP procedures to verify employee SSNs shall be immune from sanctions in the event incorrect information is provided.  
**Read Second time, 6/7/2010**  
**Read third time and Passed House, 6/8/2010 (188- 6)**  
**Received in the Senate and referred to Senate State Government Committee, 6/11/2010**

[HB 1503](#) RE: Construction Industry Employment Verification Act (by Rep. John Galloway, et al)  
Requires construction industry employers to verify the Social Security numbers of all employees for purposes of wage reporting and employment eligibility. The bill provides for powers and duties of the Department of Labor & Industry, prescribes penalties and establishes good faith immunity, stipulating that a contractor or subcontractor that relies in good faith on NVS and EVP procedures to verify employee SSNs shall be immune from sanctions in the event incorrect information is provided.  
**Read Second time, 6/7/2010**  
**Read third time and Passed House, 6/8/2010 (188- 7)**  
**Received in the Senate and referred to Senate State Government Committee, 6/9/2010**

## **BIDDING / CONTRACTING**

[HB 2141](#) RE: Small Business Contracting (by Rep. Ron Buxton, et al)

Amends Title 62 (Procurement) redefining "small business" as a business in the United States which is independently owned, is not dominant in its field of operation, and employs 250 or fewer employees. The small business employee limit may be waived in certain enumerated circumstances.

**Reported as amended from House State Government Committee, read first time, and rereferred to House Rules Committee, 6/29/2010**

[HB 2142](#) RE: Surety Bond Guarantee Fund Program Act (By Rep. Curtis Thomas, et al)

Provides for the establishment of the Surety Bond Guarantee Program to assist disadvantaged businesses to competitively bid for governmental contracts; imposes duties on the Department of Community and Economic Development; establishes the Surety Bond Guarantee Fund; provides for contracts eligible for guarantee and for participation by disadvantaged businesses; and makes an appropriation of \$5 million to DCED, of which up to 10% may be used for administrative costs. An applicant shall be deemed eligible to participate in the program if the department determines that an applicant meets all of the following qualifications: (1) the applicant is a disadvantaged business certified by the department; (2) the applicant's business is in the construction or building trade industry; (3) the applicant has been actively operating its business for at least one year; (4) the applicant has the experience and financial fitness appropriate to a qualified contract; (5) the applicant has agreed to subcontract no more than 75% of the work to be performed under a qualified contract; (6) the applicant has demonstrated an inability to secure bonding under normal market conditions; (7) the applicant or one of its owners, officers, directors, principals or agents has not committed or been convicted of certain activities; and (8) the business meets any other program requirements that establish criteria for eligibility that the department shall adopt by regulation within 180 days of the effective date of this act.

**Reported as amended from House State Government Committee, read first time, and rereferred to House Rules Committee, 6/22/2010**

[HB 2143](#) RE: Disadvantaged Business Contracting (by Rep. Cherelle Parker, et al)

Amends Title 62 (Procurement) providing for oversight and responsibility for significantly increasing contracting opportunities for disadvantaged businesses and requiring best practices for each contractor. Other oversight responsibilities are placed upon the department.

**Reported as amended from House State Government Committee, read first time, and rereferred to House Rules Committee, 6/29/2010**

[HB 2144](#) RE: Department of Minority and Women Business Development (By Rep. Babette Josephs, et al)

Amends the Administrative Code establishing the Department of Minority and Women Business Development and providing for its powers and duties and making editorial changes.

**Reported as committed from House State Government Committee, read first time, and rereferred to House Rules Committee, 6/29/2010**

[HB 2145](#) RE: Disadvantaged Business Contracting (by Rep. Kenyatta Johnson, et al)

Amends Title 62 (Procurement), in small and disadvantaged businesses, adding a section providing Commonwealth agencies shall adopt and institute with the Department of General Services assistance, a mentor-protégé program to assist, support and enable small businesses to successfully compete for prime and subcontract awards by partnering with large companies, which shall serve as mentors, in State contracts. Further provides the mentor-protégé arrangement between a prime contractor and a minority-owned, women-owned or disadvantaged subcontractor shall be an important factor considered or weighed by the Commonwealth agency awarding a contract. Also provides the department shall establish the appropriate and applicable guidelines and criteria for firms to participate in a mentor-protégé program.

**Reported as amended from House State Government Committee, read first time, and rereferred to House Rules Committee, 6/29/2010**

[HB 2146](#) RE: Pennsylvania Unified Certification program (By Rep. Vanessa Brown, et al)

Amends Title 62 (Procurement) providing for reciprocity of certifications; requiring agencies to accept the certification of the Pennsylvania Unified Certification program.

**Reported as amended from House State Government Committee, read first time, and rereferred to House Rules Committee, 6/29/2010**

[HB 2147](#) RE: Small Business Reserves (By Rep. Tony Payton, Jr.)

Amends Title 62 (Procurement) requiring agencies to establish a small business reserve; each Commonwealth agency shall set 10 percent of its moneys available for procurement into a small business reserve for award to qualified small and disadvantaged businesses. The amount set aside shall be a minimum of \$25,000 with a maximum of \$5 million.

**Reported as amended from House State Government Committee, read first time, and rereferred to House Rules Committee, 6/29/2010**

[HB 2148](#) RE: Performance Monitoring (by Rep. Karen Beyer, et al)

Amends Title 62 (Procurement) providing guidelines for the monitoring of a prime contractors' performance.

**Reported as amended from House State Government Committee, read first time, and rereferred to House Rules Committee, 6/29/2010**

[HB 2149](#) RE: Small and Disadvantaged Business Subcontracting (by Rep. Mark Mustio, et al)

Amends Title 62 (Procurement) in small and disadvantaged businesses, providing for prime contractors' performance by stating that when a subcontractor has performed in accordance with the provisions of the contract, a contractor shall pay to the subcontractor, and each subcontractor shall in turn pay to its subcontractors, the full or proportional amount received for each such subcontractor's work and material, based on work completed or services provided under the subcontract, five (changed from 14) days after receipt of a progress payment.

**Reported as amended from House State Government Committee, read first time, and rereferred to House Rules Committee, 6/29/2010**

## **New Bills Introduced**

No bills of interest to the construction industry have been introduced since the last report.

## **Upcoming Meetings of Interest**

None

## **Legislative Schedule**

**The Fall Session schedule has not been announced. It is expected the General Assembly will return in late September for a few weeks of session.**

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

<http://www.legis.state.pa.us/WU01/LI/BI/billroom.htm>