

MCA Summary of Legislation February 2007

Governor Promotes Healthcare Changes

Governor Ed Rendell has proposed a sweeping healthcare reform package called Cover All Pennsylvanians (CAP). While it was originally billed as universal health coverage, it is not, nor does it cover all Pennsylvanians. The main thrust of the program would require employers who do not offer health insurance as a benefit to participate in the CAP plan. That plan will force those employers and their workers to pay premiums that are subsidized by the state. The State's portion of the cost will be supported in part by a 3% payroll tax. Companies that already provide health insurance will have the 3% credited back to them. Additional taxes on other items such as tobacco will also chip in to pay for the program.

Cover All Pennsylvanians also includes many other elements including smoking bans in almost all public places and increased roles for nurse practitioners and physician assistants. However, the expanded health coverage appears to be the lightning rod. The program is designed to prevent companies who have been providing healthcare from getting into the state subsidized program. For example, a company would have to be without coverage for 180 days in order to join CAP. In essence, the program appears to benefit employers who have been unwilling to pay for healthcare in the past. Another problem is the payroll tax/credit element. Even though the tax is credited back to companies that currently provide healthcare coverage, the negative impact on cash flow will not be welcome.

A summary of the as of yet to be introduced legislation is attached.

Secretary Masch Provides Briefing On 2007-08 Commonwealth Budget

Budget Secretary Michael Masch held a briefing on the 2007-08 state budget on February 6, in advance of the Governor's annual budget address. The Secretary offered a [PowerPoint](#) presentation, outlining the budget. He opened with an overview of the General Fund, noting that it will be \$27.3 billion. He explained that this is an increase of \$948 million or 3.6%. Of that amount, he said that \$544 million will go towards education. The Secretary noted that the major **revenue sources for the General Fund include the personal income tax (37%), sales tax (34%) and business taxes (12%)**. The major budget expenditures are education (41%), Medical Assistance (19%) and DPW programs (17%), he stated.

Masch detailed some of the budget's new spending programs. With regard to the Department of Corrections, Secretary Masch said the costs of incarceration need to be addressed or the **state will have to build one or two more prisons to house all the prisoners**. He noted that the budget provides funding to continue the administration's investments in reducing recidivism.

He also discussed the **transportation funding crisis** and the administration's proposal for paying for the state's transportation needs. He explained that the Governor's Transportation Funding and Reform Commission said the state needs an additional \$965 million annually for state highways and bridges and \$760 million for public transportation. He explained that the **administration recommends leasing the Pennsylvania Turnpike**, which has been valued at between \$10 and \$13 billion. He suggested that this will provide the state with \$965 million in revenue. In answer to a question, Secretary Masch said they are estimating at least \$10 billion and a 9% return on investment. He then suggested that oil companies would be exempt from the 9.99% Corporate Net Income tax, but they would be assessed a 6.17% Oil Company Gross Profits tax. He estimated that this would net the state \$760 million.

Legislative Activity

No bills have been acted on yet of interest to the construction industry. House Committees are still being organized, and the House has not yet passed final rules for conducting business.

New Bills Introduced

HB 44 RE: Mercury-Free Thermostat Act (by Rep. Carole Rubley, et al)

Prohibits the sale or distribution of mercury thermostats in PA. The bill also states that each manufacturer of mercury thermostats that have been sold in PA would establish and maintain a department-approved collection and recycling program for out-of-service mercury thermostats from contractors, service technicians and homeowners. The department would develop a plan for educating schools, local governments, businesses and the public on proper disposal methods for mercury thermostats and other products containing mercury. The bill also states that the department may levy a \$2,500 administrative fine for violations.

Referred to House Environmental Resources and Energy Committee, 1/30/2007

HB 45 RE: High-Performance, State-Funded Buildings Standards Act (by Rep. Carole Rubley, et al)

Requires facilities leased or owned by the state to comply with certain energy and environmental standards outlined in the Act.

Referred to House Environmental Resources and Energy Committee, 1/30/2007

HB 67 RE: Commissioners Sole Contractors (by Rep. Mark Keller, et al)

Amends the County Code further providing for commissioners sole contractors for county, for contract procedures, terms and bonds and advertising for bids and for evasion of advertising requirements. The bill states that the county commissioners would contract for and purchase all services referred to in section 508 and personal property for county officers and agencies. All contracts and purchases would not exceed \$18,000, subject to annual adjustment, and would be in writing and signed by the county commissioners or their designee. The bill also provides that written or telephonic price quotations from at least three qualified and responsible contractors would be requested for all contracts that exceed \$7,000 but are less than the amount requiring advertisement and competitive bidding or, in lieu of price quotations, a memorandum would be kept on file showing that fewer than three qualified contractors exist in the market area. The bill also states that each year the Department of Labor and Industry would calculate the percentage of change in the Consumer Price Index for All Urban Consumers (CPI- U) for the United States city average for all items as published by the United States Department of Labor, Bureau of Labor Statistics, for the 12-month average ending in September of the prior year. The bill outlines how the price quotation amount at which competitive bidding is required would be adjusted annually. All contracts for services and personal property, where the amount exceeds the sum of \$18,000 and would be written. No commissioner would evade the provisions to advertise for bids, purchase, or contract for services and personal properties piece-meal, for the purpose of obtaining prices under \$18,000 except for transactions for which reasonable discretion and prudence transaction amounting to more than \$18,000.

Referred to House Local Government Committee, 1/30/2007

HB 203 RE: Fire Safety Act (by Rep. Bob Belfanti, et al)

Provides for safety requirements for facilities, including automatic sprinkler systems, fire alarms and emergency use communications. The bill also creates the Fire Safety Fund, which would provide low-interest loans to facilities to install or retrofit automatic water sprinkler systems or automatic fire suppression or control systems and automatic and manually activated fire alarm systems installed to transmit an alarm automatically to a fire department and to procure alternate forms of emergency communication in facilities.

Referred to House Labor Relations Committee, 2/3/2007

HB 254 RE: Electricians Licensure Act (by Rep. Bob Godshall, et al)

Establishes the State Board of Licensed Electricians within the Department of State and provides that an individual may not provide electrical services, offer himself for employment as an individual who may provide electrical services or hold himself out as an individual authorized to provide electrical services unless licensed as a licensed journeyman electrician by the board. The legislation further provides for apprentices and for exceptions to licensure. Also provides for the powers and duties of the board and establishes fees, fines and civil penalties.

Referred to House Professional Licensure Committee, 2/6/2007

HB 368 RE: Sprinkler Loan Fund (by Rep. Russ Fairchild, et al)

An act providing for a loan program to assist colleges to install automatic fire suppression systems in student residences; establishing the Sprinkler Loan Fund; and providing for the powers and duties of the DCED and for an offense.

Filed, not yet referred, 2/9/2007

SB 59 RE: Crane Operator Licensure Act (by Sen. Ted Erickson, et al)

Establishes the State Board of Crane Operators within the Department of State. The seven-member board would include: the Commissioner of the Bureau of Professional and Occupational Affairs; two public members appointed by the Governor; and four professional members appointed by the Governor who have been actively engaged in crane-related operations in PA for at least five years immediately preceding their appointment. The bill provides for the powers and duties of the board including establishing specialties for licensure and states an individual may not operate a crane, offer himself for employment as an individual who may operate a crane or hold himself out as a licensed crane operator unless licensed by the board. Also provides penalties for violations of the act and regulations and makes an appropriation.

Referred to Senate Consumer Protection & Prof. Licensure Committee, 2/8/2007

SB 62 RE: Energy-Saving Materials For Non-Business Use (by Sen. John Wozniak, et al)

Amends the Tax Reform Code by excluding the purchase of any energy-saving materials for non-business use from the sales and use tax during the exclusion period. "Exclusion period" is defined as a period from October 1 to and including October 31, 2004. Also, "energy-saving materials" means exterior windows, exterior doors, storm doors, insulation, home wrap and furnaces. **Refiled from last session's SB 633.**

Referred to Senate Finance Committee, 2/8/2007

2007 House Spring Session Schedule

The following are the scheduled session days for the House in 2007:

March 12, 13, 14, 19, 20, 21

April 16, 17, 18, 23, 24, 25, 30 (non-voting)

May 7, 8, 21, 22, 23

June 4, 5, 6, 11, 12, 13, 18, 19, 20, 25, 26, 27, 28, 29, 30

2007 Senate Spring Session Schedule

The following are the scheduled session days for the Senate in 2007:

March 12, 13, 14, 19, 20, 21, 26, 27, 28

April 16, 17, 18, 23, 24, 25, 30

May 1, 2, 7, 8, 21, 22

June 4, 5, 6, 11, 12, 13, 18, 19, 20, 25, 26, 27, 28, 29

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

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