

WEEKLY SESSION NOTES

SENATE REPUBLICAN POLICY COMMITTEE – DAVID G. ARGALL, CHAIRMAN

Friday, December 4, 2015

[Senate Bill 891](#) (Ward) would amend the Pennsylvania Turnpike Commission Act to exempt certain vehicles from paying turnpike tolls. The exemption would apply to emergency vehicles displaying audible and visual signals or any vehicle carrying or escorting a firefighter, ambulance service or rescue squad member, law enforcement officer or armed service member killed in the line of duty. The exempt vehicles would be granted immediate entrance to and exit from any turnpike or highway under the control of the Turnpike Commission and would not be required to stop at a toll booth, or for any other reason, except on order of a member of the Pennsylvania State Police for a legitimate law enforcement function. **[Passed: 50-0.](#)**

[House Bill 907](#) (Ross) would amend the Real Estate Tax Sale Law to establish standardized tax sale posting requirements by adding a definition for the term “posted” or “posting.”
[Passed: 50-0.](#)

[Senate Bill 1071](#) (Browne) would amend Title 24 (Education), Title 51 (Military Affairs) and Title 71 (State Government) of the Pennsylvania Consolidated Statutes to make extensive changes to the retirement benefits for public school and state employees, as follows:

New Defined Contribution (DC) Plan

- The Public School Employees Retirement System (PSERS) DC Plan would require all school employees hired beginning July 1, 2016 to be enrolled in the plan with a minimum employee contribution requirement of three percent and an employer contribution requirement of 2.59 percent. PSERS members could also make additional voluntary contributions.
- The State Employees Retirement System (SERS) DC Plan would require all state employees hired beginning January 1, 2016 to be enrolled in the plan with a minimum employee contribution requirement of three percent and a Commonwealth contribution requirement of four percent and 5.5 percent for psychiatric security guards. SERS members could also make additional voluntary contributions.
- Employee contributions to the DC plans would vest immediately and employer contributions would vest over a 4-year time period. Each DC plan participant would also have an individual retirement account. Upon separation, employees would be eligible to receive a lump sum withdrawal or a single life annuity option.

New Cash Balance (CB) Plan

- A new cash balance plan would be established with an employee contribution requirement of three percent for both PSERS (July 1, 2016) and SERS (January 1, 2016)

mandatory members and no employer contribution requirement. CB plan members would earn interest on contributions at the rate paid by 30-year U.S. treasury bonds, but not more than four percent annually. One-half of earnings over the assumed rate of return of the system would be credited to the employee's CB account beginning in 2019. Employee contributions to the CB plans would vest immediately. Upon separation, employees would be eligible for a lump sum withdrawal or a single life annuity option.

Exemptions

- Future state police, corrections officers and other state law enforcement and public safety officers would be exempt from participating in the DC/CB plan.
- Future higher education employees would have the option of electing to participate in an alternative retirement plan that is available to them currently or the DC/CB plan.

Pre-Act 120 Member Benefit Changes

- “Shared-risk” and “shared-gain” provisions for PSERS members would be calculated every three years comparing the actual and assumed rate of return for the past ten years. For every percentage point in earnings realized in excess of or below the assumed rate of return, the employee contribution requirement would be reduced or increased by one-half of a percentage point. The shared risk/shared gain rate could not be two percentage points more or less than the applicable employee contribution rate.
- A “contributions savings” provision for SERS members would be calculated every three years comparing the actual and assumed rate of return for the past ten years. For every percentage point in earnings realized in excess of the assumed rate of return, the employee contribution requirement would be reduced by one-half of a percentage point. The employee contribution requirement could not decrease by more than five percentage points.
- Participation in the new cash balance plan would be optional for Pre-Act 120 members.

Post-Act 120 Member Benefit Changes

- Employee contribution requirements and benefit accrual rates would remain the same for these members.
- One change would provide for a “shared-gain” provision for both PSERS and SERS members for which “shared-risk” provisions currently apply. The employee contribution requirement could not be reduced below the regular employee contribution requirement by more than two percent.
- Retirement covered compensation would be limited to the Social Security wage base (SSWB), which is \$118,500 for 2015.

- Members whose salary exceeds the SSWB would be permitted to participate in the new CB/DC plan under the same terms and conditions as new employees for the amount of salary that exceeds the SSWB.

Members of the General Assembly

- Members of the General Assembly elected or reelected beginning January 1, 2016 would be automatically enrolled in the new DC and CB plans. The defined benefit plan would be closed to new members and existing members upon reelection.

Revised Final Average Salary Calculation

- Beginning January 1, 2016, final average salary would be calculated using the higher of the current three-year average salary formula excluding overtime or a five-year average salary formula including overtime. This provision would not apply to State Police.

Actuarially Neutral Option 4 Withdrawals

- Only Pre-Act 120 members could make an Option 4 lump sum withdrawal. On contributions made beginning on July 1, 2016 for PSERS members and beginning on January 1, 2016 for SERS members, the withdrawal would have to be actuarially neutral. Contributions made and statutory interest earned prior to the respective dates would not be subject to this provision.

Other Provisions

Among other provisions, the legislation would also:

- Establish the Public Pension and Asset Investment Review Commission to study and make recommendations to the General Assembly and the Governor regarding investment performance and investment strategies. The commission would include three members appointed by the President Pro Tempore of the Senate, three members appointed by the Speaker of the House of Representatives and three members appointed by the Governor;
- Provide funding mandate protection to each PSERS and SERS member so that after the employer compensation schedule meets the full actuarial amount, members will have a contractual right to enforce that the annual employer required contribution be made on a timely basis and ensure that previously accrued retirement benefits will be paid upon retirement. Failure of the state or any other public employer to make the annually required employer contribution would be deemed an impairment of contract. The Supreme Court would have jurisdiction over any action brought to enforce the contractual right;
- Provide that PSERS employers will be charged interest at the assumed rate of return for delinquent payments;

- Add the Secretary of Banking and Securities to both the PSERS and SERS boards;
- Require PSERS and SERS Board members to obtain eight hours of relevant training annually;
- Prohibit a member of the PSERS or SERS Board who represents active members or annuitants or is a current member of the General Assembly from serving as Chair of the board on which they serve; and
- Provide for PSERS and SERS legal counsel to serve independently from the Governor's Chief Counsel, the General Assembly and the Attorney General. **Passed: 30-20.**

Saturday, December 5, 2015

Senate Bill 986 (Pileggi) would amend Title 42 (Judiciary and Judicial Procedure) to provide a person with civil immunity from liability for damage to a vehicle or property caused when the person rescues or attempts to rescue a minor, under certain conditions, from a motor vehicle. Immunity would not be granted if the person's actions exceed the prescribed conditions or if the person exercises gross negligence or willful or wanton misconduct in the rescue or attempt. **Passed: 49-0.**

Sunday, December 6, 2015

Senate Bill 524 (Scarnati) would amend Title 61 (Prisons and Parole) of the Pennsylvania Consolidated Statutes to establish a non-narcotic medication assisted substance abuse treatment grant pilot program within the Department of Corrections (DOC). Grants under the program would be limited to FY 2015-16 and to counties eligible for funding. The legislation delineates eligibility requirements and how the grant funding would have to be used by a recipient county. The powers and duties of the DOC in establishing the program would include: the establishment of criteria for grant funding, development of training materials, and promulgation of rules and regulations. Grant awards would be at the discretion of the DOC and limited to amounts annually appropriated for the program. The proposed legislation would require naltrexone to be approved as part of a prior authorization process by any Medicaid managed care plan operating under contract with the Commonwealth for offenders enrolled in the pilot program. The Department of Human Services would be required to issue a bulletin notice instructing Medicaid managed care plans that approval of naltrexone would have to be granted if the eligible offenders are enrolled in the pilot program. Within 18 months of the effective date of the act, DOC would be required to issue to designated legislative committees a report containing specified information. Nothing in the act would create an entitlement or a right of an eligible offender to receive treatment upon release from a county correctional institution. **Concurrence in House Amendments: 50-0.**

Senate Bill 1068 (Smucker) would authorize the release of Project 70 restrictions on 3.36 acres of land located in Lancaster Township, Lancaster County in exchange for the imposition of Project 70 restrictions on 9.78 acres in Manheim Township and 5.87 acres in the City of Lancaster. Within five years, the City of Lancaster would be required to provide reasonable

pedestrian and vehicular access to both parcels of property on each side of the Conestoga River. If reasonable from an engineering and financial perspective, the City would also be required to reassemble the Armstrong Pedestrian Footbridge or another pedestrian bridge over the Conestoga River connecting one of the parcels with the Conestoga Pines Park. [Passed: 50-0.](#)

Monday, December 7, 2015

[Senate Bill 604](#) (Wiley) would amend Title 30 (Fish) of the Pennsylvania Consolidated Statutes to permit the funds generated from the sale of the special permit to fish in Lake Erie and its tributaries, or a combination trout/salmon permit and Lake Erie permit, to be used for projects that support public fishing on or at Lake Erie, Presque Isle Bay and their tributaries. Under current law, the funds can only be used to provide public fishing access or to protect or improve fish habitat on or at Lake Erie, Presque Isle Bay and their tributaries. [Passed: 50-0.](#)

[Senate Bill 1073](#) (Browne) would create the General Appropriation Act of 2015 to provide for the expenses of the executive, legislative and judicial agencies of the Commonwealth, the public debt and for the public schools for the 2015-2016 Fiscal Year. The act would take effect immediately and would be retroactive to July 1, 2015. Among other provisions, the \$30.8 billion proposed spending plan would:

- Increase basic education funding by \$350 million, an increase of 6.3 percent from last year;
- Provide an additional \$50 million for special education and \$60 million for early childhood education over last year;
- Earmark \$1.5 million in new funding for a pilot program to address the heroin epidemic;
- Direct an additional \$2.8 million to combat the spread of highly pathogenic avian influenza;
- Provide \$3.4 million in new funding for the State Food Purchase Program;
- Earmark \$10 million to increase home and community-based services for 1,075 individuals with intellectual disabilities,
- Establish new funding for remediating abandoned coal mining sites, hospital assessments, EMS providers and attendant care programs; and
- Create a new dedicated fund account for a portion of the Commonwealth's share of school district pension costs, with approximately \$47 million of General Fund revenue being directed to the new account monthly. [Passed: 43-7.](#)

[Senate Bill 1082](#) (Browne) would amend Title 24 (Education), Title 51 (Military Affairs), and Title 71 (State Government) of the Pennsylvania Consolidated Statutes to make changes to the

retirement benefits for current and future members of the Public School Employees Retirement System (PSERS) and the State Employees Retirement System (SERS). The measure would:

New Side-by-Side Hybrid Pension Plan

- Establish new side-by-side hybrid defined benefit/defined contribution plans for new PSERS employees effective July 1, 2017 and for new SERS employees effective January 1, 2018.

New PSERS employees

- The defined benefit component would require an employee contribution of four percent, provide a benefit accrual rate of one percent of final average salary per year of service, and establish a final average salary calculation based on the last five years of service. Vesting would occur after five years and lump sum withdrawals would be on a cost-neutral basis. Shared-risk/shared-gain provisions would require a calculation every three years to determine if employee contributions should be adjusted. Contributions could not increase or decrease by more than two percent.
- The defined contribution component would require an employee contribution of 3.5 percent, an employer contribution of 2.5 percent, and would allow for optional employee contributions up to the IRS limits. Mandatory contributions would be pre-tax pickup contributions, but voluntary contributions would not. Each employee would have an individual investment account with employee contributions vesting immediately and employer contributions vesting after three years.

New SERS employees

- The defined benefit component would requires an employee contribution of three percent, provide a benefit accrual rate of one percent of final average salary per year of service, and establish a final average salary calculation based on the last five years of service. Vesting would occur after 10 years and lump sum withdrawals would be on a cost-neutral basis. Shared-risk/shared-gain provisions would require a calculation every three years to determine if employee contributions are to be adjusted by 0.5 percent. The employee contribution could not increase or decrease by more than two percent from the base.
- The defined contribution component would require an employee contribution of 3.25 percent, an employer contribution of 2.5 percent, and allow for optional employee contributions up to the IRS limits. Mandatory contributions would be pre-tax pickup contributions, but voluntary contributions would not. Each employee would have an individual investment account with employee contributions vesting immediately and employer contributions vesting after three years.
- Future state police, corrections officers and other state law enforcement and public safety officers would be exempt from participating in the new side-by-side hybrid plan and would continue to be members of the SERS defined benefit plan.

Changes to Current Defined Benefit Plans

- Shared-risk/shared-gain provisions for both PSERS and SERS members would require a calculation every three years to determine if employee contributions should be adjusted by 0.5 percent. The employee contribution could not increase or decrease by more than two percent from the base.
- All current elected officials would be enrolled in the new side-by-side hybrid plan upon re-election unless electing to stay in their current benefit class.
- Beginning January 1, 2016, the final average salary for SERS members would be calculated using the higher of the current three year average formula excluding overtime or a five year average salary formula including overtime. The provision would not apply to State Police who qualify for the “DiLauro Award.”
- Lump sum withdrawals on contributions made after July 1, 2016 would be on an actuarially neutral basis. Contributions made prior to this date would not be subject to this provision.
- Provides for collars to reduce the employer contribution rates of both PSERS and SERS in FY 2016-17 of 2.25 percent and in FY 2017-18 of 4.5 percent.

Other Provisions

- Establish the Public Pension and Asset Investment Review Commission to study and make recommendations on various issues to the General Assembly and the Governor.
- Add the Secretary of Banking and Securities to both the PSERS and the SERS boards.
- Require PSERS and SERS board members to obtain eight hours of relevant training annually.
- Prohibit the PSERS or SERS board chair from being a member of the board that represents active system members or annuitants or from being a current member of the General Assembly.
- Provide for the PSERS and the SERS legal counsel to serve independently from the Governor’s Chief Counsel, the General Assembly and the Attorney General.
- Provide funding mandate protection to each PSERS and SERS member so that after the employer compensation schedule meets the full actuarial amount, members would have a contractual right to enforce that the annual employer required contribution be made on a timely basis and ensure that previously accrued retirement benefits will be paid upon retirement. [Passed: 38-12.](#)

[Senate Resolution 257](#) (Vulakovich) designates December 8, 2015 as “National Guard Day” in Pennsylvania. [Adopted by Voice Vote.](#)

[House Bill 909](#) (Ross) would amend the Real Estate Tax Sale Law to authorize county tax claim bureaus to incur reasonably necessary costs for the rehabilitation and maintenance of property exposed to, but not sold at, an upset sale. Costs which would be recoverable by the county from the proceeds of the sale of the property would include those necessary to address safety issues and to ensure the property is maintained in compliance with property maintenance codes. The new provision could not be construed as creating any affirmative duty on the part of the county or bureau to rehabilitate a property or as imposing any liability on a county or bureau for injuries to persons or property that may occur on property subject to rehabilitation and maintenance under the section. [Passed: 50-0.](#)

[House Bill 1161](#) (Harhart) would amend the Board of Vehicles Act to clarify that a licensed salesperson could sell at more than one dealership when there is common ownership, as defined in the bill, between the dealerships. [Passed: 50-0.](#)

Tuesday, December 8, 2015

[Senate Bill 1022](#) (Argall) would authorize the Department of General Services (DGS) to convey to the Municipal Authority of the Township of South Heidelberg, Berks County a permanent sanitary sewer easement and a temporary construction easement in South Heidelberg Township for \$1. Costs and fees incidental to the conveyance would be borne by the grantee. If it is not fully executed within two years of the effective date of the act, the authority for the conveyance would expire. [Passed: 50-0.](#)

[Senate Bill 1054](#) (Ward) would authorize DGS to convey 11.4 acres in Derry Township, Westmoreland County to ACMIII, LP for \$36,000 under terms and conditions to be established in an agreement of sale with DGS. No portion of the property could be used as a gaming facility or it would revert to the Commonwealth. Costs and fees incidental to the conveyance would be borne by the grantee. In the event DGS and the grantee cannot reach a mutually acceptable agreement of sale within one year of the effective date of the act, the property would be disposed of in accordance with Section 2405-A of the Administrative Code of 1929. Proceeds from the sale of the property would be deposited into the General Fund. [Passed: 50-0.](#)

[Senate Resolution 258](#) (Teplitz) designates the week of December 7 through 13, 2015 as “Government Reform Week” in Pennsylvania. [Adopted by Voice Vote.](#)

[House Bill 1279](#) (W. Keller) would designate:

- The section of Christopher Columbus Boulevard between Oregon Avenue and Washington Avenue in Philadelphia as the William J. Guarneri and Edward “Babe” Heffron Memorial Boulevard;

- The section of U.S. Route 222 in Lancaster County from the point at which U.S. Route 222 enters Warwick Township to the Ephrata U.S. 322 Exit as the Senator Noah W. Wenger Highway;
- The bridge located on State Route 1029 over Tunkhannock Creek, in Nicholson Township, Wyoming County as the Jody Allen Cron Memorial Bridge;
- Exit 113, State Ramp 8001, from Interstate 79 onto State Route 208 in Springfield Township, Mercer County as the Lieutenant Colonel Michael E. McLaughlin Veterans Ramp; and
- The bridge located on State Route 88 in Cumberland Township, Greene County over Muddy Creek as the Army Specialist Richard W. Kowalewski, Jr., Memorial Bridge.

The legislation would also repeal Section 4 of Act 3 of 2015. **Passed: 50-0.**

House Bill 1603 (Printer's Number 2544 - Watson) would have amended Title 23 (Domestic Relations) of the Pennsylvania Consolidated Statutes to make required changes to the Uniform Interstate Family Support Act to bring Pennsylvania into compliance with federal and international provisions governing child and family support. **Passed: 50-0.** *(Note: The vote by which House Bill 1603 passed the Senate was reconsidered and the bill was amended on Wednesday, December 9 to include additional provisions. The Senate passed the bill with the additional provisions on Thursday, December 10.)*

Wednesday, December 9, 2015

Senate Resolution 238 (Williams) directs the Joint State Government Commission to conduct a study regarding the use of unmanned drones by state and local agencies, including law enforcement agencies. **Adopted: 50-0.**

Senate Resolution 256 (Gordner) provides that a full hearing will take place before the Special Committee on Senate Address on January 12, 2016 to examine Attorney General Kathleen Kane's ability to perform the duties of her office with a suspended law license. The hearing will be open to the public. Attorney General Kane or her counsel may file a written response to the Special Committee Report, its exhibits or any part thereof with the President pro tempore and the Chair of the Special Committee on Senate Address any time prior to 12 noon on January 11, 2016. No later than 15 days following the conclusion of the hearing, the Special Committee will submit a report to the President pro tempore and the Secretary-Parliamentarian of the Senate which will include, but not be limited to, the official transcript of the hearing and the written documents submitted by, or on behalf of, Attorney General Kathleen Kane. Copies of the report will be distributed to every member of the Senate following the acceptance of the report by the Senate. The Senate Sergeant-at-Arms is ordered to serve this resolution and the Special Committee Report, with all exhibits, upon Attorney General Kane on or before December 11, 2015 at 5 p.m. **Adopted: 50-0.**

[Senate Resolution 259](#) (Teplitz) recognizes December 10, 2015 as “International Human Rights Day” in Pennsylvania. [Adopted by Voice Vote.](#)

[House Bill 857](#) (Pickett) would amend the Insurance Company Law of 1921 to:

- Stipulate that, if certain procedures are followed, an insurer would have to pay a claim covered under a health insurance policy directly to an emergency medical service (EMS) agency for a service performed by the EMS agency when the agency is dispatched by a public safety answering point or an EMS agency dispatch center. The EMS agency could be subject to periodic audits by an insurer to examine claims for direct reimbursement;
- Clarify insurance coverage responsibilities relating to a loaner vehicle in a customer’s custody when provided by a vehicle dealer and for a customer’s vehicle in a motor vehicle dealer’s custody; and
- Reauthorize the Children’s Health Insurance Program (CHIP). The bill would move the regulatory authority for the program from the Insurance Department to the Department of Human Services and require DHS to cross check families enrolled in two programs already administered by DHS to determine eligibility for CHIP. Additional changes to the existing program would add two insurance industry members to the Children’s Health Advisory Council and allow for the electronic dissemination of CHIP information to schools. The expiration date for the program would be extended to December 31, 2017, or 90 days after the date on which federal funding for the programs ceases to be available. [Passed: 50-0.](#)

[House Bill 1195](#) (Schelgel Culver) would amend Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes to establish that perfection of a security interest for a motor home or recreational trailer would be effective for a period of 20 years. [Passed: 50-0.](#)

[House Bill 1322](#) (Kaufer) would amend the Public Welfare Code to make a number of changes. Among other modifications, the measure would:

Residency Requirements

- Require General Assistance applicants to establish they are not receiving assistance in any other state and to disclose all the states in which they have resided and collected any form of public assistance in the past five years. When a General Assistance applicant provides information that they are receiving a form of public assistance in another state, the Department of Human Services could not authorize assistance until it receives verification that the public assistance is scheduled to close in the other state;

KEYS Program

- Codify the Keystone Education Yields Success (KEYS) Program in the Department of Human Services, which allows eligible individuals who are receiving benefits through TANF (Temporary Assistance for Needy Families) or

SNAP (Supplemental Nutrition Assistance Program) to enroll and pursue a certificate or degree through an approved program in either a community college, a career or technical school registered with the Department of Education or a university within the Pennsylvania State System of Higher Education. KEYS recipients would be permitted to count their class time and other time spent on class requirements toward the TANF work requirement for twenty-four months. An additional provision would also clarify that the KEYS program is not an entitlement;

Nursing Homes

- Move the four medical assistance (MA) day-one incentive payments to qualified non-public nursing homes from the Fiscal Code to the Welfare Code for the 2015-2016 Fiscal Year;
- Modify language on the certified public expenditures of public nursing homes to allow intergovernmental transfers to fund supplemental payments;

Hospitals

- Extend the hospital assessment until 2018 and include observation services as a reimbursable outpatient service. The department will specify the amount of the observation services rates in the Pennsylvania Bulletin, which will be effective for services on or after July 1, 2016;
- Exclude cancer treatment centers from the assessment calculation;
- Change the definition of “net inpatient revenue” to allow for a more recent base year to apply the assessment percentage;
- Increase the percentage of net inpatient revenue calculated in the assessment from 3.22 percent to 3.71 percent to ensure the Commonwealth’s receipt of \$220,000,000 for three years;
- Provide for the calculation of an assessment in the case of hospital sales, mergers or consolidations;

Managed Care Organizations

- Repeal the existing Article VIII-F pertaining to Medicaid Managed Care Organization Assessments and add a new article VIII-I pertaining to the assessment. The measure would extend the assessment to all managed care organizations and assess them on a per member per month basis at a fixed rate of \$13.48. This assessment would replace the gross receipts tax previously applied to Medicaid managed care plans which is now prohibited by the federal government;

County Child Welfare

- Allow the department to make the final fourth quarter payment to counties in case of another budget impasse. Language would also be added to provide that child welfare reimbursement payments would be appropriated over two fiscal years;

Subsidized Child Care

- Change the calculation of the child care subsidy copayment, expand the income limit to remain eligible for subsidized services and create copayment reduction incentives for increased working hours and increased family income;

Child Care Facilities

- Require family child day care homes to be licensed instead of registered to ensure that the Child Care Development Block Grant is maintained and the Commonwealth is not subjected to financial penalties. Criminal and administrative penalties would be enhanced for child care facilities operating without a license;

Miscellaneous

- Change the name of the Public Welfare Code to the Human Services Code; and
- Eliminate the requirement that the department submit a methadone mileage biennial report to the General Assembly and Governor. **Passed: 47-3.**

House Bill 1579 (Rapp) would designate the bridge located on State Route 62 in Tionesta Borough, Forest County over the Allegheny River as the Lt. Col. Michael McLaughlin/AMVETS Post 113 Memorial Bridge. **Passed: 50-0.**

House Bill 1735 (Maher) would amend the Tobacco Product Manufacturer Directory Act to modify the definition of “units sold” to include the number of individual cigarettes sold in the Commonwealth during the year in question as measured by taxes collected on packs bearing the tax stamp required under Section 1215 of the Tax Reform Code of 1971; by taxes collected on “roll-your-own” tobacco containers which are not required to have a tax stamp; and by taxes collected on cigarettes sold without a tax stamp, when authorized by the Department of Revenue under Section 1215 (h) of the Tax Reform Code of 1971. Additionally, the Office of Attorney General would be required to attempt to obtain the consent of the participating manufacturers under the master settlement agreement to the amendment of the definition and provide the notices outlined in the legislation. **Passed: 50-0.**

House Bill 1736 (Krueger-Braneky) would amend the Tobacco Settlement Agreement Act to modify the definition of “units sold” to include the number of individual cigarettes sold in the Commonwealth during the year in question as measured by taxes collected on packs bearing the

tax stamp required under Section 1215 of the Tax Reform Code of 1971; by taxes collected on “roll-your-own” tobacco containers which are not required to have a tax stamp; and by taxes collected on cigarettes sold without a tax stamp, when authorized by the Department of Revenue under Section 1215 (h) of the Tax Reform Code of 1971. Additionally, the Office of Attorney General would be required to attempt to obtain the consent of the participating manufacturers under the master settlement agreement to the amendment of the definition and provide the notices outlined in the legislation. [Passed: 50-0.](#)

Executive Session

Berry T. Drew – Pennsylvania Turnpike Commission. [Confirmed: 50-0.](#)

Nominations to Various Boards and Commissions, including Tyree C. Blocker as State Police Commissioner. [Confirmed: 50-0.](#)

Thursday, December 10, 2015

[Senate Bill 442](#) (Folmer) would create the Taxpayer-Funded Advertising Transparency Act. The bill would require media advertising by a Commonwealth agency paid for with monies appropriated, executively authorized, or otherwise made available from the General Fund or any special fund to include a statement that it is funded in whole or in part with Pennsylvania taxpayer dollars. These provisions would not apply where the materials provided to the broadcast or print media are broadcast or published free of charge or to any expenditure for media advertising under the State Lottery Law. The provisions of the act would not apply to media advertising that was printed, manufactured or produced prior to its effective date.

[Concurrence in House Amendments: 50-0.](#)

[Senate Bill 952](#) (Dinniman) would authorize DGS to convey .030 acres of land and improvements in Lower Oxford Township, Chester County to Willow Creek, LLC for \$1,500 under terms and conditions to be established in an agreement of sale. No portion of the property could be used as a gaming facility or it would revert to the Commonwealth. Proceeds from the sale of the property would be deposited into the General Fund. [Passed: 50-0.](#)

[Senate Bill 1064](#) (Boscola) would provide for the transfer of 0.6 miles of roadway in Hanover Township, Lehigh County to the Pennsylvania Department of Transportation. [Passed: 50-0.](#)

[House Bill 530](#) (Reese) would amend the Public School Code to make a number of changes. Among other modifications, the bill would:

- Make conforming changes regarding background clearances for school employees to comply with the Child Protective Services Act;
- Require the State Board of Education to submit a fiscal impact statement to designated members of the General Assembly upon submission of proposed or final-form regulations relating to Keystone Exams;

- Delay the use of Keystone Exams as a graduation requirement or benchmark requirement until 2018-2019, and require the State Board to investigate alternatives to the Keystone Exams and, within six months, submit a report to the General Assembly;
- Provide the Secretary of Education with the authority and duty to enter into and administer membership in a regional compact and an interstate reciprocity agreement for the provision of post-secondary distance education;
- Require school districts to post on their websites those policies required to be adopted by federal or state law;
- Require the Department of Education to annually post on its website stipulated financial information specific to each school entity, as outlined in the legislation, which would allow the public to compare financial information for a minimum of four schools;
- Create a three-year State Opportunity Schools pilot program in the School District of Philadelphia that would transfer underperforming schools to the Department of Education (DOE). The DOE would be required to designate five persistently low achieving schools per year for three years from a list created by the school district and either convert or authorize a new charter in at least two of those schools. The DOE would operate the remaining schools. The DOE would have to report annually on the status of the schools and after the end of three years provide a performance evaluation of the first group of transferred schools. No additional schools could enter the program if the transferred schools have not outperformed eligible schools not transferred to the program;
- Establish the Public School Building Advisory Committee to review and make recommendations related to the program for construction, reconstruction and lease of public school buildings by November 1, 2016;
- Authorize the DOE, provided certain conditions are met, to grant a provisional vocational education certificate to an individual and allow the individual to teach for eight annual school terms;
- Add grandchild to the listing of relatives for whose funeral day an employee may be absent without a deduction in salary;
- Provide for the distribution of excess funds for approved private schools in the 2015-2016 appropriation on a pro rata basis and for those funds to be included in the base for distribution of future funding;
- Permit a school entity to allow a student to self-monitor their diabetes care and allow the possession and utilization of diabetic medication and monitoring equipment if a student's competency is acknowledged and required information is submitted. The Department of Health, in coordination with the DOE, would be required to establish education modules and guidelines for the instruction of school employees in diabetes care and treatment. A

school employee who is not a school nurse or health care provider could receive training and assume responsibility for the care and treatment of students with diabetes;

- Provide for the DOE, contingent upon funding by the General Assembly, to make online math support available to students enrolled in grades 3 to 8 and provide training to school personnel to promote the use of the support;
- Preclude charter and cyber charter schools from receiving funds from the appropriations for social security costs and school employees' retirement costs;
- Establish a Charter School Funding Advisory Commission to consider and make recommendations concerning financing and other matters related to charter school entities no later than one year from the effective date;
- Make extensive changes to the funding and oversight provisions for charter schools and cyber charter schools;
- Establish a Vocational Education Equipment Grant Program for FY 2015-2016 that provides a base amount of \$3,000 to each applying area vocational-technical school or school district with an approved program and provide for the distribution of the remainder of funding;
- Provide for community colleges to receive in FY 2015-2016, the same allocation as the current year and a pro rata share of any additional funding based on the college's full-time enrollment;
- Allow Northampton Community College to appoint up to two trustees from a county where a campus is located with no sponsor;
- Reenact provisions contained in the Fiscal Code requiring alternative education programs to submit application and renewal fees to the DOE;
- Reestablish a rural regional college and specify the organization, administration and operation of the college;
- Provide for each library to receive a pro rata share of funding based on its prior year allocation;
- Provide for the distribution of basic education funding to school districts. The formula would determine the greater of the amounts calculated through the formula devised by the Basic Education Funding Commission (BEFC) and the Governor's February Basic Education Funding Proposal and provides for a pro rata allocation of the funding. Language would be included to make the BEFC formula effective for the distribution of funds beginning in YF 2016-2017 and each year thereafter;

- Provide \$8 million to be distributed on a competitive basis to school districts and vocational-technical programs to offer college and career counseling;
- Specify provisions for the special education payments to school districts;
- Allow the DOE to use up to \$4.5 million in undistributed funds to assist school districts in financial distress or identified for financial watch status;
- Provide for the allocation and distribution of Ready-To-Learn Block Grant funds to school entities in FY 2015-2016; and
- Provide for the state share of reimbursements for school building construction and reconstruction projects currently approved to be refinanced through the Commonwealth Financing Authority. Additional provisions would provide for future borrowing and authorize the Authority to issue bonds to provide the required reimbursements. The Commonwealth would be required to annually appropriate funds necessary to cover the debt payments of the Authority. **Passed: 40-10.**

House Bill 777 (Grove) would amend the State Lottery Law to allow individuals enrolled in PACE and PACENET as of December 31, 2014 to remain eligible for the programs if their maximum income limit is exceeded solely due to a Social Security cost-of-living-adjustment. The eligibility would be extended until December 31, 2017. **Passed: 50-0.**

House Bill 941 (Regan) would amend the Administrative Code of 1929 to make a number of changes. Among other modifications, the measure would:

- Establish the Citizens Advisory Council as an independent advisory council administratively housed within the Department of Environmental Protection. Additional provisions would make the Secretary of Environmental Protection an ex-officio member of the Council and give the Council the sole power to employ and fix the compensation of an executive director;
- Reduce the license fee for a distillery of historical significance from \$5,400 to \$1,200; and
- Authorize the Philadelphia Parking Authority to enforce Public Utility Commission regulations governing transportation network companies (TNC), such as Uber and Lyft, and to develop its own reasonable regulations that do not impose additional burdens on the TNC. A TNC driver operating in Philadelphia would be prohibited from soliciting or accepting a prearranged ride from the airport, train station and certain hotels. A TNC operating in the city would have to pay one percent of gross receipts to the Parking Authority, with two-thirds of the funds earmarked for the Philadelphia School District. The section would expire December 31, 2016.

The bill would also repeal the Race Horse Industry Reform Act and replace it with a new article in the Administrative Code. The new provisions would eliminate the existing State Horse

Racing Commission and State Harness Racing Commission and establish the State Horse Racing Commission to regulate horse racing, the conduct of pari-mutuel wagering and the promotion and marketing of horse racing in Pennsylvania. Among other provisions, the measure would:

- Establish a nine-member commission composed of four appointments made by the Governor as specified in the legislation, one each by the legislative leaders, the Secretary of Agriculture or a designee and a veterinarian appointed by the Governor;
- Delineate requirements for commissioners' qualifications, conduct, compensation, and financial disclosure;
- Prohibit certain actions by commissioners and provide for the removal of a commissioner if a provision is violated;
- Establish, within the Commission, an Office of Horse Racing with a Bureau of Thoroughbred Horse Racing and a Bureau of Standardbred Horse Racing;
- Give the Commission jurisdiction over pari-mutuel wagering, a licensed person engaged in pari-mutuel horse racing activities, out-of-competition drug testing, and the conduct of horse racing in the Commonwealth;
- Provide for the powers and duties of the Commission in regulating horse racing where pari-mutuel wagering occurs;
- Extend the rules and regulations under the former Pennsylvania Thoroughbred Horse Racing Law, or the former Pennsylvania Harness Racing Law, but grant the Commission the authority to adopt, revise or alter the rules and regulations;
- Provide that each license to conduct horse racing or other activity issued prior to January 1, 2017, would remain in effect for the remainder of the licensing term unless revoked or suspended;
- Provide for the reimbursement of the Department of Agriculture for shared administrative services, shared administrative staff and shared facilities to the Commission from the State Racing Fund;
- Require the Commission to issue reports on the general operations of the Commission and each licensee's performance, to make and keep a record of all proceedings held at public meetings of the Commission, post a list annually of all itemized expenses of employees and commissioners that were or are to be reimbursed from the State Racing Fund, and publish an annual report of such information to be submitted to designated entities;
- Direct the Department of Revenue to provide financial administration of pari-mutuel wagering under the act;

- Provide for the allocation of racing days, licenses for horse race meetings, the adoption of a code of conduct, and the licensing of individuals;
- Give district attorneys the authority to investigate and to institute criminal proceedings for a violation of the act and give the Attorney General the authority to investigate and, following consultation with the appropriate district attorney, to institute criminal proceedings;
- Grant the Commission, the Attorney General and the Pennsylvania State Police the authority, without notice and without warrant, to inspect and examine all premises where horse racing is conducted or where records of such activities are prepared or maintained, inspect all equipment and supplies on such premises, seize equipment and supplies, inspect, examine and audit all books, records and documents pertaining to a licensee's operation, and seize, impound or assume physical control of records and documents;
- Establish the State Racing Fund within the State Treasury and provide for the Pennsylvania Breeding Fund and the Sire Stakes Fund;
- Provide for the Pennsylvania Breeding Fund Advisory Committee;
- Provide for the Commission to impose licensing fees and fines, with the funds collected to be deposited in the State Racing Fund; and
- Require a licensed racing entity or secondary pari-mutuel organization to pay a tax of 1.5 percent of the amount wagered each racing day and 2.5 percent of the total amount on an exacta, daily double, quinella and trifecta wager. **Passed: 48-2.**

[House Bill 1327](#) (Peifer) would amend the Fiscal Code to make a number of changes, including language for the implementation of the 2015-2016 Commonwealth budget. Among other provisions, the legislation would:

- Increase a retailer's presumptive minimum cost of selling cigarettes from six percent to seven percent;
- Authorize the City of Scranton, upon termination of its status as a distressed community, to levy, without court approval, a local services tax of up to \$156, with any amount in excess of \$52 to be used to defray unfunded pension liabilities;
- Transfer \$20 million from the Marcellus Legacy Fund to the Environmental Stewardship Fund and provide for the allocation of the money to DEP, DCNR, AG, and PennVest;
- Prohibit the transfer of the surplus in the General Fund for FY 2014-15 to the Rainy Day Fund;
- Extend the sunset date of prudent person standards for investments by the State Workers' Insurance Fund to 2018;

- Direct that \$22 million from the Marcellus Legacy Fund be available in FY 2015-16 to provide grants for water and sewer projects;
- Provide for the FY 2015-16 transfer of monies from the Tobacco Settlement Fund and the Race Horse Development Fund;
- Transfer \$3.1 million from the Workers' Compensation Administration Fund to the Uninsured Employers Guarantee Fund; \$4.5 million from the Dormitory Sprinkler Fund to the General Fund; and \$2.5 million from liquor sales to the Office of Drug and Alcohol Programs;
- Establish the Natural Gas Infrastructure Development Fund for the purpose of providing grants to expand access to natural gas and transfer \$12 million to the Fund;
- Prohibit DCED from certifying that the Intergovernmental Cooperation Authority in Pittsburgh is no longer necessary;
- Establish a Public School Employees' Retirement Contribution Restricted Account within the General Fund;
- Add language addressing changes in the submission deadline of the state implementation plan for greenhouse gas reduction;
- Require the General Assembly to provide an annual appropriation to support fire services to the capitol complex;
- Require the automatic payment to counties of certain child welfare funds if in any fiscal year the annual appropriation has not been enacted by September 1;
- Direct that payments to municipalities are to be pro-rated if reimbursement funds for municipal police officers' education and training are inadequate;
- Prohibit the Environmental Quality Board from adopting or promulgating new rules/regulations for conventional oil and gas wells which were proposed or formulated prior to effective date of the act;
- Establish within the Pennsylvania Housing Finance Agency a Homeownership Assistance Program to provide grants or loans to veterans who are first-time home buyers;

Budget Implementation

- Pennsylvania Commission on Crime and Delinquency – Provide for the distribution of certain funds appropriated to the Commission;

- Office of the Budget – Authorize and provide guidelines for the reimbursement of funds to school districts, counties, municipalities and non-profits for interest incurred as a direct result of the FY 2015-16 budget impasse;
- Department of Agriculture – Distribute funds for agricultural resource centers, hardwoods research and promotion, dog law enforcement, the Penn animal diagnostic laboratory, and biosecurity issues, including avian flu;
- Department of Community and Economic Development – Distribute funds for the creation of an institute to research and develop healthy building products; for research on issues related to the economic and environmental impact of Pennsylvania Marcellus Shale development; for certain tourism activities; for Special Olympics competitions; for Keystone Communities activities; and for partial reimbursement of costs associated with the Papal visit and the Democratic National Convention;
- Department of Conservation and Natural Resources – Distribute funds for the operation and maintenance of the Washington Crossing Historical Park;
- Department of Drug and Alcohol Programs – Provide funds for treatment for post-traumatic stress disorder for veterans;
- Department of Education – Distribute funds for literacy, adult education, after-school programs, mobile science and math programs, community education councils, community colleges, an education consortium, charter schools for the deaf and the blind; and for approved private schools;
- Departmental of Environmental Protection – Distribute funds for clean drinking water and sewage facility grants, and prohibit and revoke funding for the consumer energy program;
- Department of Health – Distribute funds for various health-related programs;
- Department of Labor and Industry – Allocate funding for Pennsylvania’s two associations for the blind and for a veterans work force program;
- Department of Human Services – Authorize the transfer of federal funds to county children’s services; allocate funds for breast cancer screening; direct the expenditure of funds for women’s service programs and maintain limitations; distribute funds for autism programs, community-based family centers, mental health services; and supplement funding for medical assistance for workers with disabilities;
- Department of Revenue – Provide funds for enhanced revenue collection;
- Department of Transportation – Prohibit the Department from including advertising in its mailings;

- Pennsylvania Emergency Management Agency – Provide funding for assistance to individuals and municipalities affected by disasters or public safety emergencies, and for service dog training focused on rescue and public safety;
- Pennsylvania Gaming Control Board – Require slot machine license fees to be deposited into the General Fund; and
- Provide for various repeals. [Passed: 48-2.](#)

[House Bill 1603](#) (Watson) would amend Title 23 (Domestic Relations) and Title 42 (Judiciary and Judicial Procedures) of the Pennsylvania Consolidated Statutes to bring Pennsylvania into compliance with the Federal Uniform Interstate Family Support Act (UIFSA). Provisions would also be added to provide for the disposition of dependent children in regards to juvenile matters related to permanent placement. Among other provisions, the bill would:

Sex Trafficking and Missing and Abducted Children (Title 23)

- Require the county agency overseeing children to report to law enforcement within 24 hours if the agency has reasonable cause to suspect a child under its supervision is at risk or has been identified as a victim of sex trafficking and to report to law enforcement and to the National Center for Missing and Exploited Children within 24 hours after receiving information about a child who is missing or abducted;
- Require the county agency to annually report to the Department of Human Services the number of children who are sex trafficking victims;
- Require law enforcement receiving information about a missing or abducted child to enter the information into the National Crime Information Center database.

Required Uniform Interstate Family Support Act Changes (Title 23)

- Clarify jurisdiction rules relative to the modification of child support orders in states other than the issuing state;
- Establish the duration of personal jurisdiction in a proceeding relating to a support order;
- Clarify how a support order should be determined, reconciled, and modified if there are multiple orders issued by two or more states or a foreign country;
- Allow a “tribunal of this state” exercising personal jurisdiction over a nonresident relating to a support order or recognizing a foreign support order to receive evidence, communicate, and obtain discovery with/from a tribunal outside the state;
- Provide guidelines for the redirection of a child support order to the person entitled to the payments in their current state of residence;

- Clarify that the duration of a child support order is the time required by the state that originally issued the order;
- Establish that the local law of the responding state must comply in regards to enforcement procedures and remedies of court orders;
- Allow a state tribunal (Court of Common Pleas) to refuse to recognize and enforce a foreign support order on its own motion or if challenged by a party, if the order is manifestly incompatible with public policy, including the failure of the issuing tribunal to observe minimum standards of due process, which include notice and an opportunity to be heard;
- Allow a tribunal to refuse recognition and enforcement of an order based on any of the guidelines set forth under UIFIA 208 (708)(b);
- Provide that when a U.S. tribunal cannot recognize a foreign support order, an effort will be made to establish an order in this country;
- Require a record filed with a state tribunal to be in the original language and, if not in English, accompanied by an English translation;

Disposition of Dependent Children in Permanency Hearings (Title 42)

- Require the court in permanency hearings to consult with the child on the child's desired permanency goal;
- Require the court, if the child has been placed with a caregiver, to determine at a permanency hearing whether the child is being provided with regular, ongoing opportunities to participate in age appropriate or developmentally appropriate activities;
- Provide that if and when the court determines the child will be placed in another planned permanent living arrangement, the following would have to apply: 1) the child would have to be 16 years old; and 2) the county agency would have to identify at least one significant connection with a supportive adult willing to be involved in the child's life, or document that efforts have been made to identify a supportive adult;
- Require the county agency to document why it would not be in the best interest of the child to be returned to the parent, guardian or custodian, to be placed for adoption, to be placed with a legal custodian or with a relative; its unsuccessful efforts to return or place the child; and its effort to use search technology to find biological family members;
- Require the court to make a judicial determination explaining why another planned permanent living arrangement is the best plan; provide compelling reasons why it continues not to be in the best interest of the child to return or place the child; and make findings that the significant connection is identified in the permanency plan or that efforts have been made to identify a supportive adult; and

- Require the Department of Human Services to conduct a study to analyze and make recommendations on the permanency goal of another planned permanent living arrangement for children 16 years of age or older and provide the findings and recommendations to designated members of the General Assembly. **Passed: 50-0.**

House Bill 1690 (Turzai) would amend the Liquor Code to make a number of changes. Among other provisions, the bill would:

- Expand the definition of “eligible entity” to increase the organizations that can obtain special occasion permits;
- Allow the Liquor Control Board (LCB) flexibility in pricing and in the offering of special discounts and sales;
- Require the LCB to annually provide a report and testimony on the pricing of products;
- Allow lottery sales at state stores;
- Remove the current operating restrictions on hours, holidays and Sundays and give the LCB the authority to set the hours and days for operation of state stores;
- Provide more options for the delivery of special orders;
- Reduce the special liquor order markup for licensees from 30 percent to 10 percent and allow for direct shipping;
- Codify the Commonwealth Court decision that allows license-holders that also sell gas to continue to operate as long as the two operations are separate;
- Permit licensees to sell alcohol on Groundhog Day when the day falls on a Sunday;
- Allow licensees to offer a mug club and clarify that discounts for mug club members do not count against happy hour limits;
- Increase the number of entities which can hold wine auctions;
- Establish that a manufacturer may provide free alcohol management training to licensees;
- Provide for a Wine Expanded Permit for hotel and restaurant licensees to sell up to four bottles of wine for off-premise consumption; provide guidelines on the sale; stipulate a permit application fee of \$2,000 and an annual renewal fee of two percent of the cost of wine purchased from the board for off-premise consumption; prohibit the sale of a private label product; and prohibit the sale at a price less than the licensee’s purchase price;

- Provide for a Casino Liquor license which would allow a holder to sell or serve beer, wine and liquor 24 hours per day, seven days a week; allow for consumption off of the gaming floor but not for off-premise consumption; allow casinos to provide alcohol free of charge at invitation only events; require a license application fee of \$1 million, an annual renewal fee of \$1 million for the first four years and \$250,000 annually thereafter;
- Increase the number of storage facilities for an importing distributor;
- Allow limited brewery, winery or distillery licensees to sell for on premise consumption malt or brewed beverages, wine or liquor produced by a limited license holder;
- Allow the LCB to issue permits to limited breweries, wineries and distilleries to participate in food expos and farmers markets;
- Establish promotion boards for malt and brewed beverage and wine producers, provide for funding by the LCB and for the awarding of grants;
- Reduce the food percentage requirement from 70 percent to 50 percent for economic development licenses;
- Provide for the auction of expired and revoked restaurant licenses and guidelines, no more than 50 licenses could be auctioned in any county in one year, and licenses not auctioned would be held for future years;
- Require all alcohol service personnel to successfully complete required training either prior to being hired or within six months of being hired;
- Provide for local referenda to allow voters to determine whether a ski resort in a dry municipality may be issued a liquor license;
- Reduce the time period for holding a license in safekeeping from three to two years and double the annual fee for licenses held after two years;
- Provide for a Direct Wine Shipper License allowing the shipping of wine directly to Pennsylvania residents, impose a wine excise tax of \$2.50 per gallon on all wine ordered by and shipped to consumers in Pennsylvania, and require the shipper to collect the tax and remit it to the Commonwealth;
- Allow bed and breakfast establishments to provide to their overnight guests one free bottle of wine produced by a limited winery licensee;
- Allow for the sale of gift baskets containing one bottle of wine produced by a limited winery licensee;
- Prohibit the possession or sale of powdered alcohol except for research purposes;

- Allow distributors and importing distributors to accept credit cards for licensee purchases;
- Permit a Canadian driver's license or bona fide Canadian identification to be used as a valid identification;
- Increase the limited distillery locations from two to five; and
- Create a Wine and Spirits Wholesale and Retail Privatization Commission to research and make recommendations related to privatizing the wholesale and retail wine and spirits operations in the Commonwealth, require the Commission to issue a report of its findings and recommendations to the Governor and General Assembly within six months of the effective date of the act, and require the General Assembly, based on the report, to consider further reform measures no later than June 30, 2016. **Passed: 29-21.**

(2015-153)