

American Society of Landscape Architects PA/DE Chapter

Summary of Legislation

February 2017

Facing Increasing Deficits, Gov. Wolf Proposes \$32.3 Billion Budget Balanced On Substantial Revenue and Structural Reforms

Gov. Tom Wolf gave the third budget address of his tenure before a joint session of the General Assembly on February 7. He presented a proposed budget to legislators for FY 2017-2018 totaling \$32.3 billion in state spending, a 1.8 percent increase over last year's spending number. The spending proposal comes as Pennsylvania faces a structural deficit, estimated at upwards of \$700 million for the current fiscal year and potentially as high as \$2.3 billion for the coming fiscal year.

While the governor stated that his budget proposal anticipates no increases in broad-based taxes, it does rely on a number of new revenue sources, government reform initiatives, and other spending cuts that purport to balance the spend number. Many of these spending changes are already occurring in the current fiscal year, with certain agencies, particularly Labor and Industry, trimming services and laying off workers.

The governor again is calling for a 6.5 percent severance tax on **natural gas extraction** from which he hopes to obtain **\$293 million** beyond what is currently being realized through local fees.

Secondly, he is proposing to close four "special tax loopholes" in the exemptions to the sales and use tax by removing exemptions for programming, design, and data processing to recoup \$330.3 million in revenue; **commercial storage** that will provide \$153.6 million in revenue; airline purchases of catered food and non-alcoholic beverages that will return \$800,000 in revenue; and aircraft sales, use, and repair to return \$5.1 million in revenue. Some of these taxes had existed previously, having been imposed in the 1991 budget agreement, but were subsequently repealed. These taxes would also be included in a restart of HB/SB76, the property tax reduction/elimination legislation that has eluded legislative fruition for decades.

Continuing in the category of Pennsylvania's corporate taxes, the governor's proposal assumes \$81.2 million in Corporate Net Income Tax changes that will **lower the CNI from 9.99 percent to 6.49 percent** in 2022, and **capping net operating losses at 30 percent** of taxable income starting in January 2018 and mandated combined reporting starting in January 2019.

While anticipating as yet unenacted legislation to realize \$100 million in gaming expansion for the 2016-2017 fiscal year, the governor is counting on an additional \$150 million in revenue from gaming expansion in 2017-2018 and \$137 million in new revenues to the Liquor Control Board.

As for funding of the Pennsylvania State Police, the governor has also proposed tackling the lingering issue of municipalities relying on the State Police for normal police duties by charging them a \$25 per person fee.

The Governor also announced a new proposal to **raise Pennsylvania's minimum wage to \$12.00 per hour**, which he expects to bring in \$95 million in additional revenue. Gov. Wolf is also proposing to **lower all available tax credits by \$100 million** by combining them into a block grant "to focus these initiatives on those credits that have demonstrated the greatest return in new business investment, education access, and community development."

Additionally, Gov. Wolf is looking to save \$2.1 billion through **executive branch consolidations**, savings, and efficiencies. Looking to combine six different departments into two different agencies, the governor said more than \$100 million can be saved by the consolidations that would create the Department of Criminal Justice, through the **consolidation of the Department of Corrections and the Board of Probation and Parole**, and the **Department of Health and Human Services, through the combination of the Departments of Human Services, Health, Aging, and Drug and Alcohol Programs**.

Additional savings are seen in initiatives to prioritize agency expenditure and cost efficiencies, better fiscal management, discovering revenue enhancements, eliminating and reducing programs outside the Commonwealth's mission, complement controls, facility closures, lease management, and facility downsizing. The governor's budget also continues the **GO-TIME initiative** and indicates finding \$500 million in savings by the year 2020.

The governor is also searching state government to maximize current sources of revenue by divesting the Commonwealth of unused property and taking out a bond through the **Commonwealth Finance Authority for \$110 million to pay for grants to CURE, the Environmental Stewardship Fund, for cultural and historical support, and the arts.**

Gov. Wolf's budget also seeks an additional \$200 million via an arrangement with the Farm Show Complex that would lease the facility to a private entity for 29 years to be leased back to the Commonwealth with the rent set at a negotiated interest rate.

The proposal continues the Governor's main overarching priorities set with his first address and through his campaign, including increased investments in public education; increased funding for tourism promotion; and grants to local governments. The governor looks to build on investments in the current year's budget by providing \$100 million more to basic education, \$25 million to special education, and \$75 million to Pre-K and Head Start. He is also seeking \$2 million more in terms of state investment in school breakfast programs and the same amount for school improvement efforts. He has also included an \$8.9 million increase for the 14 universities of the State System of Higher Education.

Pennsylvania's new fiscal year begins July 1, 2017. The reaction to the Gov's budget address has been mixed among the four legislative caucuses. As some Republicans applauded the Governor's substantial backing off from the pie-in-the-sky proposal of his first address, others still rail against the nearly \$2 Billion spending increase, without addressing two sticky political issues, public pensions and property tax relief. Meanwhile Democrats, while generally supporting their Governor's budget, also note that more needs to be done in their minds. Hopes are fairly good that the deadline can conceivably be met this year.

The budget proposal will now be reviewed in detail, Department by Department, with the House and Senate Appropriations Committees. Hearings began February 21, and will continue through early March, before the General Assembly returns to session on March 13. DCED gets its "day in court" on March 2 in the House, and March 6 in the Senate. The full schedule of hearings of interest to PEDDA is listed later in this report.

Governor's Office Announces Regulatory Agenda

Executive Order 1996-1 requires all agencies under the jurisdiction of the Governor to submit an agenda of regulations under development or consideration, for publication on the first Saturdays in February and July. The agendas are compiled to provide members of the regulated community advanced notice of regulatory activity. It is the intention of the Administration that these agendas will serve to increase public participation in the regulatory process. Agency contacts should be contacted for more information regarding the regulation and the procedure for submitting comments. This Agenda represents the Administration's present intentions regarding future regulations. The nature and complexity of an individual regulation obviously will determine whether and when any particular regulation listed (as well as any considered subsequent to publication of this Agenda) is published.

Regulation Being Considered	Proposed Date of Promulgation	Need and Legal Basis for Action	Agency Contact
<i>State Board of Landscape Architects</i>			
General Revisions 49 Pa. Code Chapter 15 (# 16A-6111)	Fall 2017, as Proposed	The State Board of Landscape Architects has undertaken a comprehensive review of its current regulations in an effort to update obsolete and incomplete provisions, to revise them to conform with current practices and to be consistent with the Landscape Architects Registration Law. This proposed rulemaking implements updates to current practices of the Board with respect	Terrie Kocher (717) 772-8528

Electronic Seals and Signatures 49 Pa. Code Chapter 15 (# 16A-6112)	Summer 2017, as Proposed	to qualifications and experience, examinations and continuing education. In addition to updating their current regulations on seals, the three boards that regulate design professionals in this Commonwealth (including the State Architects Licensure Board, the State Registration Board for Engineers, Land Surveyors and Geologists, and the State Board of Landscape Architects) are proposing new regulations setting forth standard requirements for electronic seals and electronic signing of design documents. The goal of these proposals is to provide all design professionals with regulations that are as consistent as possible with respect to both traditional seals and electronic seals to benefit both the design professionals and their clients.	Terrie Kocher (717) 772- 8528
Schedule of Civil Penalties — Landscape Architects 49 Pa. Code Chapter 43b (# 16A-6120)	Fall 2017, as Proposed	This proposed rulemaking would adopt a schedule of civil penalties for unlicensed practice and other violations of the Landscape Architects Registration Law.	Terrie Kocher (717) 772- 8528

Legislative Activity

The following bills of interest to ASLA have been introduced and/or acted upon in that past month.

Bidding / Contracting

[HB 566](#) RE: Payment of Contractors and Subs (by Rep. James Santora, et al)

Amends the Contractor and Subcontractor Payment Act further providing for owner's payment obligations and for contractors' and subcontractors' payment obligations. If payment is not received by a contractor or subcontractor as required, the contractor shall have the right to suspend performance of any work, without penalty, until payment is received in full.

Introduced and referred to House Commerce Committee, 2/21/2017

Budget Related Bills

[HB 503](#) RE: Growing Greener III Act (by Rep. Alex Charlton, et al)

Amends Amending Title 27 (Environmental Resources), in environmental stewardship and watershed protection, further providing for legislative findings and for agencies and establishing duties for the Department of Community and Economic Development, the Pennsylvania Fish and Boat Commission, the Pennsylvania Game Commission and the Pennsylvania Historical and Museum Commission. The bill adds the Growing Greener III Act.

Introduced and referred to House Environmental Resources and Energy Committee, 2/15/2017

[HB 589](#) RE: Renewal Energy Sources (by Rep. Curt Sonney, et al)

Act authorizing the DGS to lease submerged lands in excess of 25 acres within Erie County for the assessment, development, construction and operation of utility scale offshore wind, solar or kinetic energy generation facilities.

Introduced and referred to House Environmental Resources and Energy Committee, 2/24/2017

Environmental Building Standards

[HB 543](#) RE: Storm Water Runoff (by Rep. Curtis Thomas, et al)

Amends the Gas and Hazardous Liquids Pipelines Act, in preliminary provisions, further providing for definition of "public land"; and, in related activities, providing for recreational use and for storm water runoff by requiring pipeline operators purchasing or obtaining an easement for public land, agricultural-easement land or permanently preserved land for new or expanded pipelines, to purchase or grant an easement for an equivalent section of land within the respective county for public active or passive recreational use. Also requires operators to ensure that the

volume and maximum rate of storm water runoff after the construction or replacement does not exceed the volume and maximum rate of runoff that existed prior to the construction or replacement.

Introduced and referred to House Environmental Resources and Energy Committee, 2/17/2017

[HB 596](#) RE: National Groundwater Association Standards (by Rep. Kate Harper, et al)

Amends Title 27 (Environmental Resources) providing for the adoption of National Groundwater Association standards. Provides for water well construction standards; decommissioning of abandoned wells; water well completion reports; and inspections. Also provides for the powers and duties of the Environmental Quality Board and the Department of Environmental Protection (DEP) under this new chapter and for penalties for violations of this new chapter. Certain sections shall take effect after the adoption of regulations and the remainder shall take effect in 30 days.

Introduced and referred to House Environmental Resources and Energy Committee, 2/23/2017

Liability

NONE

Local/State Government/Regulations

[HB 571](#) RE: FEMA Maps (by Rep. Tina Davis, et al)

An Act imposing a duty on municipalities to provide notification to property owners of changes to special flood hazard area maps of the Federal Emergency Management Agency. Specifies type of notification required.

Introduced and referred to House Local Government Committee, 2/23/2017

[HB 587](#) RE: Pennsylvania Permit Tracking and Notification Law (by Rep. David Zimmerman, et al)

Requires the Department of Environmental Protection to maintain an online system for applicants to track the status of certain permit applications. The bill provides for permit notifications and lays out requirements for the system and electronic notifications.

Introduced and referred to House Environmental Resources and Energy Committee, 2/23/2017

[HB 588](#) RE: Erosion and Sediment Control Permit Act (by Rep. David Zimmerman, et al)

Requires the Department of Environmental Protection to complete erosion and sediment permitting approval or disapproval within 45 days. Also requires any application submitted by a properly licensed engineer to be approved within 20 days. Provides for exceptions and for denials. Requires an annual report on application activity to be provided to the General Assembly.

Introduced and referred to House Environmental Resources and Energy Committee, 2/23/2017

Professional Licensure

[HB 548](#) RE: Self-Reporting of Convictions (by Rep. Harry Readshaw, et al)

Amends the act entitled "An act empowering the General Counsel or his designee to issue subpoenas for certain licensing board activities; providing for hearing examiners in the Bureau of Professional and Occupational Affairs; providing additional powers to the Commissioner of Professional and Occupational Affairs; and further providing for civil penalties and license suspension," by adding a subsection on hearing examiners requiring all licensees under the Bureau of Professional and Occupational Affairs to report convictions within 30 days.

Introduced and referred to House Professional Licensure Committee, 2/17/2017

Organizational Structure

NONE

Local/Property Tax Reform

NONE

Mandate Waivers

NONE

Mechanic's Lien

NONE

School Construction

NONE

Transportation

NONE

Worker's Comp

NONE

Workforce Development

NONE

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/>

2017 SENATE SESSION SCHEDULE

March	20, 21, 22, 27, 28, 29
April	17, 18, 19, 24, 25, 26
May	8, 9, 10, 22, 23, 24
June	5, 6, 7, 12, 13, 14, 19, 20, 21, 22, 26, 27, 28, 29, 30

2017 HOUSE SESSION SCHEDULE

March	13, 14, 15, 20, 21, 22
April	3, 4, 5, 18, 19, 24, 25, 26
May	8, 9, 10, 22, 23, 24
June	5, 6, 7, 12, 13, 14, 19, 20, 21, 22, 26, 27, 28, 29, 30

State Board of Landscape Architects Meeting Schedule

2017 Meeting Dates (Subject to Change)

March 16, June 15, August 17, November 16

PUBLIC WELCOME

All Board meetings are held at Penn Center, 2601 N. 3rd Street, Harrisburg, PA, at 9:30 a.m.

Other meeting dates may be scheduled as needed.

Note: the Governor will make his 2016-17 Budget Address on February 7, then the House and Senate will recess for budget hearings during February and March. The schedule of hearings will be announced later.

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

<http://www.legis.state.pa.us/cfdocs/legis/home/session.cfm>