

MCA
Summary of Legislation
August 2007

Building Code Changes on Fall Agenda

There have been no voting sessions in the Capitol during the Legislature's summer recess, but there is never a shortage of issues. Any number of bills are being poised for action in September and early October, including bills impacting the construction industry. One such issue is the Uniform Construction Code (UCC). Both the House and Senate Labor committees have conducted public hearings on the code and the House, in particular, is working on changes to the code. That has inspired a wide range of interest groups to promote their own ideas on how the UCC should be changed.

One of the bills likely to be considered this fall is **House Bill 1096**, introduced by Representative Ron Buxton (Democrat, Dauphin Co.). The bill establishes a UCC Advisory Council under the Department of Labor and Industry that would be charged with reviewing and making recommendations to the legislature on technical issues contained in the numerous proposals to change the code. Since the UCC was enacted, dozens of bills have been introduced to alter various parts of the law. Many of the proposed changes are technical in nature and it has led to a fair amount of frustration on the parts of the legislators. Very few of the House and Senate members come from a construction background. The Advisory Council would be made up of mostly architects, engineers, code officials and contractors. The Legislature isn't required to take the advice of the Council, but at least there will be some technical input available.

Other changes to the UCC are expected to be considered during the Fall session as well. Many observers believe that an effort will be made to give the Department of Labor and Industry additional authority, possibly at the expense of local powers. Both the House and Senate heard testimony from various groups that too much variation occurred in local interpretations, fees and timely review of permits. Just how to correct some of these problems is not yet determined. It does seem likely, though, that one or more amendments will be designed to give the State Department of Labor and Industry additional control over certain activities.

Prison Projects Pending

Last month an effort by the Rendell administration to secure funding for numerous new prison projects fell short when the bill authorizing the projects was amended on the House floor. The amendment was required in order to expedite the bill's passage and a side effect was the removal of the prisons. It is expected that the Administration will again try to secure funding through a different Capitol Budget bill when the Legislature returns to Harrisburg next month.

One issue that remains to be ironed-out is how the projects are to be awarded. The legislation the Administration wants calls for a single contract to be awarded to a design/build firm. That firm would be selected under a competitive proposal system. "Competitive proposal" is another way of saying that it will not be awarded based on low bids. To accomplish this, a bill allowing for the waiving of the Separations Act requirements (limited to these prison projects) would need to pass.

Opposition to waiving the Separations Act led to a stand off in July between supporters of separate primes and the Governor's office. Ultimately, the anti-separate primes language was stripped from a bill that was sent to the Governor, but the authorization for the prison projects was also removed at the same time. Our lobbyists have had several meetings with Administration officials over the Summer to reiterate our support of the Separations Act. At the time of this report, no agreements have been reached, but more meetings are scheduled.

Legislative Activity

No bills of interest to the construction industry were acted upon this month. The Legislature is in recess until September 17.

New Bills Introduced

SB 1041 RE: Sales Tax Changes (by Sen. Jeff Piccola, et al)

Amends the Tax Reform Code, in sales and use tax, by making technical changes, providing definitions, and removing certain provisions for exceptions for certain services rendered. The bill requires that any service other than a medical service, when the primary objective of the purchaser is the receipt of any benefit of the service performed, is distinguished from the receipt of property and for exclusions from tax. Under the bill, **any service performed in this Commonwealth would be subject to the tax imposed unless specifically exempted.** Additionally, the bill provides for exemptions from the sales and use tax by removing current exemptions from several items including disposable diapers and other related products; steam, natural and manufactured and bottled gas, fuel oil , electricity or intrastate subscriber line charges, basic local telephone service or telegraph service; wrapping paper and related items; and vessels designed for commercial use of registered tonnage of fifty tons or more when produced by the builders thereof upon special order of the purchaser. Exemptions are added for medical goods or services by a hospital; medical, dental or hospice services; goods or services involving Medicare Part B transactions; and the sale or rental of real property.

Referred to Senate Finance Committee, 8/1/2007

Upcoming Meetings of Interest

None

2007 Senate Fall Session Schedule

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

September	17, 18, 19, 24, 25, 26
October	1, 2, 3, 15, 16, 17, 22, 23, 24, 29, 30
November	13, 14, 15, 19, 20, 27, 28
December	3, 4, 5, 10, 11, 12

2007 House Fall Session Schedule

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

September	10(Non-voting), 17(Non-voting), 24, 25, and 26
October	1, 2, 3, 15, 16, 17, 22, 23, 24, 29, 30, and 31
November	13, 14, 19, 20, 27, and 28
December	3, 4, 5(Non-voting), 10, 11, and 12

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

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