

Week of September 11, 2017

**HEADLINES**

**House GOP sends budget-funding plan to Senate**

House Republicans on Wednesday passed what they entitled “The Putting People First Budget,” a budget-balancing plan that provides $2.3 billion in funding to close the $2.2 billion accumulated budget deficit facing the Commonwealth in FY 2017-2018, by a vote of 103 to 91. According to the details, the budget plan will get money from the following: $20 million from legislative reserve accounts, $1 billion by selling a portion of the Tobacco Settlement Fund’s Master Settlement Agreement funding stream over a ten-year period, $630.5 million in special fund transfers, $400 million in multi-year agency lapsed funds, $225 million in gaming reform proceeds, $50 million from additional Pennsylvania Liquor Control Board license transfers to “agency stores” that privately-owned retail liquor establishments that will serve areas in which state stores are losing money, and a $200 million transfer from the Joint Underwriters Association Fund. Lawmakers are also counting on $200,000 from the Nationwide security data breach settlement and $8.3 million from the Mylan pharmaceuticals settlement to be put into the General Fund. Numerous changes were also made to the Fiscal Code legislation as passed by the Senate in July. One of the changes includes reducing the amount appropriated to the Department of Revenue for expanded tax collection activities by $5 million dollars. The House did not amend a Tax Code vehicle making any larger tax changes. The plan now moves to the Senate for their review and potential action when the chamber returns to voting session on Monday, if not sooner. A full list of the proposed fund transfers is attached.

**TREASURER TORSELLA ISSUES STATEMENT ON SHORT TERM INVESTMENT POOL, STATUS OF GENERAL FUND**

Pennsylvania Treasurer Joe Torsella released a statement regarding Treasury’s Short Term Investment Pool (STIP), and warned that on Friday, September 15, the General Fund’s balance is projected to fall to zero. As a result, without corrective action, $860 million in scheduled expenditures would be delayed until the General Fund has received sufficient revenue. In a joint letter to the Governor and members of the General Assembly, Treasurer Torsella and Auditor General DePasquale outlined the inability of the Commonwealth’s General Fund’s balance to meet expenditure demands. The letter also noted that since 2012, Standard & Poor’s has either downgraded Pennsylvania’s credit rating or placed it on a negative credit watch five separate times. Treasurer Torsella authorized a short-term two-week $750 million line of credit from Treasury’s Short Term Investment Pool (STIP) to the Commonwealth’s General Fund from August 14 to August 23. The STIP loan was released in full to the General Fund on August 15, and was paid back on August 23 at an interest rate of 85 basis points.

**Committee maneuver could delay consideration of severance tax proposal**

A move by Republicans on the House Environmental Resources and Energy Committee Monday could potentially pump the brakes on the full chamber getting a crack at considering a natural gas severance tax. While the halls of the Capitol were aflutter earlier in the day with speculation that the committee might approve Rep. Kate Harper’s (R-Montgomery) proposal to implement a 3.5 percent severance tax on top of the already-existing impact fee—especially with a House discharge resolution pending on the legislation—committee Majority Chairman John Maher (R-Allegheny) dashed those hopes as a matter of practical implication through creative amending and procedural maneuvering. In sum, an amendment offered by Rep. Maher was supported solely and unanimously by Republicans on the committee that would replace the existing title of the impact fee with the severance tax moniker, leaving the current system otherwise in place and raising no new revenue for the state budget. The committee did not vote on the bill-in-chief, rather leaving the legislation in committee as amended to allow members who had filed other amendments to the legislation—made out of order by the adoption of the Maher amendment—to refile their proposals within a 24-hour period.

**Christiana: Shale Tax Will Kill PA Jobs**

Surrounded by organizations representing Pennsylvania’s private sector workforce, Rep. Jim Christiana (R-Beaver/Washington) urged House and Senate leaders and Gov. Tom Wolf to take a job-killing shale tax off the table during final negotiations on the state budget revenue plan this week. Christiana, who championed legislation in 2012 to entice Shell to locate a $6 billion petrochemical complex in Beaver County, said such a tax would jeopardize thousands of Pennsylvania jobs.

**Pennsylvania Securities Conference Accredited for Continuing Education Credits**

Pennsylvania Secretary of Banking and Securities Robin L. Wiessmann announced that Compliance 2017, a statewide conference of investment professionals and regulators, has been accredited by five organizations so that financial professionals attending the conference can earn continuing education credits. The conference will take place October 26, 2017, at the Radisson Hotel Harrisburg in Camp Hill. The organizations offering continuing education credits are: Certified Financial Planner Board of Standards, American College of Financial Services for Chartered Financial Consultants, The Supreme Court of Pennsylvania Continuing Legal Education Board, Pennsylvania Insurance Department, and Pennsylvania State Board of Accountancy (Category: Specialized Knowledge and Applications). Compliance 2017 is designed to keep investment professionals and their firms up-to-date on changes to federal and state securities laws and regulations. The conference will focus on a wide range of industry-related topics, such as the examination process, cybersecurity, federal regulatory changes, fiduciary duties, and top concerns of regulators, the securities industry, and the investing public. Compliance 2017 is the first statewide securities conference in Pennsylvania since 2011. The cost of attendance is $175 per registrant. For more information and to register online, visit: [www.dobs.pa.gov/For%20Media/Pages/Compliance2017.aspx](http://email.prnewswire.com/wf/click?upn=4hbKUWNtZvEUUpW81bJsgikyN0JB07Jo6ndtM4DmZmIWLd9TgPFfI0FEUePSjleMtdX8Ucm-2FO8abZIFDeLC0AvqNgSBEYbcduebRLgv6A78IaT-2FuIBFtsrZxlZ50yW86-2FCfCVWyD6GtbS7zDBeJ1esDreJ1b7RMAvtytU0BsxOxHy2qHmo05h-2FEEyplEvO9pS-2BY5cPcH7NFlICLsuSRRpJpcn44uj7cRGF-2BM99XSwyVnyKXrzT40DUcW1K6VC3fob0GCio5DIj-2F1iaBOX76xuA-3D-3D_kQ5-2BQ62yfqP-2BV9sshaTUjqLEUY3i9xQ9FfGfbq8mYfuUd2tbaQrr5cy-2Bd-2BKjDUzMrduF2y1ViHVNkkcpKGNNGZD586eP0HvqDDYiXq6OZ6-2BYvkrQ-2FW8cpnEfp-2FueAHMqeNRG4FSemiCHmC6RjRK0zqetf04DnaiWZ8Gup3BmK3yVq8iKFwRLgEzcZqVIctv8HNBx98qoE-2BXeDc7zIciO0kkyEEod51n0wWvXm648Ae3eWuiKTk9G2p-2F3uGJSBVbxGWJ9gWUQ6Uo2m3u4IaO5VP2j-2BmCe2ybjivYaSo8yVpvVPJd5wKKCduuQ-2BFdRp2jK).

**Sales Tax Holiday Legislation**

Senator Mike Regan issued co-sponsorship memorandum for legislation which would implement a sales tax holiday for the purchase of school supplies and personal computers. If enacted, the proposed holiday would take place during the second week of August.

**Potential Property Tax Assessment Legislation**

Representative Michael Corr circulated co-sponsorship memorandum for legislation to exempt changes made to properties for the accessibility of an individual with a disability from a change in assessed value or taxation. Under the legislation, exceptions would be granted only upon application by the property owner on a form prescribed by the State Tax Equalization Board and filed with the county assessor.

**Wolf Administration Advises Consumers to ‘Take Control’ of Their Personal and Financial Data Following Equifax Breach**

Following the recent announcement that hackers had gained access to consumer data from Equifax, one of the three major credit-reporting agencies, Secretary of Banking and Securities Robin L. Wiessmann advised consumers to take control of their personal and financial data. When consumers apply for credit cards, bank accounts, or loans, lenders rely on this information supplied by Equifax and the other two major credit reporting agencies, Experian and TransUnion. Equifax announced that data of 143 million American consumers may have been compromised, including names, Social Security numbers, birth dates, addresses, and even drivers’ license numbers and credit card numbers.

**McGinnis Pushes for More Action on Pennsylvania’s Pension Crisis**

Rep. John McGinnis (R-Blair) joined other pension reform advocates at a Capitol news conference to urge the General Assembly to continue working on addressing Pennsylvania’s public pension crisis. According to McGinnis, the consequences of the crisis in the near term include more than $4 billion in pension expenses this fiscal year, but even that amount is insufficient to stop the growth of pension debt and will make for growing problems with future budgets. He pointed out that Pennsylvania remains on track for “D-Day” in 15 years, when state pension funds are fully depleted and every dollar paid to retirees will have to come out of the General Fund. McGinnis is the prime sponsor of legislation that eliminates the pension debt over a 20-year period, beginning with a real reduction in the debt in year one of the plan. House Bill 778 has been referred to the House State Government Committee for consideration.

**DeLuca introduces bill to ban unscrupulous charities**

State Rep. Tony DeLuca, D-Allegheny, announced he will be introducing a bill that would require charities that solicit funds in Pennsylvania maintain minimum standards. DeLuca outlined the need for stronger regulations for charity expenses at a media event in the state Capitol. House Bill 1669 will be introduced in the near future. Under the bill, a charitable organization that fails to meet the 65 percent minimum would be prohibited from fundraising in Pennsylvania until the Pennsylvania Department of State verifies that they have reached that threshold.

**PENNSYLVANIA GENERAL ASSEMBLY SESSION SCHEDULE:**

**2017 SENATE SESSION SCHEDULE**

September      18, 19, 20

October          16, 17, 18, 23, 24, 25

November      13, 14, 15

December       11, 12, 13, 18, 19, 20

**2017 HOUSE SESSION SCHEDULE**

September       25, 26, 27

October           2, 3, 4, 16, 17, 18, 23, 24, 25

November       13, 14, 15, 20, 21, 22

December        4, 5, 6, 11, 12, 13, 18, 19, 20

**UPCOMING HEARINGS**

[**Senate Democratic Policy Committee**](http://www.ctbpls.com/htbin/web_com.com?Comnam=106&Session=17R)  
**WEDNESDAY - 9/20/17**  
**6:00 p.m., Bethlehem Twp. Municipal Building, 4225 Easton Ave., Bethlehem**

|  |  |
| --- | --- |
|  | Joint public forum with the Senate Republican Policy Committee on existing school property tax system |

[**House Finance**](http://www.ctbpls.com/htbin/web_com.com?Comnam=018&Session=17R)**(PUBLIC HEARING)**  
**THURSDAY - 9/28/17**  
**10:00 a.m., Chestnut Hill Township Building, 271 PA-715, Brodheadsville**

|  |  |
| --- | --- |
|  | Public hearing on property tax assessment |

**DEPARTMENT OF REVENUE UPDATE**

None

**IRRC UPDATES**

None