

Week of November 20, 2017

**HEADLINES**

**PA House works through natural gas tax amendments**

In its first day back since wrapping up the state budget process at the end of October, the Pennsylvania House of Representatives on Monday started what is likely to be the General Assembly’s next major lift: the passage of a natural gas severance tax bill. In what amounted to a multi-hour process on Monday night, the chamber began the task of considering hundreds of proposed amendments to House Bill 1401, legislation that would place a tax on the extracts of Pennsylvania’s natural gas resources. For a full fiscal year, the tax is anticipated to bring in between $150 million and $200 million. It was voted out of the House Finance Committee in mid-October with much anticipation for future action. While several hundred amendments were filed to the legislation, the House got through fewer than a dozen of those amendments over nearly four hours of debate and additional closed-door discussions. Of the amendments considered, the House only approved four changes to the legislation: one technical change that would move the legislation under the Oil and Gas title of the Pennsylvania Consolidated Statutes, one that would allow drillers to move their bore hole within a 50-foot perimeter from the original location without receiving a new drilling permit, and one that would set permitting fees at the current levels of $4,200 for vertical unconventional wells and $5,000 for non-vertical unconventional wells. Debate continued on Tuesday; however, after hours of debate, the majority of the House voted to support a motion to adjourn until Monday, December 4th.

**AUDITOR GENERAL RELEASES REPORT ON DNC PHILADELPHIA 2016 HOST COMMITTEE GRANT**

Auditor General Eugene DePasquale held a press conference Monday to release a report on the Democratic National Convention (DNC) Philadelphia 2016 host committee’s $10 million state grant. He faulted state grant agreement wording, which did not contain a claw-back provision requiring pay back of remaining money, for allowing the pay out of more than $1 million to staffers and interns. Offering background, DePasquale mentioned the $10 million grant is under his jurisdiction as Auditor General and announced his office believes the grant agreement language was met. However, he said the language for the grant was so lenient that it would have been hard to not fall into compliance no matter how the money was spent. He specified the 26-page agreement was “largely boilerplate” with only one sentence dictating how the host committee was to spend the money. DePasquale elaborated, saying the host committee deposited the $10 million into a bank account kept separate from donor funds. DePasquale summarized, saying there is no legal recourse due to the broad language of the contract. He recommended that convention officials should have sought approval from the host committee before disbursing the funds to staff and interns, stating that $2.1 million could have been refunded to the state as a result of privately raised funds. Continuing, DePasquale said the matter has been deferred to the Internal Revenue Service (IRS) to determine if the payouts were appropriate due to the nature of nonprofit laws. He offered that IRS regulations view payouts to employees as more preferable than payouts to board members, but several benefactors of the payouts were considered both.

**Wolf Administration Announces Consumer Financial Protection Outreach Events for December Focus on Fraud Prevention**

Education and outreach staff from the Department of Banking and Securities will be meeting with senior citizens, professionals, students, and members of the public across Pennsylvania during the month of December for events focused primarily on protecting consumers from fraud. The following event is scheduled for the month of December: EIFFE Tax Preparer Seminar – Penn State University – Abington (Closed to the public) in Abington (Montgomery County) on December 13. The department’s Calendar of Events can be found online: [http://bit.ly/1KIscBZ](http://email.prnewswire.com/wf/click?upn=4hbKUWNtZvEUUpW81bJsgikyN0JB07Jo6ndtM4DmZmIWLd9TgPFfI0FEUePSjleMtdX8Ucm-2FO8abZIFDeLC0AvqNgSBEYbcduebRLgv6A79IBMFUXOwuJwIg31CY9P-2FY6cKlqz28guVt2w8-2BMpKagOu5rBCIBAAgTQ5SjYLY5H3E5SadUXAYZ-2F-2BQNbZrJwfQ010H-2Fkacux5hEkbyidshvLjy1ZXu23aay0ChXueGIvEvla3EYniK6DwkNMhAfCw0JJ4IgV0W46l4ncanCHuqBQ-3D-3D_kQ5-2BQ62yfqP-2BV9sshaTUjqLEUY3i9xQ9FfGfbq8mYfuUd2tbaQrr5cy-2Bd-2BKjDUzMFD-2FSZzah9pzlr9iM8NN-2BijTX5FFHK-2BgiMY9dZwXeynTTPEZzFT6GqTqzkE07h5VJPwxZ6cNYL86ztkdOpaN9Db8-2FahhimszR6KmDQ9CP7ZiF2oM7nUT9VwcvhinrjN5ZxnR1vAm1BpxM55drT0t-2B7Ln3QGPlLlzx6dCiyRxZCN9AONnkYFkGaYCDSdoj8kAfdYQXJZHr7-2FhglDq0pp2Lw2eaW-2F5tA2rt0uxABWv4oHyzAPItrDe0g-2F1K7sY1RxMD). Consumers and community groups can call 1-800-PA-BANKS or email [informed@pa.gov](mailto:informed@pa.gov) for more information.

**ADVOCATES DISCUSS CREDIT, DEBIT CARD SKIMMING BILL**

Rep. Kristin Phillips-Hill (R-York) held a press conference Monday in the Media Center to discuss HB 1918, aimed at enhancing prosecution measures for fraudulent debit and credit card devices. The proposal would charge first time offenders with a third degree felony and subsequent offenses with a second degree felony. Rep. Phillips-Hill described the bill as a tool for law enforcement against card skimming, saying it happens in her district too often. She explained the crime can happen to anyone at stores or ATMs and happened to herself twice. “No one can escape this crime,” she opined, citing 15 million identity theft victims last year with two million of the incidents coming from card skimmers.“ Rep. Phillips-Hill said the bill is supported by the Pennsylvania Food Merchants Association and Pennsylvania Bankers Association, thanked various staff for researching and crafting the bill, and thanked the media for their coverage of the issue.

**Treasurer’s Task Force floats solutions for Pennsylvania retirement gap**

As part of a task force to address the little under half of Pennsylvania's who cannot save for retirement through work, State Treasurer Joe Torsella held the second of three meetings on the gap in retirements savings in Pittsburgh last Friday morning. The meeting focused on hearing from state business leaders and retirement planners, who laid out the high cost for many small firms to set up retirement funding for their employees. While the panel was presented with a few solutions, none will be formally presented by the task force until a final meeting in January in Harrisburg. The final meeting of the task force will take place on Jan. 25 in Harrisburg.

**House committee advances “paycheck protection” bills**

The House State Government Committee took nearly two hours Tuesday afternoon considering, and ultimately passing along a party-line vote, two bills that seek to provide so-called “paycheck protection” by disallowing certain automatic deductions of political-related dues from public employee union paychecks. The two bills, while similar, have different aims. House Bill 1174, sponsored by House Majority Whip Bryan Cutler (R-Lancaster), would create “Mary’s Law” and prohibit the automatic collection of political action committee money and membership dues money that is earmarked for political advocacy purposes from a unionized public employee’s paycheck. Senate Bill 166, sponsored by Sen. John Eichelberger (R-Blair), would disallow the automatic collection of political action committee money from a unionized public employee’s paycheck, but allow the automatic collection of dues money potentially earmarked for political advocacy purposes. Both bills seek to stop the practice of the use of state resources to collect political money on behalf of public employee labor unions. While both of the bills advanced out of committee along a party-line vote, the bulk of the debate surrounded House Bill 1174, which was the first of the two bills considered in Tuesday’s committee vote. With the House entering its Thanksgiving recess, the legislation cannot be considered by the full House before their return on December 4, 2017.

**Capitolwire: It appears a compromise has been reached on additional funding for UC operations, improvements**

Unlike last year, it appears state lawmakers have been able to reach a compromise regarding funding for the operation and upgrade of Pennsylvania’s Unemployment Compensation (UC) benefits system. Early Monday afternoon, the state House of Representatives’ Labor and Industry Committee reported out, on a nearly-unanimous vote, legislation that would provide $115.2 million of additional funding to the UC benefits system during the next four years. The original version of the bill would have provided approximately $75 million during a three-year period. The legislation, as amended, transfers from the Service and Infrastructure Improvement Fund (SIIF) for the purposes of UC operational funding $30 million in 2018, $25 million in 2019, and $20 million in 2020 and $10 million in 2021. The UC benefit modernization project would also be authorized to receive SIIF funding of up to $5 million in 2017, $7.2 million in 2018, $12.1 million in 2019 and $5.9 million in 2020.

**PENNSYLVANIA GENERAL ASSEMBLY SESSION SCHEDULE:**

**2017/18 SENATE SESSION SCHEDULE**

December       11, 12, 13, 18, 19, 20

January           2, 22, 23, 24, 29, 30, 31

February         5, 6, 7

March             19, 20, 21, 26, 27, 28

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

May                1, 2, 21, 22, 23

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

**2017 HOUSE SESSION SCHEDULE**

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

**UPCOMING COMMITTEE MEETINGS AND HEARINGS**

None

**DEPARTMENT OF REVENUE UPDATE**

**Philadelphia man ordered to pay more than $285,000 for failure to remit collected sales tax**

A Philadelphia man recently was ordered to pay $285,908.71 to the Pennsylvania Department of Revenue after he failed to remit sales tax that he collected at his Philadelphia auto body and collision repair facility, Revenue Secretary Dan Hassell announced Tuesday. Edward A. Hildebrandt III, 48, the owner and operator of the defunct University Collision Center, Inc., also was ordered to serve seven years of probation when he was sentenced by Philadelphia Judge Carolyn Nichols. Hildebrandt had previously pleaded guilty to 26 counts of theft by failure to make required disposition of funds received involving sales tax collected from his customers between October 2006 and March 2011. He paid $50,700 prior to sentencing, reducing the restitution to $235,208.71.

**IRRC UPDATE**

None