

Pennsylvania 2018/19
BUDGET BRIEFING

Report on Key Issues

House Appropriations Committee (D)

JOE MARKOSEK, DEMOCRATIC CHAIRMAN



2018/19 Fiscal Code Analysis

House Bill 1929 Printer's Number 3810

6/22/2018 4:28 PM

Brief Summary

HB 1929 amends the Fiscal Code with substantive language implementing the General Appropriation Act of 2018, and it makes other amendments to the Fiscal Code.

Analysis of the Bill

THE FOLLOWING PARAGRAPHS CHANGE, ADD, OR REPEAL PERMANENT SECTIONS OF THE FISCAL CODE:

Cigarette Dealer Preemption

Section 232-A preempts Philadelphia's jurisdiction over licensed cigarette dealers by allowing the powers and jurisdiction to reside in the commonwealth. Philadelphia's tobacco products ordinances and regulations in effect prior to June 1, 2018, remain in full force until revoked or modified by the city. This does not prohibit Philadelphia from enacting or amending an ordinance requiring tobacco products to be kept behind a counter (except at tobacco shops or places that prohibit minors from entering).

Keystone Scholars Program

Section 312 establishes the Keystone Scholars Grant Program. This program will use excess funds in the Tuition Account Guaranteed Savings Program Fund to provide grants of \$100 to each child born in the commonwealth after Dec. 31, 2018. Parents will be notified of this grant by the Treasury, in cooperation with the Department of Health, and will be given the opportunity to opt out of the program if they desire. These grants will be deposited into a separate account called the Keystone Scholars Grant Program Account. Funds will only be transferred to this new account and grants will only be awarded from it if the total funds in the Tuition Account Guaranteed Savings Program Fund are in excess of 110 percent of the actuarially determined liabilities of the fund. Any grants made under this program will be available for qualified higher education expenses as defined under current law regarding the Tuition Account Program. The funds granted to eligible children, and the investment returns that have accrued, will only be available if the child enrolls in an eligible institution of higher learning as defined under current law. This program will expire after Dec. 31, 2029.

This is substantially similar to HB 2248 (Milne).

Property Held by Business Associations

Section 1301.6 amends the rules for unclaimed property. Prior year amendments to the escheats law had created uncertainty regarding notification for some types of property, especially investment accounts and annuities. This new language establishes guidelines and imposes new requirements on holders of those types of property. The new guidelines expand what actions will be considered a continuing connection to the property to include things like receiving a dividend or disbursement, reducing the instances of property being inaccurately deemed unclaimed. The amendment also requires the holder to attempt to contact the owner twice without receiving a response from the owner before starting the three year period after which the property will be turned over to Treasury.

This is substantially similar to HB 2167 (Benninghoff).

Settlement Agreements

Section 1507.1 requires that \$30,409,055 received by the Office of the Attorney General for the Volkswagen settlement finalized in the 2018-19 fiscal year be deposited in the General Fund.

Redevelopment Assistance Capital Projects

Section 1601-B.1 exempts projects submitted for the current RACP round (2018/1) from the 10-year itemization sunset required by section 318 of the Capital Facilities Debt Enabling Act.

Neighborhood Improvement Zones

Article XVI-B.2 is added to clarify the Neighborhood Improvement Zone master list reporting requirements to allow certain operating organizations to fulfill their reporting requirements by providing the relevant section of a contract between that organization and certain contractors. The contractors would then have to provide the reporting requirements, as defined by this section. This section only applies to certain qualified businesses who are engaged in entertainment services, such as concerts or other performances.

Concert Tours Tax Credit

Section 1604-H amends the Entertainment Economic Enhancement Program (concert tours) by increasing the cap on the number of qualified tours from 5 to 10 in 2018/19. The Department of Community and Economic Development can, at its discretion, approve tax credits for two additional tours in 2018/19, which would count as an advance award against the cap available in the next succeeding fiscal year.

Transfer of CFA Funds

Section 1602-K directs the Commonwealth Financing Authority to transfer \$10 million from the First Industries Program account and \$35 million from the Building Pennsylvania Program account and place it in the Business In Our Sites Program account in 2018/19.

Section 1726-I (c) requires the Commonwealth Financing Authority to transfer \$5 million from the First Industries Program account to an account to be established by the authority for research and development, organic transition, value-added processing and marketing grants to support the dairy industry in Pennsylvania. The authority must adopt guidelines for an application approval process that ensure that grants are made available to all geographic areas of the Commonwealth.

Private Dam Financial Assurance

Article XVI-N establishes a new Private Dam Financial Assurance Program, a revolving loan program. It provides financial assurance assistance to owners of regulated private dams, through the Dept. of Community and Economic Development, in consultation with the Dept. of Environmental Protection, to meet proof of financial responsibility requirements promulgated under section 11 of Dam Safety and Encroachments Act of 1978. (See HB 431)

Rainy Day Fund

Section 1702-A is amended to increase the 2017/18 General Fund surplus transfer to the Rainy Day Fund from 25 percent to 50 percent.

Water and Sewer Projects

Similar to last year, Section 1774.1-A:

- For 2018/19 the bill makes available \$14,504,399 from funds transferred to the Commonwealth Financing Authority (CFA) from the Marcellus Legacy Fund for distribution or reimbursement for water and sewer projects with a cost ranging from \$30,000 to \$500,000.

- For 2018/19 the bill also makes \$10 million of funds transferred to the Commonwealth Financing Authority (CFA) from First Industries Program account for distribution or reimbursement for water and sewer projects with a cost ranging from \$30,000 to \$500,000.

Tobacco Settlement

Section 1713-A.1 provides the following distribution of Tobacco Settlement Fund payments for 2018/19:

- 4.5 percent for tobacco use prevention and cessation programs;
- 12.6 percent for health and related research under Section 906 of the Tobacco Settlement Act;
- 1 percent for health related research under Section 909 of the Tobacco Settlement Act;
- 8.18 percent for the uncompensated care payment program;
- 30 percent for the purchase of Medicaid benefits for workers with disabilities; and
- 43.72 percent shall remain in the fund and be separately appropriated for health-related purposes.

These percentages are slightly different than those used in 2017/18. The 13 percent allocation for home and community-based services was eliminated while the distribution for other health-related purposes was increased to 43.72 percent, most of which will be used for Community HealthChoices.

This section also stipulates that if any additional funds that are recovered by the attorney general in settling litigation over outstanding payments under the Master Settlement Agreement, \$15.4 million will be directed to a restricted account within the General Fund to be known as the Office of Attorney General Criminal Enforcement Restricted Account. Other funds recovered by the attorney general will augment the appropriation from the General Fund for Community HealthChoices.

Race Horse Development Fund

For 2018/19, there is a transfer of \$19.659 million from the PA Racehorse Development Fund for disbursement to the Animal Health Commission, the Pennsylvania Veterinary Laboratory System, Pennsylvania Fairs, and the State Farm Products Show Fund.

Also, \$10.066 million will be transferred from the PA Racehorse Development Fund to the State Racing Fund to cover costs of enforcement of equine medication rules testing.

These provisions are the same as last year.

State Stores Fund Transfer to Drug and Alcohol Programs

Section 1733-A.1 provides the regular transfer of \$2.5 million made from proceeds from the sale of wine and spirits by the PLCB to DDAP. These funds are intended for educational activities and prevention of alcohol abuse. This language is the same as the prior year.

Grant Agreements

Section 1747-A.1 requires a qualified majority vote of the CFA board is needed to rescind grant agreements awarded on or after Jan. 23, 2018.

Scholarship Program

Section 1754-A.1, which is the underlying bill, amends the First Chance Trust Fund, which was established in the Fiscal Code of 2017 administered by the Pennsylvania Commission on Crime and Delinquency. Section 1754-A.1(c) is amended to permit use of the fund for any of the enumerated purposes, and to add a provision requiring PCCD to consider factors such as whether the child is a victim of crime when determining preferences for scholarships and program benefits.

Independent Fiscal Office Revenue Estimates

Section 1704-E amends the schedule on which the Independent Fiscal Office issues its advisory revenue estimates to the General Assembly and Governor each year. Under current law in the Administrative Code, the IFO is required to issue a preliminary revenue estimate on May 1, with a final revised estimate on June 15. The bill moves the provision into the

Fiscal Code and shifts the key dates to May 20 and June 20. Because the General Assembly changed several important tax due dates in recent years, the extra time under the bill will afford the IFO the benefit of more complete data on tax collections to use when preparing their estimates.

DCNR ATV Trails

Section 1720-E directs DCNR, in consultation with the Department of Transportation, to develop, open, and maintain an ATV trail connecting the Whiskey Springs ATV trail to the Blood Skillet ATV trail. It also directs DCNR, in consultation with the Department of Transportation to implement the full Northcentral Pennsylvania ATV initiative and create a network of ATV trails connecting Clinton County to the New York State border.

Death Certificates

Section 1725-E includes a brief explanation of the procedure by which local registrars may issue death certificates, upon completion of a training program managed by the Department of Health's Division of Vital Records.

Additionally, this section outlines the distribution of the \$20 fee collected by a local registrar for issuing a death certificate as follows:

- \$3 to be retained by the local registrar up to \$60,000 in a single calendar year, at which point funds in excess of the \$60,000 are to be transmitted to the department for deposit in the General Fund;
- \$16 to be transmitted to the department for deposit into the Vital Statistics Improvement Account; and
- \$1 to be transmitted to the department for distribution to the county coroner or medical examiner of each county based on the number of deaths in that county in the prior year proportionate to the total statewide deaths.

Labor and Industry Inspection Fees

Section 1727-E makes changes concerning inspection fees collected by the Department of Labor and Industry.

Last year, the General Assembly enacted numerous increases to inspection fees charged by the Department of Labor and Industry's Bureau of Occupational and Industrial Safety, and directed the amount raised by the increases to the bureau to support its operations. The increased fee revenue allowed the bureau's appropriation to be significantly reduced.

The bill modifies how the fees are directed to the department, specifying that a total of \$7 million will augment the bureau's operations for 2018/19 and all fiscal years thereafter. All amounts above this cap will be deposited in the General Fund.

Reemployment Fund

Section 1727-E (c) reauthorizes the Reemployment Fund through 2022. The Reemployment Fund is a restricted account that receives 5 percent of employee contributions to the Unemployment Compensation Fund, which the Department of Labor and Industry can use to support job training and other related activities to promote employment.

Property Tax Rent Rebate

Section 1730-E amends the definition of income for the Property Tax Rent Rebate program to exclude an amount, determined by the Department of Revenue, which is intended to be equivalent to payments made in lieu of social security through the federal Civil Service Retirement System. Currently, 50 percent of social security income is excluded from eligible income for the PTRR program; however employees under this federal CSRS program made payments only to that program in lieu of social security for a period of time. This section is intended to bring beneficiaries of CSRS in line with other PTRR recipients who can exclude 50 percent of social security income.

This is the same as House Bill 968 (Masser).

Court Fees and Surcharges

Section 1795.1-E amends judicial surcharges established under Act 44-2017 Section 1795.1 to clarify that the additional \$2 surcharge collected by a division of the Unified Judicial System shall be deposited into the Access to Justice Account,

which provides legal services for low income individuals in civil proceedings. The subsection is still set to expire Dec. 31, 2020.

Deposits into School Safety and Security Fund (1 of 3)

The School Safety and Security Fund is established in separate legislation (SB 1142). For 2018/19, \$60 million will be deposited into this fund from:

- Fees diverted from the judicial computer system augmentation account (Section 1795.2-E);
- Certain legislative appropriations that were restored by a court decision after being vetoed (Article XVII-E.5); and
- A portion of the personal income tax transferred to a restricted receipt account (Section 1726-I.(b)).

Section 1795.2-E adds a new section which provides for an annual deposit of \$15 million (continuing each year indefinitely) into the School Safety and Security Fund from judicial fees collected which would otherwise be deposited into the Judicial Computer System Augmentation Account.

Later in this document the additional items are further explained.

Multimodal Transportation Fund

Section 1798.3-E continues the Commonwealth Financing Authority's (CFA) and PennDOT's authority to waive any required local match from a municipality or Philadelphia Regional Port Authority for financial assistance grants from the Multimodal Transportation Fund through the end of 2018/19.

PlanCon

Section 1706-E.2 clarifies that school districts that applied for PlanCon between July 1, 2017 and November 6, 2017 are eligible for PlanCon reimbursement.

Deposits into School Safety and Security Fund (2 of 3)

Article XVII-E.5 provides language to address line-item vetoes of legislative and government support agency appropriations made by the governor in the 2014/15 fiscal year that were later determined by the courts to be in error. The Secretary of the Budget shall notify the treasurer of the appropriations and amounts that were affected, which the treasurer shall make available for expenditure. Following action by the treasurer, the chief clerk of the Senate and the chief clerk of the House of Representatives shall each direct the transfer of \$15 million to the School Safety and Security Fund for a total of \$30 million. All other amounts made available under the section will lapse back to the General Fund by Sept. 1, 2018.

THE FOLLOWING PARAGRAPHS RELATE TO IMPLEMENTATION OF THE GENERAL APPROPRIATION ACT OF 2018:

Department of Criminal Justice

Section 1703-H provides that references to the Department of Criminal Justice in the GAA of 2018 shall be deemed a reference to DOC, PBPP, or both. This language is the same as in 2017/18.

Executive Offices

New language in Section 1712-H allows portions of the appropriations for the Office of Administration and commonwealth technology services to be distributed to other state agencies to pay for human resources or information technology services provided to the agencies. The secretary must provide 10 days' notice to the appropriations chairperson and minority chairperson in the House and Senate before making a distribution.

Section 1712-H(b) requires that money appropriated to Pennsylvania Commission on Crime and Delinquency for intermediate punishment programs be distributed competitively with at least 80 percent allocated for drug and alcohol and mental health programs. This language is the same as previous years.

The section further provides that from funds appropriated, PCCD must use no less than the amount used in 2014/15 for the Statewide Automated Victim Information and Notification System (SAVIN), and for a residential treatment community

for at risk youth in a county of the fifth class. Further, \$200,000 each for innovative police data sharing and a diversion program for first-time non-violent offenders. This language is the same as previous years, but increases the amount for police data sharing by \$100,000 over 2017/18.

From funds appropriated for violence and delinquency prevention, no less than the amount in 2014-15 shall be used for programs in a city of the second class, and for blueprint mentoring programs addressing youth violence in cities of the first, second, and third class. This language is the same as previous years.

Attorney General

Section 1714-H authorizes the Office of the Attorney General to use funds appropriated for its general government operations to establish the Commonwealth Investigator Training Program.

Auditor General

Section 1715-H directs the auditor general to use \$500,000 to perform special financial audits of entities that receive funds from contracts with the Department of Human Services for Medical Assistance programs.

Department of Agriculture

Section 1718-H directs money appropriated for general government operations shall be transferred to the Dog Law Restricted Account at no less than 2014/15 spending levels. This is the same language as the prior year.

From general government operations, at least \$250,000 shall be used for Commission of Agricultural Education Excellence to assist in development and implementation of agricultural education programming.

From Agricultural Research, \$300,000 will be used for an agricultural resource center, and \$100,000 will be used for agricultural law research programs in conjunction with a land grant university.

From Agricultural Research, at least \$500,000 shall be used for research at an organic research institute located in a county of the third class.

From Hardwoods Research and Promotion, at least 80 percent will be equally distributed among hardwood utilization groups.

The department is authorized to use up to \$165,000 from the Agricultural Conservation Easement Purchase Fund to fund succession planning grants. Individual grants cannot exceed \$3,000.

Department of Community and Economic Development

Section 1719-H contains a number of provisions related to the implementation of the department's 2018/19 appropriations.

From funds appropriated for the GGO, at least \$150,000 is diverted to an engineering study to county of the sixth class. Additionally, at least \$600,000 is directed toward a manufacturing technology development effort in a county of the fourth class.

Funding for the core mission of DCED's tourism office is level-funded at \$4,067,000. Remaining funds are allocated for planning and marketing a biannual arts and cultural activity, as well as other annual arts and cultural projects. \$500,000 is included for a statewide Special Olympics competition in a county of the fourth class.

DCED is instructed to distribute \$6,357,000 in Keystone Communities funding to the Main Street, Elm Street, Enterprise Zone, and accessible housing programs in the same proportions as 2012/13. Of the remaining funds, \$500,000 is allocated toward an antiviolence task force in a county of the second class A.

Local municipal emergency relief funds are to provide assistance to persons or political subdivisions directly affected by disasters or public safety emergencies that do not qualify for federal assistance. Grants will only be made in a disaster emergency area if a presidential disaster declaration is lacking or DCED determines a public safety emergency has occurred.

Department of Corrections

Section 1721-H requires at least \$1.5 million of the DOC appropriation for general government operations be used for non-narcotic medication substance use disorder treatment. This language is the same as previous years.

Department of Education

Section 1722-H directs a portion of the allocation for adult and family literacy programs to go to an after-school learning program servicing low-income students located in a county of the sixth class. This direction is for \$400,000 for the Carbon County SHINE program and is the same as 2017/18.

Section 1722-H clarifies that \$20 million of the amount appropriated for career and technical education shall be distributed as grants to support workforce needs throughout elementary and secondary education (this is part of the PA Smart initiative).

Section 1722-H stipulates that \$445,000 of the funds appropriated for PA Charter Schools for the Deaf and Blind shall be distributed pro rata based on increased pension costs. This language, with the updated figure, is the same as last year.

Section 1722-H provides for an allocation to approved private schools from funds set aside for extraordinary special education expenses. It also ensures an allocation equal to the 2015/16 amount for a certain approved private school.

Section 1722-H allocates the \$500,000 appropriated for trauma-informed education to a nonprofit organization located in a city of the third class having a 2010 census population between 117,000 and 120,000. Allentown City appears to fit this description. The nonprofit organization must use the funds for “an educational program designed for children -- especially at-risk children --that teaches coping skills to assist with social, economic, and environmental factors in their community.”

This section prohibits any payments from the appropriation for PSERS and school employee’s social security to be made to charter schools, regional charter schools, or cyber charter schools. This prohibition is continued from previous years.

The section provides for the distribution of funds for regional community college services and community education councils.

Department of General Services

Section 1724-H requires money appropriated for Capitol Fire Protection shall be used by the City of Harrisburg to support the provisions of fire services to the Capitol complex.

Department of Health

Section 1725-H includes a number of provisions regarding the implementation of the Department’s 2018/19 appropriations, which is largely the same as the prior year.

From funds appropriated for general government operations, sufficient funds are included for the coordination of donated dental services as well as \$100,000 for outreach for Charcot-Marie-Tooth syndrome.

From funds appropriated for adult cystic fibrosis and other chronic respiratory diseases, no less than the amount used in 2014/15 is to be used for a program promoting cystic fibrosis research in Allegheny County and research related to childhood cystic fibrosis in Philadelphia.

Funds appropriated for lupus programs are to be distributed in the same proportion as 2014/15.

Biotechnology research includes allocations for regenerative medicine research, regenerative medicine medical technology, hepatitis and viral research, drug research and clinical trials related to cancer treatments, genetic and molecular disease research, nanotechnology, and the commercialization of applied research.

Funds appropriated for leukemia and lymphoma – a new appropriation – are to be allocated entirely to a branch of an eastern Pennsylvania chapter of a nonprofit organization whose mission aligns with the issue.

This is the same language as the prior year.

Department of Labor and Industry

Section 1727-H allocates funds from industry partnerships for a workforce development program for veterans in Delaware County, and also requires that the appropriation provide \$3 million in grants to support emerging work force needs, at the recommendation of the Pennsylvania Workforce Development Board.

Similarly, the appropriation for apprenticeships will be distributed as grants on the recommendation of the Pennsylvania Workforce Development Board to support emerging work force needs.

Department of Military and Veterans' Affairs

Section 1728-H directs the department to spend \$750,000 on programs for behavioral health support for veterans suffering from post-traumatic stress disorder. This is identical to language in last year's Fiscal Code.

Department of Human Services

Section 1729-H contains a number of provisions related to the implementation of the department's 2018/19 appropriations. The following provisions are identical to those in previous years:

- Outlines the transfer of federal block grant funds for child care services;
- Details the methodology for distributing Community Access Fund payments to hospitals;
- Permits funds allocated for preventative health care services for women in the fee-for-service program as well as those for breast cancer screening to be used for noninvasive contraception supplies;
- Mandates separate payments to hospitals for healthy newborn care and a mother's obstetrical delivery;
- Stipulates that federal or state funds not used for payments to hospitals qualifying as Level III trauma centers are to be used for payments to hospitals qualifying as Level I or II trauma centers;
- Allows for Medical Assistance transportation funds to be used exclusively as a payment of last resort for transportation of eligible recipients;
- Restricts nonprofit entities receiving funding to promote childbirth and alternatives to abortion from engaging in any counseling or referral that is inconsistent with this program focus;
- Specifies family income limits for women receiving services under the Alternatives to Abortion program funded by the federal appropriation;
- Restricts money appropriated for community-based family centers to be considered in the base calculation for the county child welfare needs-based budget in a fiscal year;
- Allows for the department to adjust – with federal approval – premiums for the Medical Assistance for Workers with Disabilities (MAWD) program; and
- References certain federal provisions detailing service eligibility and provider reporting requirements relating to illegal aliens.

This section includes new language that establishes rates for ambulance transportation within the Medical Assistance capitation and Medical Assistance fee-for-service appropriations, respectively, beginning January 1, 2019, as follows:

- **Basic life support – not less than \$180 per loaded trip**
- **Advanced life support – not less than \$300 per loaded trip**
- **Air ambulance transport – not less than \$3,325.53 per loaded trip**
- **Ground mileage – not less than \$2 per mile for each loaded mile beyond 20 loaded miles**
- **Air mileage – not less than \$22.45 per mile for each loaded mile beyond 20 loaded miles**

The Medical Assistance long-term care appropriation includes sufficient funds for a 1 percent rate increase to nursing homes, beginning January 1, 2019. This applies to public and private nursing homes not located within the two Community HealthChoices regions that will be active (14 county southwest region and 5 county southeast region).

This section also includes numerous provisions detailing the allocation and distribution of specific funding amounts across various appropriations within the department. The following provisions are the same as in prior years, except where indicated otherwise:

- \$580,000 of the funds appropriated for mental health services shall be used to continue the existing network for care and to expand the network to include services and resources for military veterans and their families;
- The appropriation for Medical Assistance fee-for-services includes no less than \$8.5 million for distribution to six entities – **includes \$250,000 to a new entity not included in prior year language**;
- The appropriation for Medical Assistance capitation includes no less than \$150,000 to be used for the prevention and treatment of depression in older Pennsylvanians in a second class county;
- The Medical Assistance long-term care appropriation includes no less than \$8.85 million to be distributed to four specified long-term care facilities, as well as an additional \$750,000 to be paid to nursing facilities that qualified for supplemental ventilator care and tracheotomy care payments in 2014/15;
- With respect to the appropriation for academic medical centers, the bill stipulates that qualifying academic medical centers that received funds in 2017/18 shall not receive any less than the state appropriation available for 2017/18 (including an additional \$3.5 million to be distributed to five entities);
- With respect to the appropriation for physician practice plans, the bill stipulates that qualifying physician practice plans that received funds for 2017/18 shall not receive any less than their 2017/18 amount (including an additional \$3.5 million to be distributed to three entities);
- \$2.13 million from the autism and intervention services appropriation is to be distributed to six entities specified in the bill – **this total includes \$500,000 for a new entity not included in prior year language**;
- No less than \$235,000 of the appropriation for community-based family centers shall be allocated to a program for early literacy and school readiness as specified in the bill;
- \$750,000 of the 2-1-1 communications appropriation shall be allocated for a statewide 2-1-1 system grant program. **This language mirrors language included last year related to the department’s general government operations appropriation, but this program now has a separate, dedicated appropriation**; and
- The blind and visual services appropriation includes allocations for entities specified in the bill in the same amount as 2014/15.

Department of Revenue

Section 1730-H extends the existence of the Enhanced Revenue Collection Account through 2019/20 and authorizes the department’s continued efforts to enhance revenue collection. Of the money deposited in the account each fiscal year, up to \$30 million shall be appropriated to the department for its enhanced-revenue-collection costs. The remaining money in the account shall be transferred to the General Fund each June 15. This is the same amount appropriated in 2017/18, which generated \$379.7 million return through May 2018. This is the same language as the prior year.

Pennsylvania Emergency Management Agency

Section 1735-H provides that money appropriated for search and rescue programs shall provide for training service dogs for rescue and public safety. This language is the same as previous years.

Pennsylvania Higher Education Assistance Agency

Similar to last year’s language, Section 1738-H requires that PHEAA shall provide up to \$4.55 million from the Higher Education Assistance Fund to the Department of Health to support the primary health care practitioner loan forgiveness program. It also allocates \$500,000 for the Cheyney University Keystone Academy and \$500,000 for merit scholarships at Mansfield University.

Independent Fiscal Office Study

Section 1775-H eliminates a specific requirement that the Independent Fiscal Office and the Department of Revenue conduct a study assessing the impact of mandating notice requirements for remote sellers for the sales and use tax. A different report will still be issued on how to impose and implement the sales tax on remote sellers if federal legislation on the topic is enacted.

2018-2019 Restrictions on Appropriations

The bill provides for several limitations on funds and restricted receipt accounts.

State Lottery Fund

Section 1702-I stipulates again this year that Lottery Fund revenue appropriated for PENNCARE shall not be utilized for administrative costs by the Department of Aging.

Restricted Receipt Accounts

Section 1725-I allows the secretary to create restricted receipt accounts for the purpose of administering federal grants for various agencies.

Fund Transfers

Section 1726-I.(a) transfers \$4,901,000 from personal income tax revenues to provide start-up funding to the State Employees' Retirement System Restricted Account and transfers \$5,200,000 to the Public School Employees' Retirement System Restricted Account for personnel and operational expenditures needed to implement the provisions of Act 5 of 2017 for the defined contribution components of the plan design only.

Deposits into School Safety and Security Fund (3 of 3)

Section 1726-I.(b) authorizes \$15 million to be transferred from PIT revenues to the School Safety and Security Fund no later than Sept. 1, 2018.

Effective Dates:

Section 1725-E pertaining to death certificates shall take effect in 60 days.

Section 1730-E which amends the definition of income for the Property Tax Rent Rebate program shall take effect on Jan. 1, 2019.

The remainder of HB 1929 shall take effect immediately.