



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1189

PRINTERS NO. 3565

PRIME SPONSOR: Knowles

FUND	FY 2019/20	FY 2020/21
General Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY: House Bill 1189, Printer's Number 3565, amends Title 35 (Health and Safety) by creating new Chapters for COVID-19 Health Care Professionals Reporting, for the COVID-19 Volunteer Emergency Responders Employer Tax Credit program and for COVID-19 Enforcement Officer Disability Benefits and amending Title 75 providing for Extensions for COVID-19 Disaster Emergency.

ANALYSIS: This legislation adds Chapter 57 providing COVID-19 enforcement officer disability benefits. Specifically, a person covered under section 1(a) of the Enforcement Officer Disability Benefits Law, who contracts or is diagnosed with coronavirus disease 2019 (COVID-19) or is subject to quarantine resulting from exposure to COVID-19, and by reason thereof is temporarily incapacitated from performing his duties, shall be compensated in accordance with section 1(a) of the Enforcement Officer Disability Benefits Law. A benefit received under this subsection shall be limited to 60 days for each incident.

Chapter 58 (COVID-19 Health Care Professionals Reporting) is added requiring a health care practitioner or health care facility that has a patient under their care with a positive diagnosis for COVID-19 to electronically submit a report to the Department of Health (DOH) within three days of the positive test result. A non-exempt dispenser or a pharmacy that administers a test for COVID-19 and receives the test results must also submit a report to DOH within three days of the positive test result.

The report shall include each record dated from January 21, 2020, to the present that identifies racial and ethnic demographic data, including socioeconomic groups including race, color, national origin, sex, age or disability for each test, positive diagnosis, patient outcome of the COVID-19 virus by zip code for each county in the Commonwealth. The raw statistical data shall be available for public inspection in an electronic format on the DOH website.

Chapter 74A (COVID-19 Volunteer Emergency Responders Employer Tax Credit) is added establishing a tax credit for employers who continue to pay an employee for missed work due to service in the line of duty with a volunteer emergency service organization when responding to an emergency call during work hours. An employer (taxpayer) may apply to the Department of

Community and Economic Development for a tax credit which shall be equal to the lesser of the following: (1) the sum of the wages paid to all volunteer emergency responders during the taxable year in which the tax credit is being sought; (2) 20% of a taxpayers qualified tax liability or (3) \$10,000.

A “voluntary emergency service organization” is defined as a volunteer fire company, volunteer ambulance service, volunteer rescue company or volunteer hazardous material response team. “Line of duty” is defined as going to, coming from or during fire prevention and safety activities, including fire prevention, first aid, rescue and salvage, ambulance service, fire police work, assistance at accidents, control of crowds both on the fire grounds and at occasions of public or General Assembly, animal rescue, abatement of conditions due to storm, flood or general peril, abatement or removal of hazards to safety and other activities as are commonly undertaken by fire companies, ambulance services or rescue squads or affiliated organizations.

The department shall review and approve applications on a first-come first-served basis. Applicants shall be notified of the department’s determination within 30 days of receipt of the application. The department may not grant more than \$5 million in tax credits in any one fiscal year. A tax credit shall first be applied against the taxpayer’s qualified liability for the taxable year as of the date the credit was approved. Any unused tax credit may be carried forward one taxable year. A taxpayer may not carryback, obtain a refund, sell or assign any unused tax credit.

The department shall provide a report on the effectiveness of the tax credit to the General Assembly no later than June 1, 2021, and each June 1 thereafter. The report shall include the names of the taxpayers who were issued tax credits. The report may include recommendations for changes in the calculation or administration of the tax credits as well as other information the department deems appropriate.

Section 105 is added to Title 75 (Vehicles) providing extensions for COVID-19 disaster emergency. Specifically, the expiration of a registration under section 1307, the expiration of a person with disability parking placard under section 1338(b) and the expiration of driver’s licenses under section 1514 are all extended for 60 days after the declaration of disaster emergency is terminated.

The addition of Chapter 57, Chapter 58 and Section 105 takes effect immediately. The addition of Chapter 74A takes effect in 60 days and applies to taxable years beginning after December 31, 2019.

FISCAL IMPACT: The provisions of this legislation in Chapter 57 that provide law enforcement officers, who are temporarily incapacitated due to COVID-19, with compensation and benefits may have an impact on state and municipal employers but that impact cannot be quantified at this time.

It is assumed that any fiscal impact associated with Chapter 58 incurred by DOH would be covered using a portion of the increased federal Public Health Emergency Preparedness and Response funds provided for the COVID-19 pandemic.

To the extent that tax credits established in Chapter 74A are fully utilized in a fiscal year, enactment of this legislation will reduce General Fund revenues by \$5 million annually beginning in fiscal year 2020-21.

The Governor issued a notice in March that all vehicle registrations, safety inspections and emissions inspections scheduled to expire from March 16 through April 30, 2020, would now expire on May 31, 2020. Further extending the expiration may result in revenue collections being delayed into the next fiscal year.

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 House Appropriations Committee (R)

DATE: April 14, 2020

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.