



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 1461

PRINTERS NO. 2267

PRIME SPONSOR: Fee

COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
General Fund	\$0	See Fiscal Impact

**SUMMARY:** House Bill 1461, Printer's Number 2267, amends the act of April 9, 1929 (P.L. 177, No. 175), known as The Administrative Code.

**ANALYSIS and FISCAL IMPACT:** This legislation makes a number of amendments and additions to The Administrative Code as outlined below.

### Office of State Inspector General

HB 1461 amends Section 506-A to expand the list of Title 18 offenses that the Office of State Inspector General has the power to investigate and file criminal charges when a violation is found. Currently, the Inspector General has the specific authority to investigate and file charges for violations of 18 Pa.C.S. § 7313 (relating to buying or exchanging federal food order coupons, stamps, authorization cards or access devices); and 18 Pa.C.S. § 7314 (relating to fraudulent traffic in food orders). The bill amends the section to provide the Office of State Inspector General with the power to investigate the following additional provisions of 18 Pa.C.S. substantially related to the administration of benefits by the Department of Human Services to include:

- Section 3921 (theft by unlawful taking),
- Section 3922 (theft by deception),
- Section 4101 (forgery),
- Section 4104 (tampering with records or identification),
- Section 4106 (access device fraud),
- Section 4107 (deceptive or fraudulent business practices),
- Section 4120 (identity theft), and
- Section 4914 (false identification to law enforcement authorities).

**Fiscal Impact** - The Official of Inspector General has indicated that the provisions contained in the legislation will not increase its operational costs as the additional offenses which it is being granted the power to investigate and file criminal charges when a violation is found, are corollary to its existing jurisdiction.

### Statewide Radio Network Contracting

The bill amends Section 503-A to require the State Inspector General to review all contracts entered into by the Pennsylvania Statewide Radio Network after June 30, 1996.

**Fiscal Impact** - The requirement to review the Statewide Radio Network contracts will have no fiscal impact as the review of state government contracts for the purposes of identifying fraud, waste, misconduct or abuse by the Office of State inspector General is part of its current scope of responsibility under the law.

### **Criminal History Background Checks**

Section 226 (Criminal History Background Checks of Employees and Contractors with Access to Federal Tax Information) is added to align the Commonwealth with Internal Revenue Service Publication 1075 to require current or prospective employees and contractors whose duties and responsibilities require access to Federal tax information to submit to a criminal history background information conducted by the Pennsylvania State Police (PSP). Current or prospective employees and contractors must submit fingerprints and other identifying information to the PSP. The PSP must: provide the agency with a report of an individual's criminal history record information or a statement that the PSP central repository contains no information on the individual; submit the individual's fingerprints the Federal Bureau of Investigation for a national criminal history records check; and provide the national criminal history record information to the agency. Criminal history record information can only be used to determine an individual's suitability to access Federal tax information and the agency shall take appropriate actions for those determined not suitable including declining to hire, transferring to a position that does not require access to Federal tax information or terminating employment. Individuals who have been cleared to access Federal tax information shall reapply for clearance within ten years of issuance of the prior clearance unless the agency participates in a program exempting employees from clearance. The Department of Revenue may publish guidelines to implement this section. Section 225 (Employees with Access to Federal Tax Information) is repealed.

*Fiscal Impact* - Approximately 9,000 Commonwealth employees that require access to federal tax information will need to complete a background check that includes fingerprinting at an estimated cost of \$50 per employee, which will result in a cost of \$450,000 for the initial round of required background checks. It is assumed that any fingerprinting costs that agencies will have to accommodate can be done so within amounts appropriated.

To the extent that county and municipal governments employ individuals that are responsible to access federal tax information, the county and municipal governments also will incur costs of approximately \$50 per employee.

### **Center for Rural Pennsylvania**

HB 1461 adds two additional members to the board of directors, one representative from the Northern Pennsylvania Regional College and one representative from the Pennsylvania College of Technology.

*Fiscal Impact* - No fiscal impact. Costs related to expenses for the new board members will be minimal and can be absorbed within the center's operating budget.

### **Budget Implementation - Supplemental Appropriations**

The bill amends Section 613 by adding a subsection to require that for any request for an additional appropriation from State funds for a fiscal year prior to the fiscal year for which the Governor's annual budget proposal is being submitted (i.e. a supplemental appropriation), a statement of the need for the additional appropriation.

*Fiscal Impact* - No fiscal impact.

### **Vehicle Dealer Licensing Fee**

Section 618-A is amended to allow licensed vehicle dealers, under the purview of the State Board of Vehicle Manufacturers, Dealers and Salespersons, to increase the maximum documentary fee by a factor of 1.7 for both manual and online processing.

*Fiscal Impact* - Currently the maximum documentary fee that may be charged by a vehicle dealer for manual processing is \$120, and online processing is \$144. This legislation would increase those dealer fee maximums to \$204 for manual processing and \$244 for online processing. There is no impact on Commonwealth funds as these fees are paid by vehicle purchasers.

### **Revenue Estimates Prepared by the Independent Fiscal Office**

HB 1461 amends section 605-B by moving the revenue estimate procedures of the Independent Fiscal Office (IFO) from The Fiscal Code and reestablishing them into The Administrative Code, which is the IFO's enabling statute.

*Fiscal Impact* - No fiscal impact.

### **Joint Underwriting Association Accountability**

Establishes Joint Underwriting Association (JUA) as a Commonwealth agency, requires the operations of the JUA be funded through an appropriation, and requires the JUA to perform various requirements as a state agency.

*Fiscal Impact* - No fiscal impact.

### **Bureau of Occupational and Industrial Safety**

HB 1461 adds Section 2219 requiring \$10 million to be used to augment funds appropriated to the Department of Labor and Industry's Bureau of Occupational and Industrial Safety and the remaining funds to be transferred to the General Fund.

*Fiscal Impact* - Under current law, \$7 million augments an appropriation made for the Bureau of Occupational and Industrial Safety. This legislation increases that amount by \$3 million to \$10 million. It is important to note that HB 790 (General Appropriations Act) removed the \$3 million from the appropriation, therefore, this change would have no adverse fiscal impact on Commonwealth funds.

### **Pennsylvania Commission on Sentencing**

This bill makes changes to the composition of the Pennsylvania Commission on Sentencing. It does not change the terms of office for the members.

*Fiscal Impact* - There will be no fiscal impact with the changes to the composition of the commission.

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