

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 336

PRINTER NO. 1933

AMOUNT

See Fiscal Impact

FUND

General Fund

DATE INTRODUCED

January 29, 2021

PRIME SPONSOR

Representative Mackenzie

DESCRIPTION

House Bill 336 makes the following changes in the Administrative Code:

Repeal of Obsolete Language Related to the Department of Banking & Securities

House Bill 336 makes technical changes to reflect the Act 86 of 2012 merger between the Department of Banking and Pennsylvania Securities Commission, now known as the Pennsylvania Department of Banking and Securities.

Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.

Judicial Computer System Financial Audit Committee

The legislation creates the Judicial Computer System Financial Audit Committee within the Pennsylvania Commission on Crime and Delinquency (PCCD). The committee will be responsible for reviewing the policy goals, purpose and programs of the judicial computer system. By January 31, 2022, the committee must submit a report of its findings to the General Assembly.

The committee voting members are as follows:

- The President pro tempore of the Senate;
- The Speaker of the House of Representatives;
- The Majority Leader and the Minority Leader of the Senate;
- The Majority Leader and the Minority Leader of the House of Representatives; and
- A commissioned judge or justice appointed by the Chief Justice of Pennsylvania.

The non-voting members of the committee are as follows:

- The Court Administrator of Pennsylvania;
- The executive director of PCCD;
- The Secretary of Corrections;
- The Pennsylvania State Police Commissioner;
- The president of the County Commissioners Association of Pennsylvania; and

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- The president of the Pennsylvania State Association of the Prothonotaries and Clerks of Courts.

Fiscal Impact: PCCD staff and resources will be made available to the committee to assist with the completion of the committee's work. An appropriation of \$250,000 was included in the FY 2021-22 budget to support PCCD's role in the audit committee.

Transfer of Flood Plain Management Act

House Bill 336 transfers the administration of the Flood Plain Management Act and management of related programs, such as the National Flood Insurance Program, from the Department of Community and Economic Development to the Pennsylvania Emergency Management Agency.

Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.

Dynamic Scoring of the Fiscal Impact of Proposed Legislation

The legislation requires the Independent Fiscal Office (IFO), upon the request of an officer identified in section 615-B(a) of the Administrative Code, to provide a revenue estimate for a proposed bill or an amendment affecting revenue and receipts, including regulatory fees, that may be expected to carry a fiscal impact in excess of \$50,000,000 in any fiscal year. It requires the revenue estimates to be prepared on the basis of assumptions that consider the probable behavioral responses of taxpayers, businesses and other persons to the proposed changes and include a statement identifying those assumptions. It also provides that the IFO may use a revenue estimate prepared for a proposed bill or amendment to revise its initial revenue estimate submitted to the General Assembly for the next fiscal year. The officers that may request a revenue estimate are as follows:

- The President pro tempore of the Senate or the Speaker of the House of Representatives;
- The Majority Leader or the Minority Leader of the Senate;
- The Majority Leader or the Minority Leader of the House of Representatives;
- The chairperson or minority chairperson of the Appropriations Committee of the Senate;
- The chairperson or minority chairperson of the Appropriations Committee of the House of Representatives;
- The chairperson or minority chairperson of the standing committee of the Senate to which the bill is referred; and
- The chairperson or minority chairperson of the standing committee of the House of Representatives to which the bill is referred.

Fiscal Impact: The IFO has indicated the responsibilities delegated to the office in the legislation will require it to incur first-year costs of approximately \$280,000. This amount includes \$120,000 for the salary and benefits for an analyst to perform revenue estimates and dynamic modeling, \$140,000 to purchase a dynamic modeling software package, and \$20,000 to configure the IFO's offices to accommodate an additional staff member. In subsequent years, the IFO estimates recurring costs of approximately \$150,000 annually. This amount includes \$120,000 for the salary and benefits for the analyst and \$30,000 for the annual maintenance fee for the dynamic modeling software package.

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Municipal Authority Audits

In the event of a proposed increase in either water or wastewater rates by a municipal authority, the legislation permits the Auditor General to perform an audit of the authority. The legislation limits the municipal authorities which may be audited to those located in a county of the third class with a population of more than 355,000 but less than 370,000. The audit must be completed within six months after it is commenced.

Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.

Constitutional Amendment Notification

No later than 14 days prior to the publication of a constitutional amendment, the Department of State must provide each member of the General Assembly, the Secretary of the Senate, the Chief Clerk of the House of Representatives, the Parliamentarian of the Senate and the House of Representatives and the Legislative Reference Bureau with the date of publication.

Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.

Equity Reporting by Lobbyists

House Bill 336 requires all registered lobbyists in the Commonwealth to annually register with the Department of State any equity they may hold in an entity they are lobbying on behalf of beginning July 30, 2022.

Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.

Requiring the Attorney General to Defend Certain Claims

House Bill 336 requires the Office of Attorney General to defend certain claims against the Commonwealth if:

- Payment for damages and other costs related to the claim may be paid or reimbursed under any Commonwealth self-insurance programs or contracts for third-party insurance managed by the Department of General Services; and
- The Commonwealth entity requests in writing the Attorney General defend their claim.

Fiscal Impact: According to the Office of Attorney General the provisions of House Bill 336 will require the office to hire an additional attorney. The salary and benefits for the additional staff member will result in an annual cost of \$225,000.

Water Storage Permitting

House Bill 336 creates a new Department of Environmental Protection permit (180 days) for the temporary storage and transfer of beneficial reuse of oil and gas waste (water recycling).

Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.

Repeal of Obsolete Language Related to the Department of Conservation and Natural Resources

The legislation repeals outdated language in the Administrative Code to reflect the 1995 creation of the Department of Conservation and Natural Resources, which includes updating provisions relating to the management of the Project 70 program and the role of the Pennsylvania State Police on lands managed by the department.

Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.

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SNAP Emergency Allotment Waiver

The legislation requires the Department of Human Services to request guidance and a decision from the U.S. Department of Agriculture on the Commonwealth's ability to pursue a waiver for the continuation of the Supplemental Nutrition Assistance Program (SNAP) Emergency Allotment benefits.

Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.

Repeal of Overtime Regulations

House Bill 336 repeals regulations pertaining to the definitions of executive, administrative and professional personnel as they pertain to overtime compensation exempt personnel.

Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.

ASAM

House Bill 336 establishes a procedure for drug and alcohol treatment providers to request from the Department of Drug and Alcohol Programs (DDAP) additional time beyond July 1, 2021, in reaching substantial alignment with service delivery conditions under The ASAM Criteria, 2013 (ASAM Criteria). To request an extension in substantially aligning with service delivery conditions under the ASAM criteria, drug and alcohol treatment providers must submit a request to DDAP by July 9, 2021. No extension request will be approved beyond December 31, 2021.

Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.

Repeal of Obsolete Vehicle & Tractor License Language

The legislation repeals Section 2502 of the Administrative Code that permits the Department of Revenue to request assistance from the Pennsylvania State Police for the administration of vehicle and tractor licenses, including:

- Collection of motor license fees;
- Collection of fees for titling vehicles and tractors and other operators' license fees; and
- Issuance of certificates of title and motor and operators' licenses.

Section 1904 of Title 75 currently provides that the Department of Transportation is the agency that is required to "collect all fees payable under this title and all other moneys received in connection with the administration of this title and transmit them to the State Treasurer for deposit in the Motor License Fund" thereby rendering Section 2502 of the Administrative Code obsolete.

Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.

Pennsylvania Commission for the US Semiquincentennial

House Bill 336 makes changes to the Pennsylvania Commission for the United States Semiquincentennial Act of 2018 by adding the executive directors of both the Pennsylvania Council of the Arts and the Pennsylvania Historical and Museum Commission as members of the commission. The legislation also removes the requirement to implement the Pennsylvania pavilion as part of the 250th anniversary commemoration.

Fiscal Impact: This provision will have no fiscal impact on Commonwealth funds.