



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 336

PRINTERS NO. 1933

PRIME SPONSOR: R. Mackenzie

COST / (SAVINGS)

FUND	FY 2020/21	FY 2021/22
General Fund	\$0	\$0

SUMMARY: House Bill 336, Printer's Number 1933, amends the Administrative Code (Act 175 of 1929), providing for the conduct of the executive and administrative work of the Commonwealth.

ANALYSIS & FISCAL IMPACT:

Article II. (Administrative Organization)

Section 201. (Executive Officers, Administrative Departments and Independent Administrative Boards and Commissions), Section 202. (Departmental Administrative Boards, Commissions, and Offices), Section 206. (Department Heads) and Section 207.1. (Gubernatorial Appointments)

These sections are amended as applicable to: update the name of the Department of Banking to the Department of Banking and Securities; remove reference to the Pennsylvania Securities Commission; update the name of the Department of Public Welfare to the Department of Human Services; and remove a reference to the Board to License Private Bankers.

Fiscal Impact: The enactment of this provision shall have no adverse fiscal impact on Commonwealth funds.

Article III. (Organization of Independent Administrative Boards and Commissions)

Section 310. (Pennsylvania Commission on Crime and Delinquency)

The section is amended to establish the Judicial Computer System Financial Audit Committee within the Pennsylvania Commission on Crime and Delinquency (PCCD). The committee shall consist of voting and nonvoting advisory members. The chair of the committee shall be selected by a majority vote of the voting members.

The voting members of the committee are as follows:

- The President Pro Tempore of the Senate, or a designee
- The Majority and Minority Leaders of the Senate, or a designee
- The Speaker of the House of Representatives, or a designee
- The Majority and Minority Leaders of the House of Representatives, or a designee
- A commissioned judge or justice of the Commonwealth, appointed by the Chief Justice

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

- The Court Administrator of Pennsylvania
- The executive director of the commission
- The Secretary of Corrections, or a designee
- The Pennsylvania State Police Commissioner, or a designee
- The President of the County Commissioners Association of Pennsylvania, or a designee
- The President of the Pennsylvania State Association of the Prothonotaries and Clerks of Courts, or a designee

The committee is to review policy goals, purpose and programs of the system, the system's impact on the implementation of statutory enactments, and the collection of fines, fees, and costs payable to the Commonwealth, counties, and municipalities. The annual financial needs, and revenue streams, that support the operation of the system are to be assessed. The committee will evaluate the annual revenues and expenditures within the system, the amount of any annual surpluses, and submit legislative recommendations related to reallocation of surpluses. By January 31, 2022, the committee is to submit a report of its findings to the chair and minority chair of the Appropriations Committee of the Senate, the chair and minority chair of the Appropriations Committee of the House of Representatives, the chair and minority chair of the Judiciary Committee of the Senate, and the chair and minority chair of the Judiciary Committee of the House of Representatives. Staff support shall be provided by the Executive Director of the PCCD. The committee is set to expire on June 30, 2023, unless otherwise extended by an act of the General Assembly.

Fiscal Impact: An appropriation of \$250,000 is included in the FY 2021-22 budget to cover expenses by PCCD staff's role in the audit committee.

Article IV. (Organization of Departmental Administrative Boards and Commissions and of Advisory Boards and Commissions)

Section 428. (Board to License Private Bankers)

This section is repealed.

Fiscal Impact- The enactment of this provision shall have no adverse fiscal impact on Commonwealth funds.

(New) Article V-B. (Pennsylvania Emergency Management Agency)

A new article is added to transfer the administration of the Flood Plain Management Act (Act 166 of 1978) from the Department of Community and Economic Development to the Pennsylvania Emergency Management Agency.

Fiscal Impact: The enactment of this provision shall have no adverse fiscal impact on Commonwealth funds.

Article VI-A. (Commonwealth Agency Fees)

Section 603-A. (Department of Banking and Securities)

The title of the section, and respective language, is updated from the Department of Banking, to the Department of Banking and Securities. Certain licensing fees are removed from the Administrative Code, including for money transmitters, secondary mortgage loan companies, secondary mortgage loan brokers, first mortgage bankers, and first mortgage brokers.

Section 615-A. (Pennsylvania Securities Commission)

This section relates to fees regarding Takeover Disclosure Law. The section is eliminated, and the respective fees are reinserted into Section 603-A.

Fiscal Impact: The enactment of this provision shall have no adverse fiscal impact on Commonwealth funds.

Article VI-B. (Independent Fiscal Office)

Section 602-B. (Definitions)

A definition for “requesting officer” is added to the section. A requesting office is defined as the following officers of the General Assembly:

- President Pro Tempore of the Senate, or the Speaker of the House of Representatives
- The Majority or Minority Leaders of the Senate
- The Majority or Minority Leaders of the House of Representatives
- The chairperson or minority chairperson of the Senate Appropriations Committee
- The chairperson or minority chairperson of the House Appropriations Committee
- The chairperson or minority chairperson of the standing committee of the Senate which the bill is referred.
- The chairperson or minority chairperson of the standing committee of the House of Representatives which the bill is referred.

Fiscal Impact: The enactment of this provision shall have no adverse fiscal impact on Commonwealth funds.

Section 605-B. (Revenue Estimates)

The section is amended to provide additional parameters for the Independent Fiscal Office (IFO) to prepare revenue estimates in legal changes that may have a fiscal impact in excess of \$50 million when requested by a requesting officer. If the proposed change in law has an impact in excess of \$50 million in any fiscal year, the estimate shall be prepared on a basis of assumptions that consider behavioral responses of taxpayers, businesses, and other persons, and any potential dynamic or macroeconomic impacts.

Fiscal Impact: Enactment of this legislation will result in an increased workload for the IFO and an indeterminable increase in costs.

Section 615-B. (Additional Duties)

Technical corrections are made in this section to apply to defined term of “requesting officer”.

Fiscal Impact: The enactment of this provision shall have no adverse fiscal impact on Commonwealth funds

Article VII. (Powers and Duties of the Governor and Other Constitutional Officers; of the Executive Board; and of the Pennsylvania State Police)

Section 706. (Auditor General)

The section is amended allow the Auditor General to perform an audit of a municipal authority meeting the following conditions:

- Located in a county of the third class with a population of more than 355,000 but less than 370,000 as determined by the 2010 census.
- Incorporated under 53 Pa.C.S. Ch 56 (related to municipal authorities) as a public corporation of the Commonwealth of Pennsylvania

- Organized for the purpose of providing municipal services, principally consisting of operation of a water collection, treatment, and distribution system, and a waste water system
- Provides services in at least one county outside of the boundaries of the county in which it is incorporated

The audit shall be a thorough review of financial and governance information and shall examine the effectiveness, economy and efficiency of the authority, including a review of billing systems, acquisitions of other municipal authorities, contract processes and transparency, management practices, conflicts of interest and compliance with relevant Federal and State statutes by the authority, its board members and its contractors. The Auditor General may employ consultants, experts, accountants, or investigators as deemed advisable, and conduct the audit independently of any other audits. Audits are to be concluded within six months and may include recommendations on how to improve procedures and activities to enhance economy, efficiency and effectiveness in any area covered by the audit.

Fiscal Impact: The enactment of this provision shall have no adverse fiscal impact on Commonwealth funds. Potential audit costs can be absorbed within existing funding levels.

Article VIII. (Powers and Duties of the Department of State and its Departmental Administrative Board)

Section 801. (Powers and Duties in General)

Language is added to provide additional requirements during the publication process of a constitutional amendment. No later than 14 days prior to the publication of a constitutional amendment, the Secretary of the Commonwealth shall notify the following of the date on which publication under Article XI of the Constitution of Pennsylvania will be completed:

- Each member of the General Assembly
- The Secretary of the Senate, who shall read notice into the Senate journal.
- The Chief Clerk of the House of Representatives, who shall read notice into the House of Representatives journal.
- The Parliamentarian of the Senate
- The Parliamentarian of the House of Representatives
- The Legislative Reference Bureau, which shall publish notice in the Pennsylvania Bulletin

Failure of the Secretary of the Commonwealth to comply with these provisions shall not impact the effectiveness of the proposed amendment.

Fiscal Impact: The enactment of this provision shall have no adverse fiscal impact on Commonwealth funds.

(New) Section 816. (Equity Reporting)

A new section regarding equity reporting for lobbyists is added to the Administrative Code. Each lobbying firm and lobbyist required to register under current law shall electronically file an equity report thirty days after the effective date of this section and beginning in 2022, by July 30 annually thereafter using the computerized filing system developed by the Department of State. Equity reports shall disclose each equity a lobbying firm or lobbyist holds in an entity for which they are lobbying. Equity reports may include additional information required by the Department of State.

Fiscal Impact: The enactment of this provision shall have no adverse fiscal impact on Commonwealth funds.

Article IX. Powers and Duties of the Department of Justice and Its Departmental Administrative Boards

Section 926. (Duty of Attorney General to Defend Actions)

A new section is added to require the Attorney General to defend a claim against a Commonwealth entity if the following conditions are met:

- If payments for damages and other costs related to the claim may be paid or reimbursed under any of the Commonwealth's self-insurance programs or contracts for third-party insurance managed by the Department of General Services.
- If a Commonwealth entity requests for the Attorney General to defend the claim in writing
Fiscal Impact: The enactment of this provision shall have no adverse fiscal impact on Commonwealth funds, as it simply codifying current policy for legal defense issues.

Article XVI. Powers and Duties of the Department of Banking and Securities and its Departmental Administrative Board and Commission.

Section 1601. (Powers and Duties in General), Section 1602. (Banking Supervisory Powers) and Section 1603. (Banking Laws)

The article heading and sections are updated to reflect the current name of the Department of Banking and Securities.

Fiscal Impact: The enactment of this provision shall have no adverse fiscal impact on Commonwealth funds.

Article XIX-A. Powers and Duties of the Department of Environmental Resources, its Officers and Departmental and Advisory Boards and Commissions

(New) Section 1939-A. (General Permit for Transfer, Storage or Processing of Oil and Gas Liquid Waste)

A new section is added to require the Department of Environmental Protection to submit for publication in the Pennsylvania Bulletin a general permit pursuant to 25 Pa Code § 287.643 (relating to registration) for use for the transfer, storage or processing of oil and gas liquid waste at temporary facilities, which will be in operation for no more than 180 day at one time.

Fiscal Impact: The enactment of this provision shall have no adverse fiscal impact on Commonwealth funds.

Article XIX-B. (Powers and Duties of Department of Conservation and Natural Resources)

(New) Section 1903-B (Project 70)

A new section is added to clarify that the Department of Conservation and Natural Resources shall have the powers and duties vested in the Department of Commerce by the Project 70 Land Acquisition and Borrowing Act.

Fiscal Impact: The enactment of this provision shall have no adverse fiscal impact on Commonwealth funds.

Article XXII. Powers and Duties of the Department of Labor and Industry, its Departmental Administrative and Advisory Boards and Departmental Administrative Officers)

Section 2215.1. (Abrogation of Department Regulations)

The regulations at 34 Pa. Code §§ 231.82 (relating to executive) 231.83 (relating to administrative) and 231.84 (relating to professional) are abrogated.

Fiscal Impact: The enactment of this provision shall have no adverse fiscal impact on Commonwealth funds.

Article XXIII. (Powers and Duties of the Department of Public Welfare and its Departmental Administrative and Advisory Boards and Commissions.)

(New) Section 2337. (Waiver Guidance)

A new section is added requiring the Department of Human Services to request guidance and 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 Emergency Allotment benefits.

Fiscal Impact: The enactment of this provision shall have no adverse fiscal impact on Commonwealth funds.

Article XXIII-A. Powers and Duties of the Department of Drug and Alcohol Programs.

(New) Section 2302-A. (Service Alignment)

A new section is added to require service delivery conditions of a drug and alcohol treatment provider to be in substantial compliance with the American Society of Addiction Medicine Criteria, 3rd Edition, 2013 by July 1, 2013, except if the treatment provider submits an application for, and is granted, an extension by the Department of Drug and Alcohol Programs (DDAP). An application must be submitted by July 9, 2021 and shall address the provider's reasons for needing the extension. Extensions may be granted until December 31, 2021.

Fiscal Impact: The enactment of this provision shall have no adverse fiscal impact on Commonwealth funds.

Article XXIV. Powers and Duties of the Department of General Services and its Departmental Administrative and Advisory Boards and Commissions.

Section 2401.2. (Department of Conservation and Natural Resources not Affected)

The section updates the name from the Department of Environmental Resources to the Department of Conservation and Natural Resources.

Fiscal Impact: The enactment of this provision shall have no adverse fiscal impact on Commonwealth funds.

Article XXV. (Powers and Duties of the Department of Revenue)

Section 2502. (Vehicle and Tractor Codes)

This section is repealed from the Administrative Code.

Fiscal Impact: The enactment of this provision shall have no adverse fiscal impact on Commonwealth funds.

Article XXV-C. (Powers and Duties of the Department of Community Affairs, its Departmental Boards, Bureaus and Agencies)

Section 2501-C. (The Department of Community and Economic Development)

The section name is updated from the Department of Community Affairs to the Department of Community and Economic Development. The reference to Project 70 is removed from the section.

Fiscal Impact: The enactment of this provision shall have no adverse fiscal impact on Commonwealth funds.

(New) Article XXVIII-I. (United States Semiquincentennial)

A new article is added to the Administrative Code establishing the Pennsylvania Commission for the United States Semiquincentennial, commonly known as America250PA, to plan, encourage, develop, and coordinate the commemoration of the 250th anniversary of the founding of the United States, and Pennsylvania's related role. The commission shall consist of the following:

- Two members of the Senate, one appointed each by the Majority and Minority Leaders
- Two members of the House of Representatives, one appointed by the Speaker of the House and one appointed by the Minority Leader
- Twenty private citizens including: four each appointed by the Governor (one of which shall be the chairperson), the Senate Majority Leader, the Senate Minority Leader, the Speaker of the House, and the Minority Leader of the House of Representatives

The ex officio nonvoting members of the committee shall include:

- The Secretary of the Department of Community and Economic Development
- The Secretary of the Commonwealth
- The Attorney General
- The Auditor General
- The State Treasurer
- The Chair of the Pennsylvania Historical and Museum Commission
- The Secretary of Transportation
- The Secretary of Education
- The Secretary of Conservation and Natural Resources
- The Adjutant General
- The Chair of the Commonwealth of Pennsylvania Council on the Arts
- The Director of the Pennsylvania Emergency Management Agency
- The Commissioner of the Pennsylvania State Police
- The Executive Director of the Pennsylvania Historical Museum Commission

Members of the commission shall serve for its duration. Vacancies may not affect the powers of the commission and shall be filled as the original appointment was made. Meetings shall be held throughout the Commonwealth as determined by the chairperson. The committee is to provide due consideration to related plans developed by the Federal Government and other groups. The committee may accept and use gifts, but information must be enumerated and submitted to the State Ethics Commission. Additional authorities of the commission include procuring supplies, making contracts, expending received funds, and taking necessary actions to carry out duties assigned. No later than three years after establishment, the commission shall report to the General Assembly and Governor. The report shall be published online and include the following:

- A detailed timeline of the plan of works through 2027
- Recommendations of the commission for the allocation of respective responsibilities among public and private authorities recommended for participation by the commission
- The projected number of jobs created by the implementation of the commission's plans
- The projected economic impact of the implementation of the commission's plans
- The geographic impact on all counties of the Commonwealth
- The plan for improvements, if any, to the infrastructure of the Commonwealth
- Outcomes against which progress, and success of the plans can be measured

Property acquired by the commission may be designated by an act of the General Assembly to local municipalities or state agencies. Members shall receive no compensation, other than reimbursement for reasonable travel.

Fiscal Impact: The enactment of this provision shall have no adverse fiscal impact on Commonwealth funds.

PREPARED BY: Ann Bertolino
Jeffrey Clukey
Ritchie LaFaver
Casey Martin
Nick McClure
Tim Rodrigo
House Appropriations Committee (R)

DATE: June 25, 2021

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