

LEG REG REVIEW

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LEG REG REVIEW is a periodic newsletter produced by Vince Phillips who retired from active lobbying after 31 years of advocacy in Harrisburg. It contains news on the legislative and regulatory scene in Pennsylvania that may be of interest to the Insurance and Business Communities. Annual subscriptions are \$100 and information may be obtained by contacting PHILLIPS ASSOCIATES at 717/728-1217 or e-mail to xenobun@aol.com.

BUDGET NOT FINALIZD

The Fiscal Year 2023-24 State Budget is unresolved as the General Assembly did not make the July 1st deadline. On June 30, the PA Senate passed an amended **House Bill 611** (Harris-D-Phila.) by a vote of 29-21 and returned it to the House for concurrence. The Senate version includes \$45.5 billion in state spending and \$42.1 billion in (presumed) Federal spending. Following is a link to the Senate version. The latest Printer's Number is PN 1811. NOTE: What the Senate did was to delete the House version altogether and then insert their own budget beginning on page 390.

<https://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sesYr=2023&sessInd=0&billBody=H&billTyp=B&billNbr=0611&pn=1811>.

The House did not consider HB 611 before recessing. Status: House Rules Committee. Some of the issues:

- The House version increased spending well over Governor Shapiro's original proposal. Senate Republicans felt that the increases were unwarranted given future Budget uncertainties after Federal one-time monies are exhausted. That increased spending would be a recurring expense to the Commonwealth without the Federal safety net.
- The Senate version included a school voucher scholarship program for students in poor performing school districts. This school choice plan is opposed by Democrats and the teachers' union which fear a further weakening of the public school system.
- Senate Republicans changes to HB 611 included less spending than Governor Shapiro's original proposal as well as additional funding passed by the House. Also, the Senate proposal calls for \$500 million to go into the Rainy Day Fund – in contrast to House Democrats who felt that a big slice of the current Rainy Day Fund should be used to fund program growth.

SENATE CONFIRMS INSURANCE COMMISSIONER

On June 26, the PA Senate unanimously confirmed Acting Insurance Commissioner Mike Humphrey as Commissioner. This continues his service as the Department's head. since early 2022 when former Governor Wolf appointed him to fill the vacancy caused by the departure of Jessica Altman's selection to lead the Connect California, that state's health insurance exchange. Following is a link to his bio: <https://www.insurance.pa.gov/Pages/Homepage/MeettheCommissioner.aspx>.

REVENUE GIVES MIXED SIGNALS

PA has completed its fiscal year. June numbers have not been released but revenues for the past several months are rosy or gloomy depending on whether legislators want to increase state spending or limit it.

Source of Revenue Projection thru May	March	April	May	+/-
Sales Tax billion 1.4% above est.	\$1.1 billion	\$1.2 billion	\$1.1	
Personal Income Tax billion 2.4% below est.	\$1.6 billion	\$2.9 billion	\$1.3	
Corporate Tax million 16.9% above est.	\$3.0 billion	\$992.1 million	\$445.4	
Inheritance Tax million 3.8% above est.	\$160.7 million	\$118.7 million	\$131.4	
Realty Transfer Tax million 15.9% below est.	\$50.5 million	\$41.9 million	\$50.3	
So-called Sin Taxes million 0.6 below est.	\$75.2 million	\$61.9 million	\$167.3	

Total revenue through May was \$41.2 billion, or 2.9% above estimate. The June numbers and total revenues versus projections may have an impact on the final State Budget outcome.

LEGISLATIVE UPDATES

- **Senate Bill 37** (R. Brown-R-Monroe) which passed the Senate on June 22 by a vote of 37-11 prohibits the use of hand-held devices by drivers when behind the wheel (with few exceptions). Both yeas and nays were bipartisan. Five no votes were cast by Republicans. Democrats cast six negative votes.
- The Senate Banking & Insurance Committee reported out **Senate Bill 739** (Vogel-R-Beaver) on June 27 to regulate the use of Telemedicine and require insurance coverage for those treatments. Separately, a Telemedicine bill, **House Bill 1512** (Sappy-D-Chester), was introduced in the House.
- **Flood Insurance premium bills moved through the Senate Banking & Insurance Committee on June 27. They are Senate Bill 442** (Santarsiero-D-Phila.) and **House Bill 735** (Warren-R-Bucks). Each would establish a task force to examine ways to discount Flood Insurance premiums. **NOTE: Neither bill includes insurance producers who sell Flood Insurance or any insurance company that participates in the National Flood Insurance Program (NFIP) Write Your Own program.**

HOUSE PASSES ACA PROTECTION LEGISLATION

Preserving the Affordable Care Act's provisions on no-patient cost for preventive care is the goal of **House Bill 1050** (Boyle-D-Phila.). It says that these no co-pay health services will continue in Pennsylvania regardless of court rulings to the contrary. That means that if the ACA is invalidated, that provision, as PA law, will stay in place. It passed the House 199-4 on June 26. Status: **Senate Banking & Insurance Committee.**

STATUS REPORT ON BILLS OF INTEREST

- **House Bill 1138** (Waxman-D-Phila.) would exempt cellular telephone plans from the state Gross 5% Receipts Tax and 6% Sales Tax. **Status: Senate Appropriations Committee.**
- **House Bill 181** (D. Miller-D-Allegheny) would establish a state-run paid family leave plan supported by all workers through an up to one-percent payroll tax. The Family Care Act plan would be regulated by the PA Department of Labor & Industry. Eligible employees could have to 20 weeks of paid leave to provide care for a baby and mother or other family member. **Status: House Rules Committee.**
- **Senate Bill 768** (Brooks-R-Mercer/Crawford/Lawrence) seeks to support the Rural Health Redesign Center Authority by setting aside \$2.5 million from the General Fund to continue its work. This Authority is the result of a Federal pilot program seeking to help rural hospitals better manage themselves with, among

other things, emphasizing Telemedicine. **Status: Senate Appropriations Committee.**

- **Senate Bill 824** (Pennycuick-R-Bucks) amends the Breach of Personal Information Notification Act to require businesses and organizations to notify the PA Attorney General if a cybersecurity breach affected more than 500 people. Six months of free credit reports would be provided for individuals whose personal information may have been compromised. **Status: Senate Communications & Technology Committee.**
- **House Bill 1437** (Grove-R-York) would establish a false claims law in PA. It includes penalties for submitting a false claim to the state and incentivizes whistleblowers. It is strongly opposed by the PA Coalition for Civil Justice Reform. **Status: House Judiciary Committee.**

ANOTHER EMPLOYER-MANDATED RETIREMENT BILL INTRODUCED

Senate Bill 728 (Haywood (D-Phila.) would establish a state-run retirement program with:

- Mandatory participation by employers that do not already have a Federally approved retirement/pension.
- Employees automatically being enrolled in the Keystone Saves retirement program and must affirmatively take action to opt out.
- Premiums being required to be deducted as a percent of gross employee wages.

SB 728 was referred to the Senate Finance Committee. A companion bill, **House Bill 577** (Mullins-D-Lackawanna), is also in the Senate Finance Committee, having passed the House by a largely partisan vote (with Democrats voting yes) on May 24