

LEG REG REVIEW

2023, 5th Issue March 4, 2023

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.

HOUSE TURMOIL CONTINUES

This past week, Speaker Mark Rozzi (D-Berks) relinquished his Speakership and recommended Rep. Joanna McClinton (D-Phila. /Delaware) who was elected on a party-line vote. The new Speaker's first week did not give her a honeymoon period after her first day's acceptance speech. There were numerous challenges from the Republican minority on passage of new House Rules adopted on a party line vote of 102-100. Republicans were dismayed by votes to prevent amendments. Led by Reps. Martina White (R-Phila.), Dawn Keefer (R-York), and Minority Leader Bryan Cutler (R-Lancaster), the GOP wanted to enhance the Rules' provision regarding sexual harassment by Members of the House. This effort was spurred by revelations that a Delaware County Democratic Representative had allegedly abused a female lobbyist.

In order to see the final Rules contained in House Resolution 1 (Rozzi-D-Berks), please refer to:

<https://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2023&sessInd=0&billBody=H&billTyp=R&billNbr=0001&pn=0002>.

Some guideposts:

- **Rule 47:** Members indicted or convicted of a crime may be removed from office. (Page 61)
- **Rule 65:** A House Member having a personal or private interest shall disclose the fact to the House and not vote on that particular matter. (Page 77) **NOTE:** *This was one of the points raised by Republicans, that the Representative accused of sexual harassment should not be allowed to vote on House Rules governing harassment. He did vote for HR 1 and against the GOP attempt to amend HR 1.*
- **Definition of Harassment** (Page 93):

"Harassment." Unwelcome conduct based on an individual's protected classification when: (1) submission to the conduct is made either an explicit or implicit term or condition of employment; (2) submission to or rejection of the conduct is used as the basis for an employment decision; or (3) the conduct is so frequent or severe that it creates a hostile or offensive work environment.

- **Rule 2.1.E** Professional Conduct (Page 100) regarding discrimination or harassment includes the stipulation that there cannot be any retaliation against a person filing a complaint or charge of discrimination or harassment.
- Ethics Committee reviews the complaint or charge of discrimination or harassment. (Page 104)

HOUSE COMMITTEES

Although the Rules have been adopted listing the committees in the House but, as of March 4, most committees have not been made operational. This means that the members and Democratic Majority Chair of the House Insurance Committee are not known. Republicans have already named Rep. Tina Pickett (R-Bradford) as Minority Chair. There are now 51 sponsorship memos regarding insurance, most of which would be sent to the Insurance Committee after bill numbers are assigned.

There are currently two functioning committees. The House Judiciary Committee Majority Chair is Rep. Tim Briggs (D-Montgomery). Its Minority Chair is Rep. Rob Kauffman (R-Franklin). Majority Chair of the House Ethics Committee is Rep. Donna Bullock (D-Phila.). No Minority Chair is listed although the Ethics Committee membership includes four Democrats and four Republicans. These committees were formalized ahead of the other committees because their work was deemed to be essential to passing the Rules of the House.

SENATE BANKING & INSURANCE COMMITTEE REPORTS INSURANCE BENEFIT BILL

On February 28, the Senate Banking & Insurance Committee voted 14-0 to report **Senate Bill 8** (K. Ward-R-Westmoreland).

It would eliminate out of pocket costs for genetic testing for hereditary breast and ovarian cancer syndromes as well as supplemental breast screenings for women with a high lifetime risk of breast cancer. These supplemental screenings include both MRI and Ultrasound tests of dense breast tissue. This tissue may show cancer which would be missed by a standard mammogram.

SB 8 was then re-referred to the Senate Appropriations Committee which approved it 24-0 on March 1. This means that it could receive a final vote by the Senate this coming week.

GET READY FOR BUDGET WEEK

On March 7, Governor Josh Shapiro will present to the General Assembly his vision for the State Budget in Fiscal Year 2023-24 beginning July 1, 2023. The speech will be covered live at 11:00 a.m. by PCN (<https://pcntv.com/schedule/?d=3>) and via the General Assembly (www.legis.state.pa.us). According to CBS News (Philadelphia), the Governor will propose up to a \$2,500 tax credit for each of a three-year period for newly certified teachers, police officers, and nurses in order to meet the staffing shortages in those professions. Also eligible would be individuals newly moving to PA who already have certifications in their originating state. During his campaign for Governor, Shapiro also advanced a call for more resources going for public education.

The outlook for this year's State Budget revenues is strong given a multi-billion-dollar surplus supplied by the legislature for this year. Revenue collections are up given the following figures released by the Revenue Department on March 1.

<u>Revenue Source</u>	<u>This Fiscal Year To Date</u>	<u>Above/Below Revenue Estimates</u>
Sales & Use Tax	\$9.4 billion	\$209.5 million above estimate
Personal Income Tax	\$10.4 billion	\$135.4 million below estimate
Corporation Tax	\$3.3 billion	\$509.2 million above estimate
Inheritance Tax	\$984.8 million	\$3.9 million above estimate
Realty Transfer Tax	\$436.5 million	\$62.5 million below estimate
Motor License Fund	\$1.9 billion	\$53.7 million above estimate
Other Revenues	\$1.2 billion	\$27.7 million above estimate

(Cigarette, Malt Beverage, Liquor and Gaming Taxes)

Total revenues YTD as of March 1, 2023 are \$26.1 billion which is \$649.3 million **above** estimate.

NOTE: Insurance Premium Tax brought in \$116.5 million YTD in the current Fiscal Year. This compares with the YTD of \$84.9 million for the same period in the 2022-23 Fiscal Year.

The longer-term outlook may show some darker clouds. A recession in the second half of 2023 and the first half of 2024 will depress revenues. In addition, much of the surplus now came from COVID and other Federal monies pumped into the Commonwealth. When that transfusion runs out, the Independent Fiscal Office (IFO) projects Budget deficits of \$1.5 billion by June 30, 2023. The deficit trend continues for FY 2024-25 (\$2.3 billion), and for FY 25-26 (\$3.0 billion). An issue according to the IFO is not revenues but expenditures exceeding revenues for this and the next several upcoming Fiscal Years. **NOTE:** PA has a current \$4.99 billion balance in the Rainy-Day Fund. The IFO projections were released January 24, 2023. IFO source: http://www.ifo.state.pa.us/download.cfm?file=Resources/Documents/Roundtable_Jan_24_2023.pdf.