



SMC Business Councils
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SMC Government Relations Conference Calls with Group I & II
Tuesday, August 21 & 28, 2018
Brief notes embedded in blue
2:00 - 3:00 PM

I. Welcome & Introductions

- Eric Riske, SMC Board of Directors, General Window Cleaning, Vice-President. *Attending: Eric Riske, David Ross, Bob Henry, Judy Wojanis, Vic Conrad, Alex Palmer, Eileen Anderson, Tom Donoghue, Vince Finizio, Joe Weinkle*

II. Today's Meeting

- Eileen Anderson, Director, Government Relations -*Brief notes from the 8/21/2018 meeting: We will pool our talents and knowledge to collaborate on solutions to problems. For instance, we may have ideas on how to implement the new internet sales tax so that small businesses are not overwhelmed by paperwork.*

III. Events

- **SMC's Annual Legislative Reception** transitions to **An Evening to Connect** with elected officials and candidates 9/27, 2018 at The Rivers Club. The Business Issues Forum is 5:00-6:00 PM. <https://smc.org/event/annual-legislative-reception-2/>
 - *Judy Wojanis and Tom Donoghue will assist at the Business Issues Forum on September 27 from 5:00-6:00 PM.*
 - *Vince Finizio, Eileen Anderson and several others will speak with Henry Horn-Pyatt, Mayor Peduto's office, about building permit regulations.*

IV. Fall Elections – Voter tools and education

- 2018 State Position Papers were sent to candidates and incumbents in SMC's event footprint.
- SMC publicized voter tools for employers to teach their employees about voting and elections.
- Links were created to the PA Prosperity Project and the National Small Business Association.
 - Downloadable posters, flyers and congressional candidate side-by-sides were also included.
- Candidates are invited to An Evening to Connect.

V. Brief YTD progress report on SMC's 2018 state agenda

- **Senate Bill 234 – (ENERGY EFFICIENCY)** It establishes property assessed clean energy (PACE), a means of financing clean energy projects, water conservation projects or alternative energy systems. **SMC ACTION:** Direct lobbying. **WHY IMPORTANT TO BUSINESS:** Owners of apartment buildings, commercial and industrial buildings can spread the cost of upgrading energy systems over a long period of time making it more affordable. **STATUS:** Signed into law by Governor Wolf.
- **House Bill 2017/Senate Bill 1056 – (TAX)** Provides for PA tax code conformance to the new federal Tax Cut and Jobs Act. **SMC ACTION:** Direct lobbying and coalition lobbying with Compete PA. **WHY IMPORTANT TO BUSINESS:** Allows immediate 100% depreciation of assets by PA C Corporations. **STATUS:** Signed into law by Governor Wolf.

- **Senate Bill 936 – (WORKERS COMP)** Provides for a prescription drug formulary. **SMC ACTION:** Direct lobbying and coalition lobbying with the PA Chamber. **WHY IMPORTANT TO BUSINESS:** It would control prescription drug costs and reduce the number of opioid prescriptions. **STATUS:** Vetoed by Governor Wolf. He instead issued opioid prescription guidelines. Now there are 11 guidelines instead of one drug formulary.
- **Proposed Overtime Rule – (LABOR)** It would dramatically change overtime eligibility rules imposed on PA employers and employees by: requiring a wage threshold for “exempt status” that is more than double the current rate set by the federal government; revising the so-called “duties tests” – which are also used to determine eligibility; and establishing an automatic update to the salary threshold every three years beginning in 2023. **SMC ACTION:** SMC, as part of the Regional Advocacy Coalition of Chambers, made comments to the Independent Regulatory Review Commission. **WHY IMPORTANT TO BUSINESS:** If left in place it would increase the cost of labor. **STATUS:** Pending.
- **Minimum Wage – (LABOR)** Governor Wolf signed an Executive Order that will raise the minimum wage for state employees and contractors to \$12.00/hour with raises every year through 2024 when the wage will hit \$15.00/hour. **WHY IMPORTANT TO BUSINESS:** The next administration may push for the adoption of minimum wage increases in the private sector. **SMC ACTION:** Direct lobbying for a very slow, phased in approach to a minimum wage increase that would not disrupt markets. **STATUS:** Monitor.

VI. Other Action Taken by SMC – Non-Legislative

- **South West PA Energy Efficiency Roundtable – (EDUCATION)** SMC is a partner with this new group coordinated by the PA Department of Environmental Protection (DEP). The free, inaugural program is October 9, Air Compressors Energy Efficiency. **WHY IMPORTANT TO BUSINESS:** It is a group that will focus on education related to becoming more energy efficient which relates to SMC’s 2018 legislative agenda.
- **Tax and Energy Efficiency program, June 14 – (EDUCATION)** The Government Relations committee decided that SMCC members should have the advantage of learning about the new federal tax law, The Tax Cut & Jobs Act and energy resources available such as grants, rebates and assessments to help upgrade their facilities.
- **Choosing Wisely Wallet Cards, Five Questions to Ask Your Doctor – (HEALTH)** The goal is to encourage active participation by patients with their physicians. The free card is a way for employers to assist employees in making informed decisions about health care purchases. Key ideas: More health care is not better health care. More expensive care is not higher quality health care. The problem addressed is the overuse of tests and procedures.

VII. Outlook for Legislation and Actions for Consideration – Fall 2018 and beyond.

- **House Bill 333 – (TAXES)** Section 179 for small businesses **SMC ACTION:** SMC lobbies with a coalition formed by the National Federation of Independent Businesses. **WHY IMPORTANT TO BUSINESS:** would allow small businesses to take the full expensing deduction the year an asset

is purchased. The limit would increase from \$25,000 to \$1 million to conform with the new federal tax law. **STATUS:** Action is pending - only 11 voting days in this session before it ends.

- **House Bill 1613 – (HEALTH)** Reauthorization of the PA Health Care Cost Containment Council (PHC4). **SMC ACTION:** SMC has supported PHC4 for years and will continue with direct lobbying. **WHY IMPORTANT TO BUSINESS:** It is a way to help control ever-increasing health care costs. It accomplishes that through the collection and dissemination of data and for public accountability of health care costs. **STATUS:** Action is pending - only 11 voting days in this session before it ends.
- **House Bill 1284 – (WORKFORCE)** Pennsylvania Business Permitting Portal Act within the Department of Community and Economic Development (DCED). **SMC ACTION:** Direct lobbying. **WHY IMPORTANT TO BUSINESS:** This will provide a single, online access point to aid existing and potential business owners in completing the necessary permit applications associated with establishing and operating a business in PA. Currently businesses must separately contact DCED, the Dept. of State, Dept. of Labor and Industry and other various Commonwealth departments. By codifying the portal, it will be a consistent feature rather than changing with administrations. **STATUS:** Action is pending - only 11 voting days in this session before it ends.

VIII. SMC Supported Legislation after 12/31/2018

- **House Bill 1237/Senate Bill 561 – (REGULATIONS)** Economically Significant Regulations legislation would revise the regulatory review process so that the House and the Senate must act to adopt economically significant regulations (those that would cost \$1 million or more), instead of the current process by which the legislature can review and object to regulations, but a governor's signature is necessary to stop them from taking effect. **WHY IMPORTANT TO BUSINESS:** It would help insure that proposed regulations would not cause undue economic burdens on small businesses. **SMC ACTION:** Direct lobbying. **STATUS:** This legislation will die at the end of the fall session and may be reintroduced.
- **HB 1553 – (HEALTH) Surprise Balance Billing** **WHY IMPORTANT TO BUSINESS:** Provides for the protection of consumers (employees) of health care coverage against surprise balance bills for emergency health care services or for other covered health care services when health care services are sought from in-network facilities. **SMC ACTION:** Direct lobbying. **STATUS:** This legislation will die at the end of the fall session and may be reintroduced.
- **House Bill 1840/Senate Bill 963 – (LABOR)** A recent PA Supreme Court decision in the Protz v. Workers' Compensation Appeals Board case threw out Impairment Rating Evaluations (IREs) which have been integral over the last two decades in bringing structure, fairness and stability to the workers' compensation system. IREs are used by physicians - in tandem with guidelines from the American Medical Association - to assess an employee's level of impairment and determine their disability status. **WHY IMPORTANT TO BUSINESS:** This change has increased workers comp premiums for many employers by 6%. **SMC ACTION:** SMC lobbied with the PA Chamber coalition. **STATUS:** This legislation will die at the end of the fall session and may be reintroduced.

IX. Federal Update

- **Supreme Court ruling on the collection of sales tax on internet sales.** Congress can reform sales tax collection and/or the PA Dept. of Revenue may issue revenue guidelines. **WHY**

IMPORTANT TO BUSINESS: Collection of online sales tax may have a detrimental impact on small businesses. **SMC ACTION:** TBD by SMC's national affiliate, the National Small Business Association. **STATUS:** Monitor.

- **President's executive order establishing Association Health Plans (AHPs) and Short-Term Insurance plans**
 - **AHP's** – Stringent rules issued by the PA Insurance Department now make AHP's an unattractive option.
 - **Short term plans** – They can renew for 3 years instead of 3 months. The PA Insurance Department has warned about these skinny plans since they are not required to be ACA compliant.