

---

# WUC

Water Utility Council of the  
PA-Section, American Water  
Works Association (PA-AWWA)



## GOVERNMENT RELATIONS UPDATE

### From Gmerek Government Relations, Inc.

---

212 Locust Street ♦ Suite 300 ♦ Harrisburg, PA 17101 ♦ Phone: 717-234-8525 ♦ Cell: 717-574-3963 ♦ Fax:  
717-234-8812 ♦ Erik A. Ross, Senior Lobbyist ♦ [www.ggrgov.com](http://www.ggrgov.com)

Harrisburg, PA

[eross@ggrgov.com](mailto:eross@ggrgov.com)

July 10, 2016 -- Issue 995

---

*PA- Section, American Water Works Association  
National Association of Water Companies  
Water Works Operators' Association of Pennsylvania*

---

## PA Revenue Department Releases Fiscal Year 2015 - 2016 Collections

**P**ennsylvania collected \$3.1 billion in General Fund revenue in June, which was \$67.2 million, or 2.1 percent, less than anticipated, Secretary of Revenue Eileen McNulty reported on July 5, 2016. Fiscal year 2015-16 General Fund collections totaled \$30.9 billion, which is \$29.9 million, or 0.1 percent, above estimate.

**Sales tax receipts** totaled \$918.2 million for June, \$45 million below estimate. Year-to-date sales tax collections total \$9.8 billion, which is \$29.5 million, or 0.3 percent, less than anticipated.

**Personal income tax (PIT)** revenue in June was \$1.3 billion, \$51.5 million below estimate. This brings year-to-date PIT collections to \$12.5 billion, which is \$201.9 million, or 1.6 percent, below estimate.

June **corporation tax revenue** of \$561.4 million was \$16.2 million above estimate. Year-to-date corporation tax collections total \$5.1 billion, which is \$101.9 million, or 2 percent, above estimate.

**Inheritance tax revenue** for the month was \$110 million, \$8 million above estimate, bringing the year-to-date total to \$962.2 million, which is \$34.7 million, or 3.7 percent, above estimate.

**Realty transfer tax revenue** was \$54.6 million for June, \$3 million above estimate, bringing the fiscal-year total to \$481.7 million, which is \$3.6 million, or 0.8 percent, more than anticipated.

**Other General Fund tax revenue**, including cigarette, malt beverage, liquor and table games taxes, totaled \$127.2 million for the month, \$2.8 million above estimate and bringing the year-to-date total to \$1.4 billion, which is \$18.6 million, or 1.4 percent, above estimate.

**Non-tax revenue** totaled \$29.7 million for the month, \$700,000 below estimate, bringing the year-to-date total to \$643.8 million, which is \$102.5 million, or 18.9 percent, above estimate.

In addition to the General Fund collections, the **Motor License Fund** received \$245.2 million for the month, \$11.2 million above estimate. Fiscal year-to-date collections for the fund – which include the commonly known gas and diesel taxes, as well as other license, fine and fee revenues –

total \$2.7 billion, which is \$22.6 million, or 0.8 percent, below estimate.

The 2015-16 fiscal year General Fund revenue collections reported above are preliminary, pending a final revenue deposit and year-end adjustments.

**Source:** Department of Revenue Press Release, 7/5/2016

## Citizens Advisory Council Meeting Cancellation

The July 19, 2016, public meeting of the Citizens Advisory Council is cancelled. The next regularly scheduled Council meeting will be held on Tuesday, September 20, 2016, at 10 a.m. in the Rachel Carson State Office Building, Harrisburg. The agenda and meeting materials will be available on the DEP web site at [www.dep.pa.gov](http://www.dep.pa.gov) (select "Public Participation," then "Citizens Advisory Council").

Questions concerning the meeting may be directed to Katherine Hetherington-Cunfer at (717) 705-2693 or [khethering@pa.gov](mailto:khethering@pa.gov).

**Source:** PA Bulletin, [7/9/2016](#)

## Small Water Systems Technical Assistance Center Board Meeting Cancellation

The July 13, 2016, meeting of the Small Water Systems Technical Assistance Center Board has been cancelled. The next Board meeting is scheduled for Tuesday, August 30, 2016, at 9 a.m. in the Rachel Carson State Office Building, Harrisburg. The agenda and meeting materials will be available through the Public Participation tab on the Department of Environmental Protection's web site at <http://www.dep.pa.gov>.

Questions concerning the cancellation of the July 13, 2016, meeting or the upcoming August 30, 2016, meeting should be directed to Dawn Hissner,

Bureau of Safe Drinking Water at [dhissner@pa.gov](mailto:dhissner@pa.gov) or (717) 772-2189.

**Source:** PA Bulletin, [7/9/2016](#)

## EQB: Meeting Cancellation

The July 19, 2016, meeting of the Environmental Quality Board is cancelled. The next regular meeting of the Board is scheduled for Tuesday, August 16, 2016, at 9 a.m. in the Rachel Carson State Office Building, Harrisburg. The agenda and materials for the meeting will be available on the Department of Environmental Protection's web site at [www.dep.pa.gov](http://www.dep.pa.gov) (select "Public Participation," then "Environmental Quality Board (EQB)," then "2016 Meetings").

Questions concerning the Board's next scheduled meeting may be directed to Laura Edinger at (717) 783-8727 or [ledinger@pa.gov](mailto:ledinger@pa.gov).

**Source:** PA Bulletin, [7/9/2016](#)

## State Budget Puzzle Just Got \$97 Million Harder, Still Working On Revenue Package

While legislative leadership worked this week to put together the four dimensional puzzle that is a \$1.25 billion+ revenue package, the report came that FY 2015-16 ended with \$97 million less than at least the House Republicans were counting on to balance the budget.

That may not seem like a lot, but with negotiators anywhere from \$100 to \$300 million apart in their discussions, that \$97 million was more than a ripple.

House Republican Leader David Reed (R-Indiana) still maintains they are ready to vote a \$1.25 billion revenue package, as soon as they get agreement from the other Caucuses. \$1.25 billion is what they believe is needed to balance the budget

they passed in [Senate Bill 1073](#) (Browne-R-Lehigh), House Democratic Leader Frank Dermody (D-Allegheny) repeats, a \$1.36 billion revenue package is needed to balance the budget now on the Governor's desk.

All week, options for a gross receipts tax on natural gas, borrowing from this or that state fund with a healthy balance-- the State Workers' Insurance Fund being one, an increase in the bank shares tax and making this or that adjustment to a fee or tax (but not the Personal Income or Sales taxes) were moved on and off the negotiating table.

The trouble with this revenue package puzzle is, as Rep. Reed said last summer, "no one knows what the picture is" and it's hard to finish a puzzle like that. Ask any 5 year old.

There are still four primary sources of revenue on the table--

1. **Expanded Gaming:** \$267 million for expanded gaming in [House Bill 2150](#) (Dunbar-R- Westmoreland) (now in the Senate Community, Economic and Recreational Development Committee, although there are other vehicles in the Senate), authorizing 6 new types of gaming, including iGaming, slots at airports and off-track betting parlors, although that might be changing. Rep. Reed this week waived the addition of video poker machines (\$200 million, maybe) again, even though it was defeated in the House before House Bill 2150 was passed;
2. **Tax Amnesty:** \$129 million for tax amnesty in [House Bill 1888](#) (Quinn-R-Montgomery), now in the Senate Appropriations Committee;
3. **Tobacco Taxes:** \$480 million increase in tobacco taxes, including new taxes on chewing, e-cigarettes and other tobacco products (the cigar exemption remains, maybe), which the House has not acted on yet in a Tax Code bill; and
4. **Liquor Reform:** \$150 million in revenue from the liquor reforms already signed into

law in [House Bill 1690](#) (Turzai-R-Allegheny), a number of some said is an "optimistic" revenue estimate.

To move a revenue package into position, the Senate and House must act on at least Tax Code and Fiscal Code bills which may take a minimum of 1 or 2 days to get to the Governor.

They do have one quick vehicle for the Tax Code:

[House Bill 1198](#) (Barrar-R- Delaware)-- that was part of the FY 2015-16 budget consideration. A conference committee could be set up easily to amend and report out the bill and then it's just an up or down vote in the Senate and House.

There are a whole flock of Fiscal Code bills in various positions in the Senate and House. All they have to do is pick one.

And, of course, there's also that "bipartisan" House pension reform bill: [Senate Bill 1071](#) (Browne-R-Lehigh)-- the Senate non-concurred in on June 23 that could be activated, if there is agreement on new pension language.

But, that's a long shot.

#### Nonpreferred Appropriations Bills Signed

Gov. Wolf Friday signed into law 9 nonpreferred appropriations bills -- House Bills 2175 to 2184-- including: [House Bill 2178](#) (Markosek-D-Allegheny) **State Gaming Fund** ([House Fiscal Note](#) and summary) -- now Act 10A, [House Bill 2179](#) (Markosek-D-Allegheny) **Workmen's Compensation Fund** ([House Fiscal Note](#) and summary)-- now Act 11A and [House Bill 2180](#) (Markosek-D- Allegheny) **Philadelphia Taxicab and Limousine Regulatory Fund** ([House Fiscal Note](#) and summary)-- now Act 12A.

#### What's next?

The House announced it would be in voting session July 10 (4:00 p.m.) and on July 11 and 12 (both at 11:00 a.m.).

The Senate does not expect to return to voting session before Monday, July 11, unless budget legislation is finalized.

Both face a Monday deadline for getting the revenue package to Gov. Wolf for his action. July 11 is the last day the Governor can take action on Senate Bill 1073 to either sign it or line-item veto the bill down to where it matches current state revenues.

We'll just have to wait and see what happens.

**Source:** PA Environmental Digest, 7/10/2016

**#####**

***This newsletter provides general information, not legal advice as to any specific matter. It should not be used as a substitute for appropriate legal advice.***