

## **Milliron and Goodman, LLC Government Relations PSACF Board Meeting Report**

### **Budget**

Governor Tom Wolf presented proposed a \$29.9 billion budget in March. His budget proposal focuses on the theme, “jobs that pay, schools that teach and government that works.”

### ***Sales Tax***

Facing a \$2.3 billion budget deficit, Wolf is proposing to revamp the state’s tax system. Part of his budget proposal could have a serious impact on county fairs. He is proposing that the state sales tax increase from 6% to 6.6% and be expanded to dozens of goods and services currently exempt. The sales tax expansion would apply to amusement and recreational activities, including admission to amusement parks and fairs. Revenue generated from the sales tax expansion and an increase in the personal income tax would be used to pump money into schools and cut property taxes.

House Republicans recently rolled out their own tax plan to lower the property taxes. House Bill 860, sponsored by Rep. Stan Saylor (R-York) and developed by 30 Republican caucus members, would increase the state’s 6 percent sales tax by 1 percent. At this time, it does not expand the sales tax base. Similar to the governor’s plan, it would also increase the state’s 3.07 percent personal income tax to 3.7 percent to provide dollar-for-dollar property tax relief.

The House Republicans plan to move their bill in the coming weeks. While it is a GOP plan, there are some Republicans that want to see a complete elimination of property taxes, which would require additional revenue. Whether they are willing to put up a tax vote for a bill that does not provide for the complete elimination of property taxes remains to be seen. Milliron and Goodman LLC will continue to keep you informed and watch closely for any amendments that could affect county fairs.

### ***County Fair Funding***

As the 2015-16 budget negotiations get underway, Milliron & Goodman is pleased with the preliminary information. As in previous years, we are hearing that county fairs will receive funding from the Race Horse Development Fund. County Fair Caucus members are advocating for \$3 million and an additional \$1 million for grants, but we are cautiously optimistic. We are meeting with key legislators and ask that you continue to contact your legislators on the importance of our fairs and the need for budget dollars.

### **Legislation**

Milliron & Goodman is closely following several legislative proposals. [House Bill 785](#), sponsored by Rep. Mike Hanna (D-Clinton), would limit the fee imposed by public utility companies on seasonal businesses during periods of nonuse of their electric service. While this is a great bill, we do not anticipate much traction since Republicans hold the majorities in the state House and state Senate and this legislation is sponsored by a democratic member.

We are also watching for any amendments to [Senate Bill 352](#), sponsored by Sen. Elder Vogel (R-Beaver). This 168-page bill would amend the Race Horse Industry Act. Specifically, we are looking for any amendments that would affect funding for the county fairs.

Sen. Vogel is also proposing another [bill](#) that we support that would provide for a statewide food safety inspection for mobile retail food facilities. This would allow them to operate statewide without having to pay multiple fees in each county to operate.

As legislation is introduced, Milliron & Goodman will continue to notify you of any bills that could have a significant impact on county fairs.

### **Act 153**

In the wake of the Jerry Sandusky child abuse scandal, legislation was fast-tracked requiring background checks for those having contact with children through work or volunteer capacity. At this time, there are no guidelines from the Department of Human Services and Department of Education. Our initial read and what we are hearing from legislators is that the law does not apply to open public events, including county fairs. With that said, because of the uncertainty, if your fair is being held on school grounds, we suggest contacting the school business administrator or solicitor for advice.

Confusion, clearance backlogs and costs are now prompting lawmakers to consider revisions to provide clarity. Since the law took effect December 31, 2014, lawmakers' offices are being flooded with questions about who exactly is subject to the background checks requirement and when they need to get them. Lawmakers are now working with representatives from the Department of Human Services, Department of Education, and PA State Police to look at possible changes to Act 153 and/or ways to make the checks more efficient and less expensive.

Milliron & Goodman is meeting with key individuals for clarity. We will continue to provide you with information on the law and how it affects you.

### **County Fair Caucus**

The County Fair Caucus officially organized for the 2015-16 Session. Milliron & Goodman is happy to report that we have the participation of 51 members – 44 from the House and 7 from the Senate. The co-chairs of the caucus are Rep. David Milliard (R-Columbia) and Sen. Mario Scavello (R-Monroe). Sen. Mario Scavello is new to the Senate. Previously, he spent over a decade serving as a member in the House of Representatives. He is a great champion of county fairs and works well with Co-Chair Rep. Millard.

### **Reception**

A reception will be held at 5:30 PM on Tuesday, May 12 at the Milliron & Goodman office in Harrisburg. This is a great opportunity for you to connect with your local legislators and members of the County Fair Caucus. We look forward to seeing you there! Additional information is forthcoming.

### **Contact**

If you have any questions regarding our report, please do not hesitate to contact our office at 717.232.5322. We have an open door policy and are always willing to provide advice or any information that you may require.