



PENNSYLVANIA STATE ASSOCIATION OF COUNTY FAIRS

OVERVIEW

Pennsylvania lawmakers headed back to work after a summer break from the Capitol. Both the state House and Senate returned to Harrisburg on September 24. With the election stakes high, there are limited voting session days this fall. In fact, the last voting session day was scheduled for Oct. 17. There are still rumblings that a day or two may be added.

Although the two-year Legislative Session constitutionally ends on November 30, lawmakers have refrained from coming back to session to vote on bills after the November Election. The clock is ticking for the passage of legislation. Among the top priorities for lawmakers this fall were: Child sex abuse reforms; Redistricting reform; Reducing Legislature size (bill died in the House after a long debate); and Domestic Violence Protections. Bills unresolved before November 30 will need to be reintroduced in the new Session, which begins on January 1, 2019.

ELECTIONS 2018

The full Pennsylvania House of Representatives (203) and half of the Pennsylvania Senate (25 – even district numbers) are up for reelection this year. At this time, we do not foresee major shifts in political makeup of Legislature. The state House and Senate will likely remain Republican majorities. Overall, there are 145 races of the 228 seats that are up for election. This is the highest number of election challenges we've had in Pennsylvania. Nearly 30 state lawmakers are not seeking reelection and/or are running for a different seat in 2018. Four incumbent lawmakers – Sen. Randy Vulakovich (R-Allegheny), Rep. Paul Costa (D-Allegheny), Rep. Emilio Vazquez (D-Philadelphia), and Rep. Dom Costa (D-Allegheny) – and Lt. Governor Mike Stack lost their Primary Elections and will not be on the November ballot. State Senator Scott Wagner secured the GOP nomination for governor, setting up an Election Day matchup between him and a fellow millionaire and York Countian Democratic Governor Tom Wolf. In June, Wagner resigned from his Senate Seat to focus on his campaign. There will certainly be new members, new chairmen, and new opportunities and challenges for Pennsylvania's county fairs.

SALES TAX EXPANSION

A six percent sales tax on admissions to amusement parks, fairs and other recreation-type businesses was considered by the state Legislature during past budget negotiations as well as negotiations on property tax relief. Milliron Goodman continues to be actively engaged on this issue. We would like to thank all the fairs that contacted their local legislators on the sales tax issue in the past. Next year Pennsylvania is expected to face fiscal challenges. As lawmakers look for ways to balance the budget or reduce property taxes, we will need your continued support. Taxing affordable family-friendly amusement is counterproductive. If ticket prices go up, more people will choose to stay home. Pennsylvania's fairs, festivals and amusement parks are economic drivers for every community of the Commonwealth. As always, please stay alert for updates.

LEGISLATION

Nearly 4,000 bills have been introduced this Legislative Session. Milliron Goodman continues to work with PSACF's leadership to ensure Pennsylvania's fairs have a voice in the Pennsylvania General Assembly and in the administration. Here's a look at some of the noteworthy bills and issues.

PENNSYLVANIA'S FAIRS FUNDING

The 2018-19 state budget provides \$4 million for Pennsylvania's fairs. We are pleased lawmakers and the Governor continue to recognize the importance of funding Pennsylvania's fairs and thank them for maintaining the funding in this year's budget. We urge you to continue outreach to your local legislators as we head into a new budget cycle.

MOBILE FOOD LICENSING LEGISLATION

The lobbyists at Milliron Goodman are working on language that would address the members' concerns regarding food licensing fees.

As you know, to participate in events throughout the state, some mobile retail food facilities are subject to multiple licensing fees per year. This legislation would address the issue by utilizing the concept of an "operating base location," which is essentially the area where trucks return regularly to restock, clean, etc. Mobile units would be required to pay food licensing fees based on the "operating base location" instead of fees from multiple jurisdictions.

State Rep. Doyle Heffley (R-Carbon) has introduced this legislation as [HB 2518](#). The bill is currently awaiting consideration by the House Agriculture and Rural Affairs Committee. We plan to begin meeting with committee members throughout the fall session, clarify any questions and generate overall support. However, with only nine session days remaining between now and December, we are anticipating a reintroduction of the bill and a heavy push for legislative committee and floor votes next session. The 2019-20 legislative session begins on January 1st, 2019.

TOURISM FUNDING

The 2018-2019 state budget dedicates \$17,839,000 for Marketing to Attract Tourists. After earmarks, the budget level funds the dollars directed to the Pennsylvania Tourism Office at \$4,067,000 for statewide tourism promotion. Less than a decade ago, Pennsylvania was investing \$30 million each year in tourism marketing and promotion. Tourism is a vital part of Pennsylvania's economy. Over the years, state investment in tourism has dwindled.

With limited state dollars, the industry is being challenged to develop a sustainable funding model that doesn't rely on the annual budget. One of the proposals being looked at this Session would require online travel companies (OTCs) – such as Expedia, Orbitz, and Travelocity – to pay the full retail rate on the hotel occupancy tax on transactions booked for hotel stays on their sites. A current loophole in Pennsylvania law allows the OTCs to calculate the hotel tax they remit on their wholesale costs rather than the retail price paid by their customer and the OTCs keep the balance as profit. Closing this loophole is projected to generate nearly \$20 million in new revenue a year for tourism. The bill would direct funds collected from closing this loophole to the Pennsylvania Tourism Office. **House Bill 1511 (Rep. Marguerite Quinn, R-Bucks) passed the State House by a vote of 158-26 and most recently passed the state Senate by a vote of 43-6.** The bill is expected to be sent to the governor's desk before the end of the Session.

Another measure that is being discussed is House Bill 1810. This legislation, sponsored by Rep. Doyle Heffley (R-Carbon), requires online home-sharing and short-term rental companies, such as AirBnB and HomeAway, doing business in Pennsylvania to register with the state and share information with taxing authorities. This

will help the state enforce hotel tax collection laws, further warranting both fair competition across the hospitality industry and accurate hotel tax revenue for the state and counties. ***HB 1810 was passed by the State House and is currently in the Senate Community, Economic and Recreational Development Committee. We expect this discussion/bill to carry over into next Session.***

GRASSROOTS ADVOCACY

At Milliron Goodman, we spend a lot of time emphasizing the importance of getting to know your legislators and more importantly, making sure they know you. Your involvement in the legislative process is crucial to the future success and stability of Pennsylvania's Fairs – whether opposing a tax or advocating for tourism dollars – we encourage you to get engaged.

CONTACT

If you have any questions regarding this legislative update or would like to get engaged in grassroots, please do not hesitate to contact us at 717.232.5322. We have an open door policy.