



BUDGET UPDATE

Democratic Governor Tom Wolf's election-year budget plan will renew battles with the Republican-controlled Legislature over imposing a tax on Marcellus Shale natural gas and increasing the minimum wage. Wolf, who is seeking re-election to a second term this year, wants to spend about \$33 billion in the 2018-19 fiscal year, about a \$1 billion, or 3.1 percent increase. He'd steer more toward schools, with an emphasis on workforce development. His budget plan would rely on about \$250 million from a new Marcellus Shale tax — Wolf's fourth straight attempt to impose one — and \$100 million in savings on human services programs. Administration officials say the savings would come from reduced demand for the services because of an increase in the minimum wage to \$12 an hour, up from the federal minimum of \$7.25. Wolf is also renewing his call for municipalities who use state police to pay extra and he wants funding to put body cameras on troopers. During his [budget address](#), Wolf was in campaign mode and touted his successes over three-plus years. He highlighted increased funding for schools, pension reform, liquor reform, medical marijuana legalization, prison reform, and the opioid fight, as accomplishments. His budget plan does not increase broad-based taxes on Pennsylvanians (i.e. sales or income taxes), and while Republicans were pleased to hear it, they're worried that the proposed spending could lead to tax hikes in the future. Republicans say they'll have to look at where they can try to cut spending in the proposal. Lawmakers have until midnight on June 30 to pass the state budget.

PENNSYLVANIA'S FAIRS FUNDING

Governor Wolf is proposing \$4 million for Pennsylvania's fairs in the upcoming 2018-19 state budget. We are pleased the governor continues to recognize the importance of funding Pennsylvania's fairs and thank him for maintaining the funding in his budget proposal. Over the next few months we will be meeting with key legislators and ask that you contact your local legislators on the importance of funding Pennsylvania's fairs.

DEPARTMENT OF AGRICULTURE LETTER

The Pennsylvania Department of Agriculture sent a letter notifying fairs that funding will be withheld if vendors sell merchandise adorned with the Confederate flag. A response letter is being prepared.

TOURISM FUNDING

Governor Wolf is proposing \$4,067,000 to fund the Pennsylvania Tourism Office in the upcoming fiscal year. 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. "Over the past six years, cuts to the tourism marketing budget have caused our great commonwealth to lose more than 37 million

visitors," Carrie Lepore, Deputy Secretary for Marketing, Tourism and Film, told the Pennsylvania House Tourism Committee in June. "Every dollar 'saved' on marketing has actually cost the state \$3.60 in state tax revenue," she said. There is no doubt that tourism is underfunded. With limited state dollars, the industry is being challenged to develop a sustainable funding model that doesn't rely on the annual budget. Many proposals have been floated throughout the years. One approach that is being discussed is [Senate Bill 721](#). This legislation was the recent subject of a Senate public hearing. It 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.

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 has been and continues to be actively engaged on this issue. We would like to thank all the PASC members that contacted their local legislators on the sales tax issue. 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 each and every community of the Commonwealth. As we head into another budget cycle, please stay alert for updates.

MOBILE FOOD LICENSING LEGISLATION

Milliron Goodman is 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. STATUS: The draft has been reviewed and approved by the attorney as well as the Director of the Bureau of Food Safety and Laboratory Services at the Department of Agriculture. It is currently under review by the Governor's office. Once we receive approval, we can get the bill filed and introduced in the House.

ELECTION 2018

The list of state lawmakers who have announced they won't be seeking re-election is growing. That list now stands at 30. **Not running for re-election in 2018 are:** Rep. William Keller (D-Philadelphia) – DEM Transportation Committee Chairman, Rep. Mike Hanna (D-Clinton), Rep. John Maher (R-Allegheny), Rep. Joe Markosek (D-Allegheny), Rep. Matthew Baker (R-Tioga –

RESIGNED 2/19/18) – GOP Chair of the House Health Committee, Rep. Mark Mustio (R-Allegheny) – GOP Chair of the House Professional Licensure Committee, Rep. Flo Fabrizio (D-Erie) – DEM Chair of the House Health Committee, Rep. Kevin Haggerty (D-Lackawanna), Rep. Adam Harris (R-Juniata), Sen. Stewart Greenleaf (R-Montgomery), Sen. Charles McIlhinney (R-Bucks), Rep. Ron Marsico (R-Dauphin), Rep. Bob Godshall (R-Montgomery), Rep. Kathy Watson (R-Bucks), Rep. Will Tallman (R-Adams), Rep. Harry Lewis (R-Chester), Rep. John Taylor (R-Philadelphia) – GOP Transportation Committee Chairman, Rep. Eli Evankovich (R-Westmoreland), Rep. John McGinnis (R-Blair), and Rep. Curtis Thomas (D-Philadelphia), Rep. Dave Reed (R-Indiana).

Running for a different seat and not seeking re-election are: Rep. Marguerite Quinn (R-Bucks) – Running for state Senate, Sen. Scott Wagner (R-York) – Running for Governor, Rep. Kristin Phillips-Hill (R-York) – Running for state Senate, Rep. Stephen Bloom (R-Cumberland) – Running for US House, Sen. John Eichelberger (R-Blair) – Running for US House, Rep. Judith Ward (R-Blair) – Running for state Senate, Rep. Jim Christiana (R-Beaver) – Running for US Senate, and Rep. Rick Saccone (R-Allegheny) – Running for US House.

2018 SPRING LEGISLATIVE SESSION SCHEDULES

SENATE SPRING SESSION SCHEDULE

<i>March</i>	19, 20, 21, 26, 27, 28
<i>April</i>	16, 17, 18, 23, 24, 25, 30
<i>May</i>	1, 2, 21, 22, 23
<i>June</i>	4, 5, 6, 11, 12, 13, 18, 19, 20, 25, 26, 27, 28, 29

HOUSE SPRING SESSION SCHEDULE

<i>March</i>	12, 13, 14
<i>April</i>	9, 10, 11, 16, 17, 18, 30
<i>May</i>	1, 2, 22, 23
<i>June</i>	4, 5, 6, 11, 12, 13, 18, 19, 20, 21, 25, 26, 27, 28, 29, 30

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. Please get engaged.

CONTACT

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