



PAACC Pennsylvania Update

June 29, 2018

PAACC State Capitol Snap Shot

The House and Senate are on the summer recess having completed the Budget process 8 days early. The Governor signed House Bill 2121 (General Appropriations) as well as the various Code bills to implement the Budget. They are:

- House Bill 1677 – [Human Services Code](#)
- House Bill 1929 – [Fiscal Code](#)
- House Bill 1448 – School [Code](#)
- House Bill 2121 – [General Appropriations](#)

The Pennsylvania Gaming Control Board approved more temporary regulations for sports betting on June 27th. These additional regulations address the following:

- Provisions limiting sports wagering certificate holders ability to employ the services of more than one sports wagering operator licensee or more than one sports wagering website or mobile application.
- A requirement that sports wagering certificate holders or sports wagering operator licensees operating on behalf of sports wagering certificate holders employ the services of a third-party integrity and risk management supplier to assist the certificate holder or a sports wagering operator licensee on behalf of a sports wagering certificate holder licensee in identifying suspicious or illegal sports wagering activities.
- A requirement that sports wagering certificate holders or a sports wagering operator licensees on behalf of a sports wagering certificate holders seeking to offer an interactive sportsbook must have a server or other equipment that is capable of receiving sports wagering bets located within the Commonwealth that conforms with the requirements set forth by the Board.
- Licensing provisions covering sports wagering operators, sports wagering manufacturers, sports wagering suppliers, sports wagering gaming service providers and all individuals seeking to participate in sports wagering in the Commonwealth.

The Governor signed Senate Bill 234, sponsored by Senator John Blake, on June 12th which is now Act 30, 2018. This legislation creates the Property Assessed Clean Energy Program (PACE) to finance energy/conservation projects via assessment.

The Governor signed Senate Bill 1056, which decouples Pennsylvania's CNIT from federal bonus depreciation provisions included in the Federal Tax Cuts and Jobs Act of 2017. This is now Act 72, 2018.

The Senate took action on House Bill 864, sponsored by Representative Mustio. This bill was amended on the Floor to include language to allow nonprofit organizations affiliated with institutions of higher education to operate athletic event drawings during home games of collegiate teams. It also removes the prohibition regarding pools and prohibits distributor licenses for any person convicted of a misdemeanor. Additionally, it provides for e-tab manufacturer reporting requirements. The casino operators opposed that amendment and Senator Tomlinson made a motion to revert to the prior printer number to take out that amendment, which was defeated. The bill was called up for a final vote and it failed. Therefore, Senator Corman had to make a motion to reconsider the vote so the bill would not die. They will address these and they went over the bill.

On June 27th, the US Supreme Court ruled in a 5-4 decision in the Janus vs. AFSCME. It finds union fees in violation of workers' First Amendment rights. The ruling overturns the court's 1977 decision that allowed public sector unions to collect fees from every employee considered part of the collective bargaining unit, even those who did not wish to be members of the union.

The US Supreme Court ruled to close a loophole created in its 1992 Quill Corp. v. North Dakota ruling that said the U.S. Constitution bars states from collecting taxes from vendors that do not have nexus in that state. This ruling in South Dakota v. Wayfair Inc. effectively overturns this and allows states to begin collecting sales tax on online goods, whether or not the business has a physical presence in the state. A spokesperson for the Department of Revenue stated the impact on the Pennsylvania would be modest. This is due to legislation passed last year, which requires businesses who do not have a physical presence and earn at least \$10,000 in sales in Pennsylvania annually to collect sales tax. This is Act 43 of 2017.