

**2018 Legislative Review • 2019 Legislative Priorities**

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HAPPEN**

## LEGISLATIVE REVIEW

### The 2018 Legislative Session

Overall, 2018 was a challenging but successful and active year for PFMA and our members. Thank you for all your help and support. It is essential to our success.

### LEGISLATION SUCCESSFULLY PASSED (as of January 1, 2019)

#### STATE

*Passed*

#### Senate Bill 1172 • Price Gouging Reform

PFMA helped support and pass SB 1172 out of the Senate Veterans Affairs and Emergency Preparedness Committee and the full Senate. The bill, sponsored by Senator Randy Vulakovich of Allegheny County, amends the Price Gouging Act regarding the prohibition on excessive pricing during a state of disaster emergency. SB 1172 passed the House and Senate. Governor Wolf vetoed the bill on Oct. 24, 2018.

#### House Bill 1840 • Workers' Compensation Reform

PFMA supported this legislation, sponsored by Representative Rob Kauffman of Franklin County. The measure would prevent significant increases in workers' compensation insurance premiums that employers will experience as the result of the PA Supreme Court ruling invalidating a provision of PA's 1996 workers' compensation reforms. The House and Senate approved the legislation and it was signed by Governor Tom Wolf on Oct. 24, 2018.

#### Senate Bill 936 • Workers' Compensation Drug Formulary

PFMA was part of a coalition that helped support and secure passage of this bill sponsored by Senator Don White of Indiana County. The bill



creates important reforms by establishing a worker's compensation drug formulary. This bill passed the Senate and House and was ultimately vetoed by the governor.

#### House Bill 1918 • Anti-skimming Device/Fraud Legislation

PFMA helped secure House and Senate passage of legislation sponsored by Representative Kristin Phillips-Hill of York County. The law eliminates and punishes the use of fraudulent credit card devices by criminalizing the use of a scanning or skimming device, the use of a re-encoder, and the possession or sale of a skimming device. The bill was signed into law by Governor Wolf in June 2018. This was a PFMA priority issue.

#### Senate Bill 6 • PFMA Amendment Adopted to EBT/SNAP Access Legislation

PFMA was successful in amending this legislation which deals with SNAP/EBT access to remove a provision that would have prohibited SNAP/EBT usage at establishments that were licensed by the Pennsylvania Liquor Control Board, and the Pennsylvania Gaming Control Board. This would have had a significant negative impact on our members and their customers. This made the legislation much more workable for our members.

**SB 1056 • 100% Bonus Depreciation Provision Added to State Budget**  
PFMA supported, and helped pass with its allies, a provision in the state budget package that would put the state in line with a federal tax change allowing corporations immediately expense 100 percent of a qualifying capital purchase. SB 1056 was initially proposed by Senator Michele Brooks of Mercer County. Governor Wolf signed this provision into law with the budget.

### **Healthy Food Financing Initiative Recapitalization**

PFMA helped secure additional funding for the Healthy Food Financing Initiative/Food Access Initiative in the 2018-2019 state budget. One million dollars in funding was included in the budget.

### **Tobacco Product Sales Preemption Included in HB 1929 (Fiscal Code)**

PFMA, working with its allies, was successful in adding a preemption on tobacco product sales to the budget fiscal code legislation, HB 1929. This brings Philadelphia in line with the rest of the state regarding the sale of tobacco products.

### **SB 888 • PFMA Amendment Adopted to Handicap Parking Measure**

PFMA worked with our allies in the House and Senate to amend this legislation, which makes substantial changes to parking regulations for individuals with disabilities. We were able to amend the legislation to remove a number of harmful provisions and make the bill workable for our membership.

## **LEGISLATION SUCCESSFULLY BLOCKED (as of January 1, 2019)**

PFMA was successful in preventing the ultimate passage of several proposals that would have been detrimental to the interests of our members.

### **Property Tax Reform/Shifting**

Several proposals were introduced this session to reduce or eliminate property taxes. Unfortunately, these proposals included shifting the tax burden to employers and working families in the form of increased and expanded sales taxes and higher personal income taxes. This included an attempt to add the sales tax to warehouse/wholesaler services and operations.

## **FEDERAL**

*Passed*

### **Omnibus Funding Bill Prohibits EBT Processing Fees/EBT Fees**

PFMA helped to include a provision in the omnibus funding bill that would prohibit EBT processing fees. This keeps the issue off the table through Fiscal Year 2019.

### **Farm Bill Passage and Inclusion of Legalized Industrial Hemp**

PFMA helped support efforts on the federal level to include the legalization of industrial hemp in the Farm Bill. These efforts were successful and included in the final version of the Farm Bill.

### **Expansion & Reauthorization of the Healthy Food Financing Initiative (HFFI)**

PFMA helped secure the reauthorization and expansion of the HFFI in the 2018 Farm Bill. PFMA has been a strong supporter of the program since its inception and has supported it at the state and federal levels.



### **Minimum Wage Increases**

Various bills would have increased the state minimum wage from \$7.25-per hour to anywhere from \$9-to-\$15 per hour. Some of these bills would have included automatic increases to the minimum wage tied to inflation/Consumer Price Index.

### **Tobacco and Other Tobacco Products (OTP) Taxes**

No new or increased taxes on tobacco or other tobacco products were enacted. Some discussions took place around adding a new tax to cigars to help plug the budget deficit for 2018-2019.

## PFMA Leadership Team

The mission of the Pennsylvania Food Merchants Association is to improve the public image, effectiveness and profitability of companies providing products and services in agriculture production, consumer education, consumer packaged goods, food retailing, and wholesale food distribution.



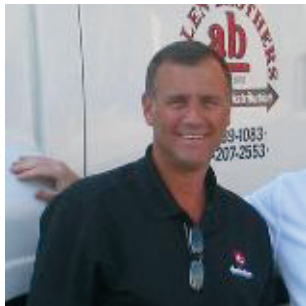
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Distribution



**Joe Fasula**

Legislative Committee Co-Chair  
Co-Owner  
Gerrity's Supermarkets

## PROGRESS MADE ON PRIORITY ISSUES

(as of January 1, 2019)

### STATE

#### Changes to the SNAP Disbursement Schedule

PFMA worked to adjust the SNAP disbursement schedule to allow for a staggered approach in providing benefits to recipients across the Commonwealth. Currently recipients receive their benefits in the first ten days of the month. PFMA was successful in helping to convene and participated in a Senate Majority Policy Committee Hearing on the issue. Also, PFMA had legislation introduced, SB 568 by Senator David Argall of Schuylkill County and HB 877 by Representative Tarah Toohil of Luzerne County, to address this issue. The legislation was approved in a House Committee and was scheduled for a final vote in the full House when the session ended. The legislation will be reintroduced next legislative session.

#### House Bill 861 • Local Labor Policy Preemption (Paid and Unpaid Leave)

PFMA helped pass out of committee, HB 861, sponsored by Representative Seth Grove of York County, which preempts local governments from passing labor policies. The legislation will be reintroduced next session for further advocacy.

#### House Bill 2241 • Sugar-Sweetened Beverage Tax Preemption Legislation

PFMA supported HB 2241 sponsored by Representative Mark Mustio of Allegheny County which would preempt local taxation of sweetened beverages in PA and prohibits any municipality from levying such a tax while invalidating the current soda tax in Philadelphia. This bill was approved in a House Committee but was not called for a vote in the full House



### House Bill 2071 • Bulletproof Glass Preemption Legislation

PFMA supported and helped pass out of the House this legislation sponsored by Representative Todd Stephens of Montgomery County, which would preempt municipalities from putting in place bulletproof glass or other protective measures for their customers' and employees' safety. The legislation passed the House but eventually died in the Senate. It will be reintroduced next session for further action.

### FEDERAL

#### Passage in U.S. House of Common Sense Nutrition Disclosure Act, H.R. 772

PFMA supported and helped its national partners pass the Common Sense Nutrition Disclosure Act of 2017. The bill changes Food and Drug Administration labeling requirements for nutritional information displayed by restaurants, convenience stores, grocery stores, and pizzerias. The bill is sponsored by Rep. Cathy McMorris Rodgers of Washington State.

#### H.R. 620, the Adults with Disabilities Act (ADA) Education and Reform Act

PFMA supported this bill which would require that any civil action

brought claiming a violation of the ADA include enough specificity to identify the actual problem or alleged barrier to access. It also provides a time period during which the business could remedy the situation. The bill passed the U.S. House in February 2018. The bill is sponsored by Rep. Ted Poe of Texas.

#### Cole-Bishop Amendment (FDA deeming regulations)

PFMA helped support inclusion of legislation by the U.S. House Appropriations Committee to add a revised version of the Cole-Bishop Amendment to the Agriculture and Rural Development Appropriations bill. The amendment language would change the predicate date (or grandfather date) under the FDA's deeming regulations for cigars and pipe tobacco, exempt premium cigars from regulation under the Family Smoking Prevention and Tobacco Control Act (the law that grants the FDA the authority to regulate tobacco products), create a substantially equivalent application method for pre-market tobacco application approved products, and apply additional restrictions on approved products. The amendment is sponsored by Rep. Tom Cole of Oklahoma and Rep. Sanford Bishop of Georgia.

## FOODPAC REPORT (as of January 1, 2019)

Below are the year-end totals for each of PFMA's three Political Action Committees (PACs). Thank you to all of our members who supported these efforts in 2018. It is crucial that we continue to build these resources for important state, federal, and local elections in 2019. If you have not already contributed, please consider giving to one or all of our PACs.

Donate here:

<https://pennsylvaniafoodpaassoc.wliinc20.com/PAC/PAC-donation.aspx>

**FEDERAL:**            \$16,916.21

**STATE:**                \$2,758.48

**PHILADELPHIA:**    \$3,453.27



## 2019 STATE LEGISLATIVE & REGULATORY PRIORITIES

### WE SUPPORT

#### Alcohol Wholesale and Retail Sales Reform

PFMA supports updating state alcohol sales and distribution laws to allow our members to sell and merchandise adult beverages (beer, wine, and spirits) in any quantity, at any register, and in the aisles of their stores, as well as working toward the creation of new licenses for interested retailers. We also support creating a competitive market-based wholesale distribution system for delivery and purchase of products by retailers.

#### HB 299 • Change/Extend SNAP Distribution Schedule

PFMA supports House Bill 299, sponsored by Representative Tarah Toohil, which would adjust the SNAP distribution schedule to allow for a uniform distribution period during which recipients would receive their monthly benefits. Currently, recipients receive their benefits in the first ten days of the month. Legislation has been introduced by Representative Toohil to address this issue. Senator David Argall plans to introduce similar legislation in the Senate.

#### Vape/E-cigarette Formula Change

PFMA supports legislation to establish a five-cent-per-fluid milliliter tax on consumable vapor products. This is a change from the current 40% tax on these products. PFMA supported SB 508, sponsored by Senator Bartolotta, and HB 1477, sponsored by Representative Wheeland, which would eliminate the 40% wholesale tax and replace it with a five-cent per milliliter retail tax on e-liquid. We will support efforts this session aimed at achieving the same goal.

#### Philadelphia Sugar-Sweetened Beverage Tax Repeal and Preemption

PFMA supported efforts pursued last session by Senator Scavello and Representative Mustio to repeal the Philadelphia Sugar-Sweetened Beverage Tax. The legislation would also preempt all municipalities from trying to enact a similar tax or fee. Legislation will again be introduced this session to address the issue.

#### Price Gouging/Emergency Declaration Reform Legislation

PFMA supports Senate Bill 139, sponsored by Sen. Judy Ward, which would update the Price Gouging Act and emergency declaration process to benefit consumers and businesses alike. These changes were encompassed in SB 1172 from last session sponsored by Senator Vulakovich.

#### VGT/Gaming Legislative Changes

PFMA supports changes to the recently approved gaming expansion legislation in 2017 that would allow easier access to qualified VGT retail establishments. This includes clarification of parking requirements and diesel gallonage requirements as well as reimbursement for facility buildouts. Also, PFMA would support an increase in the profit rate that truck stops/retailers can secure from their gaming operations.

#### Regulatory Reform

PFMA supports efforts to reform and streamline the regulatory landscape on the state level. This includes rescinding any harmful regulations that are currently in place and preventing new and harmful regulations from being enacted.

### WE OPPOSE

#### Increasing the State Cigarette Tax or Instituting New/Additional Taxes on Other Tobacco Products (OTP) or E-cigarettes

PFMA opposes any proposed increases to the state cigarette tax as well as the implementation of new taxes on e-cigarettes and other tobacco products. These taxes were increased in 2016.

#### State Sales Tax Rate Increase and Base Expansion

PFMA opposes any attempt to raise the state sales tax from 6% or expand the base to additional products.

#### New Government-Mandated Statewide Paid/Unpaid Leave

PFMA opposes any statewide paid or unpaid leave law. PFMA supported SB 128 (Sen. Eichelberger) and HB 861 (Rep. Grove) last session, which would prohibit municipalities from passing such mandatory leave

ordinances. We will support similar efforts this session as legislation is introduced.

### **Property Tax Elimination/Tax Shift:**

PFMA opposes the elimination of property taxes, which would require a dramatic increase in the personal income tax and sales tax.



## **2019 FEDERAL LEGISLATIVE & REGULATORY PRIORITIES**

### **WE SUPPORT**

#### **Repeal/Reform of Menu Labeling (Common Sense Nutrition Disclosure Act)**

PFMA supports efforts to further delay, simplify or eliminate the menu-labeling rule contained in the Affordable Care Act. PFMA also supports the Common Sense Nutrition Disclosure Act to help address some issues related to the menu labeling rule.

#### **Tax Reform, Retail Glitch Fix**

PFMA supports comprehensive tax reform for individuals as well as small and large businesses. We are in favor of correcting a drafting error in the legislation that makes retailers ineligible to receive the benefit of 100% expensing for qualified improvement property.

#### **Patent Reform**

PFMA supports legislation aimed at addressing the issue of baseless patent suits brought on by so-called “patent trolls.”

#### **Healthy Food Financing Initiative (HFFI)**

PFMA supports efforts to improve and increase access and funding for the HFFI. This is a national program modeled off the very successful program in Pennsylvania which helps provide support and investment for food merchants looking to address the issue of food deserts.

#### **Regulatory Reform**

PFMA supports efforts to reform and streamline the regulatory landscape on the federal level. This includes rescinding any harmful regulations that are currently in place, and preventing new and harmful regulations from being enacted.



## WE OPPOSE

### New Government-Mandated Paid and Unpaid Leave Ordinances

PFMA opposes new mandated paid and unpaid leave policies by the federal government. We believe our members are best equipped to make decisions regarding leave policies for their companies and employees.

### National Sugar-Sweetened Beverage/Soda Tax

PFMA opposes any attempt at levying a federal/national soda or sugar-sweetened beverage tax.

### New Taxes on Tobacco and Other Tobacco Products

PFMA opposes additional taxes on cigarettes and new taxes on other tobacco products imposed by the federal government.

### Changing the Point of Obligation for Renewable Fuel Standards Program

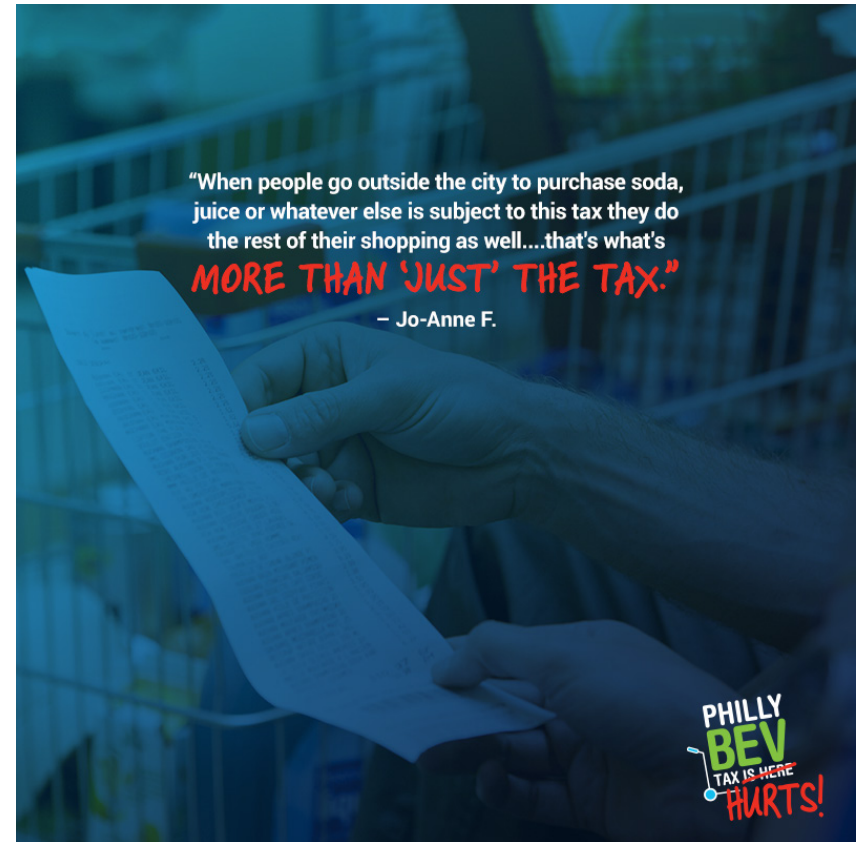
PFMA opposes changing the point of obligation from its current position under the Renewable Fuels Standard Program.

### SNAP Cuts or Restrictions on Product Choice

PFMA opposes cuts to the Supplemental Nutrition Assistance Program (SNAP), and restricting choice by recipients on which products they can purchase with their SNAP dollars.



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