



Fall- Winter 2019

PROTECTION THROUGH LEGISLATION THROUGH EDUCATION

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The Bulletin

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Erie Unit to Host 2020 Convention, June 5-8

The Erie County Federation of Clubs invites one and all to the 81st annual PA Federation of Fraternal & Social Organizations Convention. The Convention will be held in the Erie Area June 5-8, 2020, at the **Country Inn & Suites, 8050 Peach St. Erie, PA. Room cost is \$99.00 per night plus tax.** You must make your own reservation by calling the hotel at **814-866-5544** and indicate that you are with PFFSO (Erie County Clubmen's Association) in order to get the group rate.

Reservation deadline is **April 30, 2019.** Rooms are also reserved for Thursday arrivals. The hotel offers free hot breakfast, WiFi, fitness center, outdoor pool, microwave and refrigerator in each room. Several restaurants are located in the area. The cost to register for the convention is **\$25 per person**, including guests. This is SEPA-RATE from the room rate, and the awards banquet. Banquet tickets can be purchased for \$20. For more details, contact **Karen Skarupski, (814) 456-3246.**

2020 Convention Schedule

Friday - June 5th, 2020

- 12 noon - 4:00 pm** Registration - Hospitality Suite – Country Inn and Suites by Radisson
 - 4:00 pm - 6:30 pm** Hospitality Suite Open
 - 6:30 pm** Bus departs Days Inn for V.F.W. Post 470
 - 7:00 pm** Dinner and Cash Bar – V.F.W. Post 470
 - 7:30 pm** Directors' Meeting, Committee Meetings – V.F.W. Post 470
 - 9:00 pm** Bus departs for Country Inn and Suites
- Hospitality Suite Open till Midnight**

Saturday - June 6th, 2020

- 8:00 am** Bus departs Days Inn for Knights of St. John
- Coffee and doughnuts**
- Convention Business Meeting**
- 9:00 am** Guests depart

11:30 am of St. John	Guests return to the Knights
12:00 noon of St. John	Lunch Served at the Knights
1:00 pm <i>(continues if necessary)</i>	Convention Meeting
	Bus departs for Club Tour:
	Polish Falcons Nest
123	
ty	Society of Holy Trinity
4:00 pm and Suites	Bus returns to Country Inn
5:30 pm ers Club	Bus departs St. Francis Ush-
6:00 pm	Happy Hour (Cash Bar)
7:00 pm Prizes	Banquet Dinner, Awards and
9:30 pm and Suites	Bus returns to Country Inn
	Hospitality Suite Open

Senate Law and Justice Committee Discusses Liquor Code Amendment Legislation

The committee held an informational hearing October 29 on consumer convenience reforms to Act 39 of 2016, as well as [Senate Bill 548](#), [Senate Bill 880](#), [Senate Bill 916](#), [Senate Bill 896](#), and [House Bill 1617](#).

Chairman Patrick Stefano (R-Fayette) explained the purpose of the hearing was to learn how Pennsylvania is currently doing in regards to the commonwealth's liquor laws, how the commonwealth can improve, and how suggestions can be implemented. He stressed the importance of Pennsylvania's role in balancing consumer

convenience with responsibility and safety. "In the wake of Act 39, which made historical steps to reform the way we deliver alcohol, many stakeholders believe that the alcohol policy in Pennsylvania is out

of balance," he asserted. He listed some of the issues that were brought to his attention, including a lack of retail expansion for the spirits, a need for restaurant licenses (R licenses) in certain areas, and consumer convenience reform.

Sen. Gene Yaw (R-Lycoming), prime sponsor of **Senate Bill 548**, explained that the legislation intends to expand consumer convenience for the sale of spirits. He noted beer and wine sales have already had increased consumer convenience and retail availability changes, and the goal of the bill is to do the same for spirit sales. The expansion will bring increased revenue for the Pennsylvania Liquor Control Board (PLCB), he remarked. He emphasized the bill is **not a privatization strategy** and will maintain PLCB's control. Sen. Yaw compared Pennsylvania's store count to other states and reiterated that more spirit stores will result in more spirit sales and more revenue. Wine sales have gone up after Act 39, but not spirit sales, he indicated. Sen. Yaw highlighted the main aspects of his bill, including requiring PLCB to create a franchise store system to increase retail outlets, increasing incremental revenues to the commonwealth by stabilizing PLCB's financial status, and retaining the current state store system. Current wine expanded retail permit holders can automatically become franchisees, he continued, and the board will establish standards for determining new franchisees. He went on to discuss fees, explaining the intent is to have an application fee of \$750 and a cost of \$3,000 for the franchisee, followed by a fee of a percentage of sales.

Chairman Stefano, prime sponsor of **Senate Bills 880 and 916**, explained Senate Bill 880 aims to allow wine expanded retail permit holders to sell spirits, while Senate Bill 916 allows beer distributors to sell spirits. He asserted both industries are already capable of responsibly selling alcoholic beverages and are regulated accordingly. He remarked beer distributors have contacted him about being left behind following reforms, and his bill intends to help them catch up.

Sen. Mike Regan (R-Cumberland/York), prime sponsor of **Senate Bill 896**, highlighted his bill and said it addresses the dead license auction system by allowing for an annual statewide excess auction and allowing for winning bid payments within six months rather than two weeks. He commented that some areas do not have enough licenses available for bidding while other areas have too many licenses. Additionally, small businesses are not able to keep up with the

two-week payment deadline as larger businesses can. The bill will address both issues, he asserted.

Rep. Craig Staats (R-Bucks), prime sponsor of **House Bill 1617**, explained hotels that obtained hotel licenses (H licenses) before 1949 are unable to sell or transfer their licenses because their licenses are tied to the location. The bill allows for the conversion of an H license to an R license with requirements of good standing with PLCB and a fee of \$30,000, he stated. Philadelphia is not included in the legislation due to the city's number of licenses, he added.

Neil Cashman, government affairs coordinator, Independent State Store Union (ISSU), asserted that "alcohol is the most widely used and abused drug in the nation" and comes with serious health-related harms. He stated, "Alcohol is not an ordinary commodity and it should not be treated as one." Studies have shown that as alcohol availability increases there is a corresponding increase in alcohol-related problems, he continued, adding, "Researchers agree that making alcohol easier to purchase will lead to increased consumption and an increase in a host of social and health problems." Because of this, ISSU is concerned with the bills being proposed, he said.

Regarding R license restrictions, Cashman explained a "customer convenience permit" would allow for removal of seating requirements, additional registers for beer and wine purchases, beer and wine sales for off-premise consumption, larger amounts of beer and wine available for individual sales, and wine and beer products being placed anywhere in the store. He argued the seating requirement provision will facilitate "stop and go" operations throughout the commonwealth, which the legislature previously took steps to curb by providing PLCB with enforcement authority. Additionally, allowing for alcohol product placement anywhere in the store increases risks of shoplifting by minors, he said.

Regarding House Bill 1617 and Senate Bill 896, Cashman explained ISSU supports the concept of the bills but wants additional restrictions. He stated, "We would suggest licenses transferred under the bill be limited to 'on premise' sale of beer and malt beverages and would be ineligible for a **wine expanded permit (WEP)**." The provision is similar to provisions in Act 57 of 2019, he noted.

Cashman asserted **ISSU is "adamantly opposed" to Senate Bills 548, 880, and 916**. He reiterated in-

creased alcohol outlets result in increased social and health harms and argued that while the bills are labeled as addressing consumer convenience, corporate profits are driving them. "The only way the expansion of outlets proposed under the bills could survive financially is to have current drinkers drink more or turn non-drinkers into drinkers. Neither scenario represents a sound public policy," he affirmed. While the spirits industry believes they are at a disadvantage, he commented, parity through consumer convenience exacerbates the problem rather than solves it.

Wendell Young, president, United Food and Commercial Workers (UFCW) Local 1776 Keystone State, thanked the committee for involving stakeholders in the discussion of potential legislation that alters the liquor system. He said **UFCW is opposed to Senate Bills 548, 880, and 916, but has no position on House Bill 1617 and Senate Bill 896**. He continued by saying the organization opposes lessening restrictions for grocery stores with R licenses and WEPs, including removal of designated registers, licensed areas for alcohol product placement, and seating requirements. UFCW represents retail grocery employees that are opposed to the proposals, he noted.

Young continued by stating, "All of these bills are designed to do one thing: lead to the eventual full privatization and elimination of the retail and wholesale operations of the PLCB." He opined this is bad policy and that the current system provides family-sustaining jobs at no cost to taxpayers, contributes millions of dollars, ensures safe retail sales, and leads in alcohol education, enforcement, and collaboration. He argued the current system is an asset that should be strengthened rather than limited.

Young remarked the current proposals are designed to benefit industry and business stakeholders and will turn "your constituents' public asset" into "retailers' private profit." This will lead to a loss of revenue for a number of services and public education, a loss of thousands of jobs at a cost to taxpayers, higher resource demands for Liquor Control Enforcement officers, and transition costs, he continued. He urged committee members to oppose proposals that weaken PLCB and to instead strengthen the current system.

Sen. Regan asked Cashman if this means he believes a responsible adult should not have reasonable access to alcoholic beverage. Cashman disagreed and asserted the current system is reasonable and responsible, but the expansion of retail locations is not. Regarding previous meetings on the topic, Sen. Regan stated

there was pushback on previous attempts to give beer distributors beer, wine, and liquor. Young remarked he opposed that and would oppose if the same were suggested for PLCB "for convenience." He reiterated research supports his testimony and that there is "not one peer-reviewed published research paper" that shows otherwise.

Sen. Christine Tartaglione (D-Philadelphia) inquired why retail grocery employees are opposed to the proposals. Young noted cigarettes are kept locked up behind counters in stores because stores "can't control it." Otherwise, cigarettes were at constant risk of being shoplifted. He related a story of how he was almost stabbed trying to stop someone from stealing cigarettes and that common policy is to not stop shoplifters due to the risk. He outlined the risks and difficulties employees face in preventing shoplifting and dangerous customers, asserting UFCW members "don't want to be in the line of fire." The same situations don't occur in state stores, he opined, and he questioned why the current system should be changed.

Sen. Yaw remarked that both testimonies make it sound like "we should return to Prohibition." Young opined that he believes he has been consistent in saying the current system is a "well-controlled, responsible environment to sell alcohol" that has the best balance and results. He asserted he has not said the system should go back to Prohibition.

Sen. Williams went on to discuss **dead liquor license auctions**, emphasizing he supports moving licenses out of Philadelphia and into other areas of the commonwealth as long as the process is transparent. He asserted regulations are in place for a reason and that bars, taverns, and restaurants have problems with maintaining responsible consumption. He reiterated support for expanding spirits as long as it is done outside of Philadelphia.

Minority Chairman James Brewster (D-Allegheny) remarked on Act 39 and increasing locations for "mind-altering" products. He indicated increasing locations will unintentionally reduce control and that he is not in favor of legislation that supports this. The bills will lead to "**de facto privatization**" by forcing state stores to close because they can't compete, he opined. He illustrated the negative effects that can occur with outsourcing and opined some of the bills "go the opposite direction" of job creation. The conversation should be about whether profits should come from outside sources or the state

system, he said, and how jobs can be maintained. He questioned, "Doesn't anybody else in this room care about 35,000 people not having a job tomorrow?" He asserted a product that needs control will lose control and jobs will be lost, but the state will still receive revenue. Concluding, Chairman Brewster noted he has not received complaints about state stores and encouraged continued discussions and collaboration on the topic.

Sen. Judy Ward (R-Blair) indicated Young testified before the House Liquor Control Committee on September 10 and, when Rep. DeLissio had asked whether Act 39 impacted UFCW employment, he responded there was no impact "in terms of numbers of employees." She questioned how increased spirit outlets will be "the beginning of the end for your members" if 12,000 new wine outlets did not impact job numbers. Young answered there was an impact and that Act 39's benefits had trade-offs. He pointed to increased discounts as an example of decreased state revenues but outlined provisions of Act 39 that helped offset the problems resulting from the legislation. Sen. Ward clarified she was referring to employees and not revenue. Young responded it is necessary to understand the economics of PLCB to understand why employee counts changed.

Sen. Ward commented Pennsylvania has archaic liquor laws and that the panel's testimony seems to be against updating laws to make them more convenient. She emphasized the goal is to address convenience and that "if we listen to you, I think we should close our liquor stores and we should start ordering our products online or go into border states to purchase our alcohol." Constituents have expressed frustration with the liquor laws, she noted.

Chairman Stefano referenced a letter to the editor Young sent that expressed opposition to Act 39 because of the loss of revenue and questioned how much revenue has been lost since Act 39 was enacted. Young remarked PLCB has testimony they submitted to appropriations meetings with the numbers and asserted "the trend line has dropped by two to two-and-a-half percent per year." PLCB isn't losing money and provisions in Act 39 helped offset losses, he clarified, but they are making less.

Chairman Stefano referred to the letter again, citing the letter said **PLCB produced \$584 million in taxes, profits, and transfers in fiscal year 2015-16**. However, Chairman Stefano said Young's testimony said PLCB produced \$750 million this year and inquired

how there is a loss in revenue. **Chris Naylor, UFCW Local 1776**, explained the revenue is driven by request from the governor's office. PLCB has reserved funds to meet the request, he added, and he referred to provisions in Act 39 that helped offset losses. Chairman Stefano highlighted a new four-year contract accepted by PLCB for UFCW members that will cost around \$40 million. He questioned how to pay for the contract "without cannibalizing" current transfer amounts. Young opined it is a "good contract" with good benefits and that PLCB is projected to meet numbers. PLCB pays for expenses without taxpayer dollars and is projected to continue to do so, he added. Chairman Stefano asked how it is possible to defer on a downward trajectory. Young clarified he did not say there is a downward trajectory, just that it is down from where it was before while still being a positive trajectory.

David Wojnar, vice president of state government relations, Distilled Spirits Council of the United States (DISCUS), thanked Rep. Pyle for a previous meeting with stakeholders on the topic. He highlighted the previous panel's testimony on outlet density and indicated he is not an expert on the topic and will not try to address it because it would be a disservice. He explained DISCUS works with states to help them innovate and meet market demands in the industry. Act 39 was good progress, he stated, but expressed support for expanding outlets as 600 stores is not enough to serve demand, particularly for rural areas. Three of the proposed bills will supplement and augment the current system, Wojnar explained, but will not privatize it. He asserted there is room to grow in the industry for Pennsylvania and more outlets are needed to maximize assets. Without this, he opined, there is a dependency on flexible pricing. Concluding, he called for transparency, predictability, and stability to the process.

Chairman Brewster referenced Wojnar's testimony where he said no state stores closed and inquired how increased competition did not have a negative impact on state stores. Wojnar responded that it is due to politics. None of the legislation called for closing of state stores, he noted, and that the issue is in the hands of the legislature. Chairman Brewster highlighted the possibility of expanding state stores to accommodate needs. Wojnar stressed the process does not matter as much as the goal to expand access responsibly and serve consumers.

Sen. Williams asked if this means Wojnar would be supportive of Pennsylvania expanding the state store process. Wojnar said yes, if there is legislation to allow PLCB to claw back revenue. Sen. Williams said

a budget is needed, not a law, and that money used to fill holes in the state budget can be invested into more outlets, which would lead to more revenue. Sen. Williams remarked on a section of Wojnar's testimony where he said PLCB would agree to certain ideas for increased access opportunities and questioned if Wojnar believes PLCB should be here. Wojnar responded he should not have spoken on behalf of PLCB. Sen. Williams went on to ask why Wojnar discredited the former testifiers because of a lack of qualification. Wojnar responded one of the testifiers cited studies that are not in the testifier's level of expertise. Sen. Williams noted Wojnar said it was not his expertise either. Wojnar agreed and stated that is why he did not discuss it. Sen. Williams asserted Wojnar did. Sen. Williams noted that while he himself is not an expert on outlet density, he has anecdotal commentary he could provide, and that the other testifiers could provide that as well. He called for investments in responsible access and testimony on the issue.

Sen. Tartaglione questioned what Wojnar was referring to with "claw back revenue." Wojnar answered it is phraseology that means revenue generated can be used for more stores. Sen. Tartaglione highlighted the use of **flexible pricing in Act 39** to offset money lost to grocery stores. Wojnar responded he is not sure about that since flexible pricing was discussed before Act 39's enactment. Sen. Tartaglione restated its purpose was to offset money lost. Wojnar said he could not speak to that as he was not involved in conversations occurring before Act 39.

Chairman Stefano inquired what effects recent reforms in control states had on product sales and state revenues. Wojnar referenced West Virginia's passage of Sunday sales and privatization threats in Oregon. There has been a need for innovation and opening of more stores in control states, he stated. Chairman Stefano asked what categories of alcohol have the most overlap. Wojnar indicated beer and wine are sold concurrently. Chairman Stefano questioned if Wojnar can quantify revenue lost to "border bleed." Wojnar stated there are estimates of \$200 to \$250 million lost. Wojnar commented the organization has invested money and work in responsibility efforts, and that they have a team of scientists that study the issue. Sen. Williams noted the gaming and tobacco industries have the same and that it does not necessarily solve problems. However, he expressed his support for the organization's efforts and future collaboration.

Mick Owens, restaurant owner and chair of the **Pennsylvania Restaurant and Lodging Associa-**

tion's (PRLA) Alcohol Service Committee, expressed **support for Senate Bill 896 and House Bill 1617**. The bills resulted from the work of a taskforce dedicated to licensing concerns and the industry's future, he stated. "The committee determined that if action is not taken to start making changes to the Liquor Code that reflect the changing marketplace, independent restaurants will become obsolete," he asserted. While the taskforce developed broad, long-term changes, it also established short-term changes to current license structures as "the best immediate path forward." There are enough licenses currently, Owens affirmed, but they required adjustments to fit the changing market. **PRLA opposes the creation of new licenses**, which will occur if adjustments are not made, he cautioned. Owens summarized Senate Bill 896 and House Bill 1617, and he opined the bills are "a step forward in making reasonable changes to the current licensing structure that reflects the new reality we are all operating in." He encouraged committee members to support the bills.

Ted Mowatt, executive director, **Pennsylvania Federation of Fraternal and Social Organizations (PFFSO)**, explained PFFSO represents nearly 500 clubs and non-profit service organizations, many of which hold liquor licenses. Many clubs have experienced problems with recruiting and retaining members and cannot keep pace with the needs of aging facilities. Despite these issues, other licensees have enjoyed expansion in the products they can sell, including beer, wine, and spirits, while clubs have held static. "Package reform has mostly excluded clubs, with only relatively minor tweaks to our ability to serve our members and their guests, while bars, restaurants and distributors down the street have been given far wider latitude on how and to whom they serve," he affirmed. Additionally, new competition in grocery stores and gas stations has seen protections and rules to help growth, but the same has not been given to clubs. Mowatt remarked the bills being discussed do not benefit club licensees, and asked for "attention be given to the effect that these expansions have on the one category of licenses that have a community, rather than for-profit, mission."

Sen. Williams referenced stop and go stores and reiterated he is supportive of moving licenses out of Philadelphia. He called for creativity in financing mechanisms and maintaining responsibility in the process, as well as involving PLCB in discussions. Owens noted liquor licenses currently cannot be transferred between counties and that the legislation being discussed today would be the first test of this. Licenses would have to be accepted by local communities, he noted.

Chairman Stefano inquired about the balance of demand and value in regards to licenses. Owens asserted the bill the taskforce developed is the best solution the organization could come up with. He voiced his support for using licenses currently available first and not flooding the market unnecessarily. Creation of new licenses can be looked at after the current ones are used, he added. Chairman Stefano asked about the economics of freeing up licenses and passing them on to entrepreneurs. Owens remarked entrepreneurs are responsible stewards that will "make the most of what they can." The expensive pricing of licenses is a deterrent for bad actors, he added.

Sen. Williams voiced his concerns with issues involved in the private sector versus state stores and indicated that while he is supportive of transferring licenses, he is cautious about the involvement of entrepreneurs. Owens indicated his organization is supportive of licenses being taken away from bars that are designated as "nuisance bars."

Colleen Church, public policy liaison, the **Foundation for Advancing Alcohol Responsibility**, explained her organization is dedicated to alcohol responsibility and reducing drunk driving. She stated her son was killed by a drunk driver in 2004 and that she works to prevent the same thing from happening to other families. Most alcohol involved in underage drinking is obtained by family and friends and not retail stores, she affirmed, and research shows no correlation between increased outlets and drunk driving. She indicated the best approaches to preventing drunk driving include driving while intoxicated (DWI) courts, ignition interlocks, high visibility enforcement, education, sobriety checkpoints, administrative license suspension, graduated penalties for repeat offenders, and prevention of underage drinking. She highlighted certain programs in Pennsylvania that are models for other states, including the Target 25 program and Students Against Destructive Decisions (SADD). Sen. Tartaglione thanked Church for sharing her story and the work the foundation does.

Chairman Stefano thanked Church for her testimony and questioned how she would grade Pennsylvania's efforts in combatting underage drinking and drunk driving. Church responded Pennsylvania is one of the top states and is a model, particularly with programs that work with judges and assessments. Stefano referenced statistics showing progress in reducing drunk driving and asked if alcohol outlets have increased or decreased during that period of time. Wojnar indicated there is a trend of stores increasing.

Chairman Stefano noted an increase in the number of stores selling wine and beer and asked if issues in

drunk driving have increased or declined during that time. Church said she is not able to answer.

Chairman Stefano asked how Pennsylvania compares to national trends in how underage drinkers obtain their alcohol. Church said Pennsylvania is the same. Chairman Stefano asked if this despite government control and limited access to outlets. Church said yes.

Chairman Stefano asked what percentage of youth buy alcohol illegally. Church said she does not have that information. Chairman Brewster stated that while underage drinkers acquire the alcohol from family or friends, the question is also where the family or friends got the alcohol. He asserted the goal is to find the root cause of the issue and that states stores provide a secure process. He opined it is questionable whether expansion of sales means more money and whether or not it is safer is even more questionable. Church indicated her testimony contains links to more information, particularly on correlation. She emphasized education is essential. Chairman Stefano asked if the data on how youth obtained their alcohol came from surveys and whether the surveys asked students where they got the alcohol or when they got it. Church said the surveys probably asked where but that she could provide him with that information.

Chairman Stefano concluded by stressing the importance of achieving parity and responsibly serving consumers. He affirmed his intention to learn more about stop and go stores and noted Act 39 showed responsible expansion. He expressed his hope for continued collaboration on the topic.

House Gaming Oversight Committee Holds Hearing on SGOC, Skill Games Bill

The committee held a hearing October 30 on **House Bill 1598**. The bill amends the Local Option Small Games of Chance Act, providing for games of chance permitted, for prize limits and for sales limited, providing for pull-tab deals, for distributor licenses, providing for **skill machine** distributor licenses, further providing for registration of manufacturers, providing for registration of skill machine manufacturers, further providing for regulations of department, providing for regulations of board, further providing for licensing of eligible organizations and for special permits and providing for special location permits, for vertical wheel game permits and for poker run permits; in club licensees, repealing provisions relating to club licensee, providing for definitions and for club licensee, further providing for distribution of proceeds and providing for club licensee location permits; in enforcement, further providing for revocation

of licenses and for enforcement; and, in tavern gaming, further providing for definitions, for licenses, for application, for approval, for prize limits, for tavern raffle, for distribution of net revenue, for tavern games tax, for host municipality tavern games tax and for restricted receipts account, providing for skill machine revenue and further providing for enforcement and for prohibitions.

Rep. Dan Moul (R-Adams) explained that this legislation has been in the process of being drafted for "many years" and makes several changes to the Small Games of Chance Act. He noted that it eliminates the weekly prize limits, simplifies the license renewal process, adds new games, allows clubs to retain more small games revenue, reduces licensing costs, and allows for skill game machines for those who hold a small games of chance license.

Kevin O'Toole, executive director, Pennsylvania Gaming Control Board (PGCB), explained that the board is the primary regulatory agency for forms of gaming in the commonwealth and has oversight of online fantasy sports contests and video gaming terminal (VGT) truck stop gaming. He noted that **"games of skill" do not fit the definition of gambling and are therefore not regulated by the board**. He remarked that the distinction between games of chance and games of skill was established by the Pennsylvania Supreme Court because gambling is not a defined term under the Pennsylvania Crimes Code. O'Toole asserted that if the outcome of a game has a 51 percent or greater attribution to chance, it is considered gambling. He emphasized that unauthorized gambling activities are illegal under Title 18 of the Pennsylvania Code.

O'Toole stated that Act 42 of 2017 inserted language to the Gaming Act to define "skill slot machine" and "hybrid slot machine" and to permit those machines to be placed in licensed casinos. He remarked that there is a **lack of clarity as to whether or not use of such machines in other facilities is legal**. O'Toole noted that with respect to House Bill 1598, the board supports removing the Bureau of Investigations and Enforcement (BIE) from tavern gaming background investigations. He also remarked that House Bill 1598 creates funding issues as it applies to the background and licensing functions required under the legislation. O'Toole stated that the board supports changing the renewal period in House Bill 1598 from annually to five years and commented that the bill's standards for skill-based games are "illusory."

Rep. Ed Neilson (D-Philadelphia) asked whether skill-based slot machines were defined in Act 42 of 2017. R. Douglas Sherman, chief counsel, PGCB,

He remarked that there is not a vetting process for skilled games and opined that a majority of small games of chance are already vetted because the owners of those have liquor licenses.

Rep. Russ Diamond (R-Lebanon) asked if PGCB had information from other states who may have dealt with similar issues. O'Toole responded that he does not have that information. Diamond asked what the payout would be for skilled games. O'Toole stated that the board would need to conduct research and would require a submission to see how the machine operates to ensure that the machine operates in the expected manner through the testing process. Rep. Diamond asked if the process would be similar to what is used for games of chance. O'Toole stated that the standards would need to be met so that the payout percentage is not affected by whether the machine offers a progressive payout and would establish that each machine is an independent unit. Rep. Diamond asked if the board foresees difficulty in testing a game of skill because of the necessity of having skilled testers. O'Toole responded that engineers and statisticians could test using their own skill with the "presumption" that hand-eye coordination required for the game is known in advance.

Major Scott T. Miller, director of the Bureau of Liquor Control Enforcement, Pennsylvania State Police (PSP) remarked that illegal gambling is growing in Pennsylvania and has expanded to convenience stores and shopping malls. He noted the problems of illegal gambling include a lack of consumer protection for the minimum payout to the player, use of machines by minors, and lack of documentation of tax reporting of winners. Maj. Miller explained that illegal gambling results in an economic loss to legalized gambling and lottery. He estimated that skill games generate over \$500 per week per machine and could possibly generate as much as \$52 million per year through the use of 2,000 machines. He noted that PSP is aware that one operator of these devices has over 10,000 functioning machines in Pennsylvania. Maj. Miller remarked that the Small Games of Chance Act restricts weekly prize amounts to \$35,000. He stated that the PSP has issued citations to 13 licensees for exceeding weekly prize amounts over the past two years. He commented that there is no set definition of a skill game, which is an industry term and does not refer to small games of chance. Maj. Miller noted that slot machines include hybrid slot machines, which use both chance and skill, and skill-based slot machines, which primarily use skill. He asserted that there is a pending Commonwealth Court decision to determine how Title 4 applies to those devices.

Maj. Miller stated that slot machines are already defined in **Title 18 of the Pennsylvania Crimes Code**. He commented that if the General Assembly expands legalized gambling, there would be impacts to the logistics of enforcement. He concluded his testimony by remarking that the PSP asks the General Assembly to "provide clarity to the law" to assist business owners in their compliance and expand the efficiency of law enforcement's efforts to investigate and prosecute illegal gambling.

Rep. Tim O'Neal (R-Washington) asked why the PSP is not doing more to stop the operation of skill gaming machines. Maj. Miller noted that a company that previously testified before the committee is currently a defendant in a pending case. He described cases against other manufacturers and expressed his hope that the pending decision in the Commonwealth Court will result in clarity once the opinion is issued.

Rep. Neilson asked about the status of the pending Commonwealth Court case. Maj. Miller responded that there is no timeline for the case and noted that there is also a relevant case pending before an administrative law judge.

Rep. Neilson asked about organizations receiving more than the payout for small games of chance. Maj. Miller stated that it is important to recognize compliance with the Small Games of Chance Act and opined that embezzlement from social organizations is "devastating" to a community.

Rep. Gary Day (R-Lehigh) asked if the PSP is concerned with money laundering. Maj. Miller responded that some convenience stores have built on an entire room to set up a gambling operation and opined that PSP has seen "supervised loan sharking." Rep. Day asked if the PSP has access to staff or attorneys who can review current Pennsylvania law to determine what assistance the General Assembly can provide to aid in illegal gambling enforcement efforts. Maj. Miller stated that the PSP has consulted with legal counsel. He asserted that the definition of a slot machine in the Crimes Code is problematic and needs to be incorporated into Title 4 from Title 18 of the Pennsylvania Code. Rep. Day asked the PSP to forward their concerns to the committee. Maj. Miller stated that the PSP would assist in any way they can to help provide clarity in the law.

Minority Chairman Scott Conklin (D-Centre) asked the cost to the commonwealth for removal and storage of illegal slot machines. Maj. Miller stated that the PSP seizes traditional slot machines and

builds extra facilities to store the machines. He stressed that there are many challenges in presenting the case before the court and opined that this is because of the subjectivity regarding the 51 percent term for defining games of chance.

Rep. Mehaffie asked if a conviction for illegal gambling would impact a liquor license. Maj. Miller stated that during the renewal process, the Pennsylvania Liquor Control Board (PLCB) will examine the conviction when determining renewal. He noted that the **PLCB has issued a notice to all license holders advising them that illegal gambling convictions will be taken into consideration during the renewal process.** Rep. Mehaffie asked if a licensed area would be impacted if illegal gaming is found in an unlicensed area of an establishment. Maj. Miller responded that if the establishment was owned by one owner, then there would be an impact.

Rep. Mehaffie asked about the evidence of illegal casinos. Maj. Miller stated that PSP is seeing them across the state but has not conducted any seizures related to that activity. He stressed that there are multiple manufacturers in Pennsylvania that are continuing to add the games. "Prosecuting illegal gambling cases is an extremely expensive and lengthy legal process," Maj. Miller said.

Committee **Chairman Jim Marshall (R-Beaver)**, asked if the mini casino that is illegal is different from a category four casino. Maj. Miller noted that the mini casinos prosecuted are not authorized by the PGCB and are illegal.

Chairman Marshall asked if the PSP has an opinion about increasing the penalties from a misdemeanor to a felony related to illegal gambling. Maj. Miller stated that anything that can be done to increase deterrence would be supported by the PSP.

Ted Mowatt, executive director, Pennsylvania Federation of Fraternal and Social Organizations, explained that the organization he represents is a statewide association of 500 social clubs, veterans clubs, and non-profits, most of which hold liquor licenses. Mowatt stated that "many" clubs have been forced to find other ways to attract new members because current revenues are not sufficient to fund the clubs. He noted that some clubs have taken advantage of the skill games over the past several years. He asserted that because of lack of guidance, clubs are receiving mixed messages from the PSP and from the skill game manufacturers and vendors. Mowatt noted that clubs "remain legitimately concerned that adding the skill games machines will impact the small games of chance sales." Though he expressed confusion at

the placement of skill games under the Local Option Small Games of Chance Act in House Bill 1598, Mowatt noted his support of Rep. Moul's efforts to provide clarity through his legislation.

Tom Helsel, secretary, Pennsylvania Association of Nationally Chartered Organizations (PANCO), explained that the organization he represents is comprised of lodges and posts and includes the American Legion. He noted that members of the organization provide charitable works to local communities and raise funds through small games of chance, bingo, and chicken barbeques. Helsel asserted that his organization has worked with legislators to improve and enhance the members' ability to provide funding for local communities and offered his support of House Bill 1598. Helsel remarked on the "positive initiatives" of the bill, including the removal of the \$35,000 weekly limit for small games of chance, the addition of authorized games, and the placement of skill games under the Local Small Games of Chance Act. He also noted his organization's support of the addition of special permits for club licensees.

John Getz, adjutant/quartermaster, Pennsylvania Department of Veterans of Foreign Wars (VFW), offered support of legislative efforts to "open VGTs to non-profit clubs to be separate from other small games of chance legislation." He remarked that he advises the members of his organization that the operation of skill games in clubs is illegal. Getz noted his organization's support of the language in House Bill 1598 that increased the weekly allowance for small games of chance. He concluded his testimony by emphasizing how the VFW posts donate to the community for those who are battling cancer and shattered by accidents and natural disasters, as well as to first responders, non-profits, and food pantries.

Kit Watson, department adjutant, Pennsylvania American Legion, clarified that the Pennsylvania American Legion has not belonged to PANCO for over 10 years. He asserted that small games of chance are "a vital part of our organizations" and noted that proceeds from those games go back into the community. He emphasized the need to have skill games addressed through a "standalone bill."

Rep. Neilson noted that the commonwealth gets 60 percent of the slot machine's profit. He asked about the maximum prize limits and the percentage of clubs that reach the maximum. Watson responded that the size of clubs varies and noted that member clubs do not report to a central location. Getz stated that "some larger clubs" reach the \$35,000 weekly limit. Rep.

Moul stated that he belongs to five clubs and asserted that the percentage of those that go over the \$35,000 limit is relative to the size of the club. He noted that one of the clubs has five skill games and remarked that none of the profits from those goes back to the community.

Rep. Neilson stated that 60 percent of money from the skill games is going to the vendor. Rep. Moul noted that funds from the skill games are not included in the proceeds of small games of chance, where 60 percent goes to the community. He stated that some clubs which reach the \$35,000 limit allow other non-profits to sell small games of chance and assess a fee to do that.

Rep. Moul questioned, **"Why would we want to limit the amount of money a club can produce to give back to the community?"**

Mowatt noted that his organization has some members who reach the \$35,000 limit. He opined that the PSP has better things to do than worry about how much clubs are raising for charity.

2020 Starts with Resignations, Retirements and Special Elections

January began the second half of the 2019-2020 Session and began with ceremonial days for housekeep items including re-electing Joseph Scarnati as Senate President Pro Tempore and setting the process for to fill vacancies of legislators who won seats for other elected office in November.

Speaker Turzai set March 17th as the date for special elections to fill seats left by Representatives Tedd Nesbit (R-Mercer) and Justin Walks (R-Westmoreland) who both won Judgeships and Representative Gene DiGirolamo who won election as Bucks County Commissioner. The House also has a special election on February 25th to fill the seat left vacant by the resignation of Movita Johnson-Harrell (D-Phila) who pled guilty to several criminal charges and the Senate has a new member, David Arnold (R-Lebanon) who was elected on January 14th to fill a seat left vacant by the resignation of Mike Folmer due to his arrest on child porn charges.

January also saw quite a few legislators announcing that they will not seek re-election, including current Speaker Mike Turzai. Other retirements are:

Rep. Stephen Barrar (R-Delaware)
Rep. Thomas Caltagirone (D-Berks)
Rep. Garth Everett (R-Lycoming)
Rep. Matt Gabler (R-Clearfield)
Rep. Neal Goodman (D-Schuylkill)

Rep. Marcia Hahn (R-Northampton)
Rep. Mark Keller (R-Perry)
Rep. Bill Kortz (D-Allegheny)
Rep. Steve McCarter (D-Montgomery)
Rep. Thomas Murt (R-Montgomery)
Rep. Harry Readshaw (D-Allegheny)
Rep. Justin Simmons (R-Northampton)
Rep. Mike Tobash (R-Schuylkill)
Rep. Marcy Toepel (R-Montgomery)

Dave Arnold Sworn in to Senate to Complete Folmer Term

Former Lebanon County DA **Dave Arnold** was sworn in to serve the 48th Senatorial District on January 29. Arnold will serve out the term of former Sen. Mike Folmer, who resigned last year after being arrested on child porn charges. Arnold's addition restores the Senate Republicans' 28-21 majority, with Independent Senator John Yudichak also sitting with the Republicans. Later in the day of his swearing in, Arnold's committee assignments were announced. He will serve on the Senate Finance, Education, State Government, Game and Fisheries, and Intergovernmental Operations Committees. The 48th district includes all of Lebanon county, a swath of Dauphin County, and parts of northern York County.

Legislative Activity

The following bills of interest to clubs have been acted upon by the General Assembly since the last Bulletin.

HB 375 RE: PACE Program Income (by Rep. Neal Goodman, et al)

Amends the State Lottery Law, in Pharmaceutical Assistance for the Elderly, stipulating that "income" does not include any state veterans' benefit payments.

PFFSO Position: Support

Reported as committed from Senate Appropriations Committee, 10/21/2019

HB 376 RE: Volunteer Emergency Responder Tax Credit (by Rep. Clint Owlett, et al)

Amends the Tax Reform Code adding a new article establishing the volunteer emergency responder tax credit. Authorizes a tax credit for a member of a volunteer emergency service organization who purchases fire equipment with personal income. Establishes that a volunteer emergency responder who purchases equipment with the volunteer emergency responder's personal income may claim a tax credit of up to \$500.

PFFSO Position: Support

Reported as amended from House Finance Committee, read first time, and laid on the table, 10/21/2019

Removed from the table, laid on the table, 1/7/2020

[HB 759](#) RE: [Fire Department Reimbursements](#) (by Rep. Cris Dush, et al)

Amends Title 35 (Health and Safety), in emergency management services, providing for emergency response payment. The bill establishes that a person involved in an emergency that necessitates an official dispatch of a fire company shall be liable for the actual and reasonable response costs incurred by the fire company for services rendered unless the person has: paid a tax which funds at least part of the fire company's services to the municipality in which the fire company is located, or paid a subscription to the fire company.

PFFSO Position: Support

Reported as amended from House Veterans Affairs & Emergency Preparedness Committee, read first time, and laid on the table, 9/18/2019

**Removed from the table, 10/22/2019
Laid on the table, Removed from the table, 1/13/2020**

[HB 859](#) RE: 911 Emergency Communications Program (by Rep. Stephen Barrar, et al)

Amends Title 35 (Health and Safety) adding language providing for additional reporting requirements related to integrated 911 emergency communications program. Also adds a new chapter establishing the Nonprofit Security Grant Fund as a special fund in the State Treasury. Provides the grant program shall be administered by the Commission on Crime and Delinquency to provide funding for security enhancements to nonprofits that are exempt organizations as defined by the Internal Revenue Service. The fund shall expire July 1, 2024 and the remainder of the legislation will take effect immediately.

PFFSO Position: Support

**Reported as committed from Senate Appropriations Committee, 10/21/2019
Amended on Senate floor, 10/22/2019**

Read third time, and passed Senate, 10/23/2019 (48-0)

**Received as amended in House and rereferred House Rules Committee, re-reported as committed from House Rules Committee, and House concurred in Senate amendments, 10/28/2019 (192-4)
Approved by the Governor, 11/7/2019 (Act No. [83](#) of 2019)**

[HB 947](#) RE: [Consistency Among Craft Industry Hours](#) (by Rep. Peter Schweyer, et al)

Amends the Liquor Code, in licenses and regulations, liquor, alcohol and malt and brewed beverages, further providing for hours of operation relative to manufacturers, importing distributors and distributors; and, in distilleries, wineries, bonded warehouses, bailees for hire and transporters for hire, further providing for distilleries. The bill outlines the hours during which certain alcoholic beverages can be sold. Breweries and distilleries would be permitted to sell for on-premises consumption between the hours of 9 a.m. and 12 a.m. Monday through Saturday and 9 a.m. until 11 p.m. on Sunday.

PFFSO Position: Neutral

**Reported as committed from Senate Appropriations Committee, 10/21/2019
Amended on Senate floor, 11/18/2019**

Read third time, and passed Senate, 11/19/2019 (48-1)

Received as amended in House and rereferred to House Rules Committee, Re-reported on concurrence as committed from House Rules Committee, and House concurred in Senate amendments, 11/20/2019

Signed in the House and in the Senate, 11/20/2019

Approved by the Governor, 11/21/2019 (Act No. [86](#) of 2019)

[HB 1048](#) RE: Licensing Surcharge (by Rep. Jerry Knowles, et al)

Amends the Liquor Code, in licenses and regulations for liquor, alcohol and malt and brewed beverages, further providing for sale of malt or brewed beverages by liquor licensees. The legislation indicates an application for renewal or validation of application for a licenses for a national veterans' organization or volunteer fire company shall not be subject to the ap-

plication surcharge.

PFFSO Position: SUPPORT, with amendment to include Social clubs

Reported as committed from House Liquor Control Committee, read first time, and laid on the table, 9/19/19 Removed from the table 9/24/2019

Read second time, and rereferred to House Appropriations Committee, 9/25/2019

Read third time, and passed House, 10/21/2019 (199-0)

Received in the Senate and referred to Senate Law and Justice Committee, 10/25/2019

[HB 1234](#) RE: [Restoring Workers Compensation as the Exclusive Remedy for all Work Related Injuries](#) (by Rep. Jim Cox, et al)

Amends the Workers' Compensation Act, in liability and compensation, further providing for the definitions of "injury," "personal injury" and "injury arising in the course of his employment," providing for diseases with long latency periods between occupational exposure and manifestation of the disease and further providing for liability. The bill states that notwithstanding the limitation otherwise provided with respect to disability or death resulting from an occupational disease having to occur within 300 weeks after the last date of employment in an occupation or industry to which a claimant was exposed to the hazards of disease, claims filed for any disease for which the time period between exposure to the hazard of disease in the workplace and manifestation of disease is greater than 300 weeks must be filed within 300 weeks of the date on which a claimant is diagnosed with the disease or the disease is detectable. Portions apply retroactively.

PFFSO Position: Neutral

Reported as amended from House Labor and Industry Committee, read first time, and laid on the table, 10/29/2019

Removed from the table 10/30/2019

Read second time, and rereferred to House Appropriations Committee, 11/18/2019

Reported as committed from House Appropriations Committee, 11/19/2019

[HB 1279](#) RE: Expanding [Wine Sales](#) (by Rep. Natalie Mihalek, et al)

Amends the Liquor Code, in licenses and regulations,

liquor, alcohol and malt and brewed beverages, further increasing the sale of wine for off-premise consumption to 6,000 milliliters of wine.

PFFSO Position: Neutral

Reported as amended from House Liquor Control Committee, read first time, and laid on the table, 12/18/2019

[HB 1406](#) RE: [Special Occasion Permits](#) (by Rep. Ryan Bizzaro, et al)

Amends the Liquor Code, in licenses and regulations relating to liquor, alcohol and malt and brewed beverages, permitting organizations operating in conjunction with an eligible special occasion permits entity to collect and manage the revenue so long as the eligible entity is the primary host of the event and the funds raised are being used for a charitable purpose.

PFFSO Position: SUPPORT

Introduced and referred to House Liquor Control Committee, 9/12/2019

[HB 1512](#) RE: [PLCB Flexible Pricing Repeal](#) (by Rep. Jesse Topper, et al)

Amends the Liquor Code, in Pennsylvania Liquor Control Board, further providing for general powers of board. The intent of the bill is to eliminate flexible pricing.

PFFSO Position: No position

Reported as committed from House Liquor Control Committee, read first time, and laid on the table, 9/19/2019

Removed from the table, and laid on the table, 12/10/2019

[HB 1522](#) RE: [Reducing Barriers for Junior Firefighters](#) (by Rep. Torren Ecker, et al)

Amends the Child Labor Act removing the requirement that a minor must successfully complete Department of Conservation and Natural Resources training before engaging in any firefighting activities.

PFFSO Position: Neutral

Reported as committed from Senate Labor and Industry Committee, and read first time, 10/29/2019

[HB 1542](#) RE: [Special Occasion Permit](#) (by Rep. Stan Saylor, et al)

Amends the Liquor Code authorizing any eligible entity to obtain a special occasion permit for nine consecutive or non-consecutive days throughout the year in addition to 10 consecutive days. Allows third parties working in conjunction with a special occasion permit holder to collect and manage funds raised using a special occasion permit if the holder is primary host of the event and funds raised are used for the benefit of the permit holder. Amends definition of "eligible entity." Effective in 60 days.

PFFSO Position: Neutral

Reported as committed from House Liquor Control Committee, read first time, and laid on the table, 9/19/2019

Removed from the table, amended on House floor, read second time, and rereferred to House Appropriations Committee, 9/25/2019

Reported as committed from House Appropriations Committee read third time, and passed House, 10/21/2019 (199-0)

Received in the Senate and referred to Senate Law and Justice Committee, 10/25/2019

Reported as amended from Senate Law and Justice Committee, read first time, 11/18/2019

Read second time, and rereferred to Senate Appropriations Committee, 11/19/2019

Reported as committed from Senate Appropriations Committee, 11/20/2019

Read third time, and passed Senate, 11/21/2019 (49-0)

Received as amended in House and rereferred House Rules Committee, 11/21/2019

Re-reported on concurrence as committed from House Rules Committee, and House concurred in Senate amendments, 12/17/2019 (195-0)

Approved by the Governor, 12/27/2019 (Act No 116 of 2019)

HB 1589 RE: Performing Arts Facility Liquor Hours (by Rep. Steve Samuelson, et al)

Amends the Liquor Code, in licenses and regulations, liquor, alcohol and malt and brewed beverages, establishing a ten o'clock antemeridian in the sales by liquor licensees, public venue licensees and performing arts facility licensees.

PFFSO Position: No position

Reported as committed from House Liquor Control Committee, read first time, and laid on the table, 9/19/19 Removed from the table, 9/24/2019

Amended on House floor, read second time, and

rereferred to House Appropriations Committee, 9/25/2019 Reported as committed from House Appropriations Committee, read third time, and passed House, 10/21/2019 (196-3)

Received in the Senate and referred to Senate Law and Justice Committee, 10/25/2019

HB 1598 RE: Skill Games Small Games of Chance (by Rep. Dan Moul, et al)

Amends the Local Option Small Games of Chance Act, in preliminary provisions, further providing for definitions; in games of chance, further providing for games of chance permitted, for prize limits and for sales limited, providing for pull-tab deal, further providing for distributor licenses, providing for skill machine distributor licenses, further providing for registration of manufacturers, providing for registration of skill machine manufacturers, further providing for regulations of department, providing for regulations of board, further providing for licensing of eligible organizations and for special permits and providing for special location permits, for vertical wheel game permits and for poker run permits; in club licensees, repealing provisions relating to club licensee, providing for definitions and for club licensee, further providing for distribution of proceeds and providing for club licensee location permits; in enforcement, further providing for revocation of licenses and for enforcement; and, in tavern gaming, further providing for definitions, for licenses, for application, for approval, for prize limits, for tavern raffle, for distribution of net revenue, for tavern games tax, for host municipality tavern games tax and for restricted receipts account, providing for skill machine revenue and further providing for enforcement and for prohibitions.

PFFSO Position: SUPPORT

Public hearing held in House Gaming Oversight Committee, 10/30/2019

HB 1617 RE: Conversion of Old Hotel Liquor Licenses (H Licenses) into Restaurant Liquor Licenses (R Licenses) (by Rep. Craig Staats, et al)

Amends the Liquor Code, in general provisions applying to both liquor and malt and brewed beverages, further providing for limiting number of retail licenses to be issued in each county.

PFFSO Position: Opposed

Reported as amended from House Liquor Control Committee, read first time, and laid on the table, 10/21/19

Removed from the table, read second time, and rereferred to House Appropriations Committee, 10/28/2019

Reported as committed from House Appropriations Committee, read third time, and passed House, 10/29/2019 (183-16)

Received in the Senate and referred to Senate Law and Justice Committee, 10/31/2019

PFFSO Position: OPPOSE

Introduced and referred to House Gaming Oversight Committee, 3/25/2019

[HB 1673](#) RE: [Volunteer Firefighters Length of Service Award Program](#) (by Rep. Frank Farry, et al)

Amends Title 35 (Health & Safety), in volunteer firefighters, establishing definitions for commissioner, length of service award program and volunteer fire company; providing that funding is for the assistance to volunteer firefighters, including necessary training, recruitment, and retention of volunteer firefighters; and to establish and pay for length of service award programs. The legislation provides that the commissioner shall publish eligible uses of funding; receive inquiries from fire services on eligible uses of money and, in consultation with the Fire Safety Advisory Committee, make a determination on the eligible use of money on the equipment or service; and maintain authority relating to the eligible uses of funding received.

PFFSO Position: SUPPORT

Reported as committed from House Veterans Affairs & Emergency Preparedness Committee, read first time, and laid on the table, 9/18/2019

Removed from the table, 9/25/2019

Amended on House floor, read second time, and rereferred to House Appropriations Committee, 10/22/2019

Reported as committed from House Appropriations Committee, read third time, and passed House, 10/23/2019 (196-0)

Received in the Senate and referred to Senate Veterans Affairs & Emergency Preparedness Committee, 10/31/19

[HB 1705](#) RE: [Tax Credits for Volunteer First Responders Legislation](#) (by Rep. Matt Gabler, et al)

Amends Title 35 (Health & Safety), in incentives for municipal volunteers of fire companies and nonprofit emergency medical services (EMS) agencies, expanding the definition of governing body to include

the governing body of a school district, authorizing school districts to enact a tax credit against the property tax liability of active volunteers of a fire or EMS company, and increasing the current property tax credit allowance from 20 percent of an active volunteer's liability to 100 percent of their tax liability.

Reported as committed from House Veterans Affairs & Emergency Preparedness Committee, read first time, and laid on the table, 9/18/2019

Removed from the table, 9/25/2019

Read second time, and rereferred to House Appropriations Committee, 10/21/2019

Reported as committed from House Appropriations Committee, read third time, and passed House, 10/22/2019 (200-0)

Received in the Senate and referred to Senate Veterans Affairs & Emergency Preparedness Committee, 10/31/19

[HB 1717](#) RE: Pennsylvania Office of Faith-Based and Nonprofit Community Organizations Act (by Rep. Jim Cox, et al)

Establishes the Pennsylvania Office of Faith-Based and Nonprofit Community Organizations within the Governor's Office. The office will be a point of contact for organizations to receive information, assistance, and referrals related to faith-based and nonprofit community organization programs within state government. The office shall assist in identifying and applying for federal grants, facilitating or providing grant writing training, organizational development, and technical assistance to help organizations increase capacity of services. The legislation also establishes the Pennsylvania Advisory Commission on Faith-Based and Nonprofit Community Organizations to identify community programs, best practices and obstacles for faith-based and non-profit community organizations.

PFFSO Position: Support

Introduced and referred to House State Government Committee, 9/12/2019

[HB 1757](#) RE: Continuing Education Pilot Program for Certified Public Accountants Assisting Volunteer Firefighter Organizations (by Rep. Rosemary Brown, et al)

Amends the CPA Law establishing the Continuing Education Pilot Program for Certified Public Accountants Assisting Volunteer Firefighter Organizations. A certified public accountant may earn up to 40

hours of continuing education requirements in the pilot program. The pilot program shall expire after four years. A certified public accountant may not be charged a biennial renewal fee, and each hour earned may be used towards renewal of a license and may not be used for reactivation of a license. The legislation further requires that a certified public accountant may only review the financial statements and records of a volunteer firefighter organization, and may not perform an audit. Oversight of a certified public account shall be conducted by a continuing professional education program sponsor.

PFFSO Position: Support

Introduced and referred to House Professional Licensure Committee, 8/30/2019

HB 1773 RE: [First Responder Tuition Assistance](#) (by Rep. James Struzzi, et al)

Amends Title 35 (Health & Safety), in emergency management services, establishing Chapter 79B regarding tuition assistance for active volunteers; and establishing the Active Volunteer Tuition Assistance Program and Active Volunteer Tuition Assistance Fund. An individual shall be eligible to receive tuition assistance if the individual is a resident of Pennsylvania; is an active volunteer; has participated in not less than 30 percent or, if the individual was enrolled as a student in a high school or in an approved program of education at an approved institution of higher learning within the one-year period before the individual submitted an application to the agency for tuition assistance, not less than 15 percent of a volunteer organization's activities within the one-year period established; is enrolled in an approved education program; accepts an obligation to serve as an active volunteer for at least one year prior to enrollment and five years after completing an approved education program; has signed a promissory note; and is in good standing with the volunteer organization. The legislation includes provisions regarding the promissory note, amount of tuition payments, recoupment of tuition assistance payments, service records, administrative costs, the Active Volunteer Tuition Assistance Program Fund and regulations. The Active Volunteer Tuition Assistance Program shall take effect July 1, 2020, or immediately, whichever is later; tuition assistance and the amount of tuition payments shall take effect August 1, 2020, or immediately, whichever is later; and the remainder of the act shall take effect immediately.

PFFSO Position: NO position

Introduced and referred to House Veterans Af-

fairs & Emergency Preparedness Committee, 8/30/2019

Reported as committed from House Veterans Affairs & Emergency Preparedness committee, read first time, and laid on the table, 9/18/2019

Removed from the table, 10/21/2019

Amended on the House floor, read second time, and rereferred to House Appropriations Committee, 10/22/2019

Reported as committed from House Appropriations Committee, read third time, and passed House, 10/23/2019 (196-0)

Received in the Senate and referred to Senate Veterans Affairs & Emergency Preparedness committee, 10/31/2019

HB 1778 RE: [Food Handling Legislation](#) (by Rep. Karen Boback, et al)

Amends Title 3 (Agriculture), in food protection, further providing for retail food facility and employee cleanliness by requiring notice to be posted that reminds food preparation employees of food handling requirements.

PFFSO Position: No position

Introduced and referred to House Agriculture and Rural Affairs Committee, 8/30/2019

HB 1786 RE: [First Responder Loan Forgiveness Program](#) (by Rep. Chris Sainato, et al)

Amends Title 35 (Health & Safety), in incentives for municipal volunteers of fire companies and nonprofit emergency medical services agencies, establishing the First Responder Loan Forgiveness Program to be administered by the Pennsylvania Higher Education Assistance Agency to provide up to \$16,000 in debt forgiveness for individuals who serve in eligible positions for four years. The provisions establishing the program take effect July 1, 2020, and the remainder takes effect immediately.

PFFSO Position: SUPPORT

Introduced and referred to House Veterans Affairs & Emergency Preparedness Committee, 8/30/2019

Reported as amended from House Veterans Affairs & Emergency Preparedness Committee, read first time, and laid on the table, 9/18/2019

Removed from the table, 9/25/2019

Amended on House floor, read second time, and rereferred to House Appropriations Committee, 10/22/2019

Reported as committed from House Appropriations Committee, read third time and passed House, 10/23/2019 (196-0)

Received in the Senate and referred to Senate Education Committee, 10/31/2019

[HB 1791](#) RE: Firefighter Educational Assistance Program (by Rep. Tina Davis, et al)

Amends Title 35 (Health and Safety) providing for the Firefighter Educational Assistance Program; and establishing the Firefighter Educational Assistance Program Fund.

PFFSO Position: Support

Introduced and referred to House Veterans Affairs & Emergency Preparedness Committee, 9/5/2019

[HB 1834](#) RE: [Fire Company and EMS Grant programs](#) (by Rep. Chris Sainato, et al)

Amends Title 35 (Health and Safety), in grants to fire companies and emergency medical services companies, expanding the eligible uses of grants to include volunteer firefighter length of service award programs and programs for minors serving in volunteer emergency service organizations. Additionally, the legislation extends the expiration of agency authority to award grants from June 30, 2020, to June 30, 2024.

PFFSO Position: Support

Removed from the table, 10/22/2019

Read second time, and rereferred to House Appropriations Committee, 10/23/2019

Reported as committed from House Appropriations Committee, read third time, and passed House, 10/28/2019 (195-0)

Received in the Senate and referred to Senate Veterans Affairs & Emergency Preparedness Committee, 10/31/2019

[HB 1886](#) RE: [Club Liquor License Safekeeping](#) (by Rep. Adam Ravenstahl, et al)

Amends the Liquor Code, in license and regulations and liquor, alcohol and malt and brewed beverages, providing that club licenses may remain in safekeeping for up to two years, and for subsequent years at fees denoted in the bill.

PFFSO Position: SUPPORT

Introduced and referred to House Liquor Control Committee, 9/25/2019

Reported as committed from House Liquor Control Committee, read first time, and laid on the table, 10/21/2019

Removed from the table, read second time, and rereferred to House Appropriations Committee, 10/28/2019

Reported as committed from House Appropriations Committee, read third time, and passed House, 10/29/2019 (199-0)

Received in the Senate and referred to Senate Law and Justice Committee, 10/31/2019

[HB 1979](#) RE: [Liquor License Saturation Ratios](#) (by Rep. Harry Readshaw, et al)

Amends the Liquor Code, in licenses and regulations and liquor, alcohol and malt and brewed beverages, authorizing municipalities to establish maximum liquor license saturation ratios for licensed establishments.

PFFSO Position: No position

Introduced and referred to committee on House Liquor Control Committee, 10/23/2019

[SB 61](#) RE: [Eligibility for Wine & Spirits Auction Permits](#) (by Sen. Judy Ward, et al)

Amends the Liquor Code, in licenses and regulations and liquor, alcohol and malt and brewed beverages, further providing for wine and spirits auction permits. The bill establishes that any nonprofit organization that is registered with the Pennsylvania Bureau of Corporations and Charitable Organizations of the Department of State, recognized as a community-based voluntary organization committed to fighting cancer and has been in existence for at least five years, and upon payment of a fee of \$30 per day, shall be issued a wine and spirits auction permit good for a period of not more than four consecutive or nonconsecutive days per calendar year.

PFFSO Position: NEUTRAL

Reported as committed from Senate Appropriations, 10/21/2019

Amended on Senate floor, 10/22/2019

Read third time, and passed Senate, 10/23/2019 (48-0)

Received in the House and referred to House Liquor Control Committee, 10/25/2019

[SB 94](#) RE: Worker's Comp for Volunteer Rescue Personnel (by Sen. Scott Martin, et al)

Amends the Workers' Compensation Act, in additional coverages, further providing for the definition of "employee"; and making editorial changes. The bill adds to the definition of employes, officers, directors, rescue and lifesaving squad members or any other members of volunteer rescue and lifesaving squads of various municipalities.

PFFSO Position: SUPPORT

Reported as committed from Senate Appropriations Committee, 10/21/2019

[SB 610](#) RE: [Changes to the Clean Indoor Air Act](#) (by Sen. Dan Laughlin, et al)

Amends the Clean Indoor Air Act establishing definitions of cigar bar, cigar lounge, enclosed area and patio and amending numerous other definitions, including drinking establishment, private club and public place; prohibiting smoking in public places and repealing exceptions to the statewide smoking ban; and repealing certain provisions included in the Fire and Panic Act which are inconsistent with this act.

This legislation will remove the following exceptions from the CIAA: (1) Drinking establishments, (3) **Private clubs**, (4) Residential facilities, (5) **Fundraisers**, (7) Full service truck stops and (8) Workplaces of manufacturer, importer or wholesaler of tobacco products. To ensure that smoking is prohibited in these places, they have been added to the definition of "Public place." Language that prohibits smoking on a patio which is defined as any outdoor deck, patio, or similar outdoor service area which is part of a food or drinking establishment has also been added. This revision is similar to a ban contained in the Philadelphia Clean Indoor Air Worker Protection Law.

PFFSO Position: OPPOSED

Introduced and referred to Senate Health and Human Services Committee, 11/26/2019

[SB 733](#) RE: The Pennsylvania Gaming Economic Development and Tourism Fund Capital Budget Itemization Act of 2019 (by Sen. Pat Browne, et al)

Provides grants for projects from the current revenues of the Pennsylvania Gaming Economic Development and Tourism Fund by the Department of Community and Economic Development to a regional economic development corporation located in Lehigh or Northampton Counties for debt service on the construction

of a science and education center. Provides that the sums necessary for the annual amounts itemized are appropriated from the Pennsylvania Gaming Economic Development and Tourism Fund to the Department of Community and Economic Development, upon approval of the governor, for the projects itemized in the act. Effective immediately.

PFFSO Position: No position

Re-reported on concurrence as amended from Senate Rules and Executive Nominations Committee, 10/28/2019

Senate concurred in House amendments, with further amendments, 10/29/2019

Received as amended in House and rereferred House Rules Committee, 10/30/2019

Re-reported on concurrence as committed from House Rules Committee, 11/20/2019

House concurred in Senate amendments to House amendments, 11/21/2019 H

Signed in the House and Signed in the Senate, 11/21/2019

Approved by the Governor, 11/27/2019 (Act No. [113](#) of 2019)

[SB 784](#) RE: [Small Games of Chance Legislation](#) (by Sen. Gene Yaw, et al)

Amends the Local Option Small Games of Chance Act, in preliminary provisions, providing a definition for event game, pick-board game, progressive pull-tab game, subset pull-tab game and amending the definition of games of chance; in games of chance, repealing language regarding aggregate prize limit and total limit, establishing provisions regarding pull-tab deal and repealing language regarding authorization of imposing minimum standards; and in tavern gaming, amending provisions related to licenses, application, approval, enforcement and prohibitions. The legislation decreases penalties for certain violations and establishes provisions regarding revocation of a license.

PFFSO Position: Support

Reported as amended from Senate Community, Economic & Recreational Development Committee, and read first time, 10/30/2019

[SB 813](#) RE: Tipped Minimum Wage (by Sen. Daylin Leach, et al)

Amends the Minimum Wage Act establishing that an employer shall pay a tipped employee minimum wage, increasing the minimum wage to \$15 per hour, along with the ability for increasing the minimum wage based on the Consumer Price Index for all Urban Consumers, or its successor publication, for the Pennsylvania, New Jersey, Delaware and Maryland area, and rounding that amount to the next highest multiple of five cents, and providing that a worker may recover in a civil action triple the full amount of such minimum wage less any amount actually paid by the employer.

PFFSO Position: No position

Introduced and referred to Senate Labor and Industry Committee, 8/7/2019

SB 880 RE: [Increasing where Spirits are Sold](#) (by Sen. Pat Stefano, et al)

Amends the Liquor Code, in preliminary provisions, establishing a definition of spirits; and, in licenses and regulations and liquor, alcohol and malt and brewed beverages, establishing a spirit expanded permit. The Liquor Control Board shall issue a spirit expanded permit to a person holding and possessing a valid restaurant liquor license or hotel liquor license. The legislation provides provisions, qualifications and limitations for the use of a spirit expanded permit.

PFFSO Position: OPPOSED

Introduced and referred to committee on Senate Law and Justice, 10/7/2019

Public hearing held in Senate Law and Justice Committee, 10/29/2019

SB 896 RE: [Dead Liquor License Auctions](#) (by Sen. Mike Regan, et al)

Amends the Liquor Code, in licenses and regulations for liquor, alcohol and malt and brewed beverages, providing that a winning bidder at a license auction shall have payment to the board within six months of being awarded a license. A license awarded in an excess auction and subsequently transferred to a different county than the county of origination may not be transferred from the receiving municipality for a period of five years after the date the licensed premises are operational. A license not receiving a bid at an initial auction shall be eligible to be bid upon at the discretion of the board and awarded at an excess auction.

PFFSO Position: No position

Introduced and referred to Senate Law and Justice Committee, 10/15/2019

Public hearing held in Senate Law and Justice Committee, 10/29/2019

SB 908 RE: [Fire Relief Administration](#) (by Sen. Mike Regan, et al)

Amends Title 35 (Health & Safety), in volunteer firefighters, transferring the responsibility of the Fire Relief Program from the auditor general to the state fire commissioner. The legislation also permits the use of funds for facilities, vehicles and equipment for emergency response, recruitment and retention efforts, death benefits for active members, and insurance. The legislation requests the Fire Commissioner's Advisory Board to review the distribution formula for fire relief funds and provide a recommendation. Adds a section providing for referendum to expand loan assistance.

PFFSO Position: Support

Introduced and referred to Senate Veterans Affairs & Emergency Preparedness Committee, 10/18/2019

Reported as amended from Senate Veterans Affairs & Emergency Preparedness Committee, and read first time, 10/22/2019

Read second time, and rereferred to Senate Appropriations Committee, 10/23/2019

SB 916 RE: Spirit Expanded Permit (by Sen. Pat Stefano, et al)

Amends the Liquor Code, in licenses and regulations and liquor, alcohol and malt and brewed beverages, allowing businesses holding a valid restaurant liquor license or hotel liquor license the ability to apply for a spirit expanded permit. The legislation provides provisions and requirements similar to ones regarding wine expanded permits. A spirit expanded permit costs \$2,000 for the initial fee, with an annual renewal fee of two percent of the costs of the spirits purchased from the Pennsylvania Liquor Control Board.

PFFSO Position: OPPOSED

Introduced and referred to committee on Senate Law and Justice, 10/24/2019

Public hearing held in Senate Law and Justice Committee, 10/29/2019

SB 932 RE: [Volunteer Firefighters' Relief Association Spending Limitations](#) (by Sen. Lisa Boscola, et al)

Amends Title 35 (Health and Safety), in volunteer firefighters, further providing that the definition of "volunteer firefighters' relief association" includes volunteer fire companies or fire companies that are a combination of a volunteer fire company and a paid fire company.

PFFSO Position: Support

Introduced and referred to Senate Veterans Affairs & Emergency Preparedness Committee, 10/31/2019

SB 965 RE: SGOC Use of Proceeds (by Sen. Dan Laughlin, et al)

Amends the Local Option Small Games of Chance Act establishing that the proceeds from games of chance received by a club licensee shall be distributed in no less than 50 percent (changed from 60 percent) of the proceeds paid for public interest purposes within one year of the end of the calendar year in which the proceeds were obtained and no more than 50 percent (changed from 40 percent) of the proceeds obtained in a calendar year retained by a club licensee.

PFFSO Position: Support

Introduced and referred to Senate Community, Economic & Recreational Development Committee, 11/26/2019

Upcoming meetings of Interest

Some House Committee meetings and session can be viewed online at: <http://www.pahousegop.com/>

Senate Committee meetings and session can be streamed at: <http://www.pasenategop.com/>

Senate Law and Justice

WEDNESDAY - 2/5/2020

9:30 a.m., Room 8E-A, East Wing

To consider Senate Bill No. **728 846, 896, 916** (with amendment) House Bill No. **325 763, 1048, 1617, 1886**)

C A N C E L E D

2020 HOUSE SESSION SCHEDULE

March	16, 17, 18, 23, 24, 25
April	6, 7, 8, 14, 15, 16, ELECTION BREAK
May	4, 5, 6, 11, 12, 13, 18, 19, 20
June	1, 2, 3, 8, 9, 10, 15, 16, 17, 22, 23, 24, 25, 26, 29, 30

2020 SENATE SESSION SCHEDULE

March	16, 17, 18, 23, 24, 25
April	6, 7, 8
May	4, 5, 6, 18, 19, 20
June	1, 2, 3, 8, 9, 10, 15, 16, 17, 22, 23, 24, 25, 26, 29, 30

Note: Dues Bills for clubs and units paid for 2019 have been mailed, and are **now due**. **All clubs whose dues are not paid by May 1, 2020**, will be dropped from membership. Direct member dues are \$75 annually, Unit Dues are up to the Unit, with **\$50 going to the state**. If you know a club that should be a direct or Unit member, please have them contact the PFFSO office, or direct them to the PFFSO website: www.pffso.org. All PA clubs have been mailed a solicitation to join the federation. Your help in bringing them in the fold is appreciated!

Thank you all for your continued support of the Federation. We still have a lot of work to do, and we do it better together!

Would you like to receive this Bulletin in electronic format, to speed up dissemination to other clubs? Send an email to our State Executive Director, Ted Mowatt, at: tmowatt@wannerasoc.com. Thanks.

PA Federation of Fraternal and Social Organizations
908 North Second Street
Harrisburg, PA 17102
Change Service Requested



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