



## **LEGISLATIVE REPORT**

On The

**2007-2008 LEGISLATIVE SESSION**

Of The

**PENNSYLVANIA GENERAL ASSEMBLY**



PENNSYLVANIA TOURISM & LODGING ASSOCIATION

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Dear PTLA Members,

One of the most important services identified by our members is governmental affairs representation. PTLA recognizes the need for a proactive legislative agenda to help create a positive business environment for the continued growth and expansion of the state's tourism industry.



The Association took a very active role and achieved a number of legislative victories in the 2007-2008 legislative session of the PA General Assembly.

As always, PTLA is only successful because of the support of its members. I want to personally thank those members who wrote letters, called, or personally lobbied state lawmakers. Your hard work and persistence played a key role in our legislative accomplishments.

*James C Miles*

James C. Miles  
PTLA Board Chairman

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Dear PTLA Members,

The 2007-2008 legislative session, which began on January 1, 2007 and concluded on November 30, 2008, was a busy and successful one for the PA Tourism & Lodging Association. This was directly due to the efforts of members who participated in the legislative process.



In particular, I want to recognize and thank the PTLA Board of Directors and members of the Association's Tax Legislation Committee and the Liquor Issues Committee. These individuals volunteered their time to testify before standing committees of the legislature and helped to develop the Association's legislative agenda and strategy.

As you read in this report, I hope you will agree that PTLA played a major role in promoting and protecting the interests of its members and the tourism industry in general.

We look forward to working on your behalf in the future. Through our continued efforts, I believe we can continue to enjoy the successes we have seen in the past two years.

*Barry L Wickes*

Barry L. Wickes  
PTLA President

## **PTLA'S GOVERNMENTAL AFFAIRS PROGRAM**

The goal of the PTLA lobbying efforts is to provide a favorable legislative and regulatory environment in which the Commonwealth's tourism industry can prosper and grow.

PTLA provides its members with a comprehensive state governmental affairs program covering legislative and regulatory issues. This ongoing effort involves: (1) establishing PTLA's legislative priorities and positions; (2) lobbying members of the PA General Assembly and state regulatory agencies on behalf of our members; (3) in conjunction with national associations, lobbying members of the Congress and federal regulatory officials on behalf of our members; (4) encouraging members to communicate the Association's positions to state and federal lawmakers and regulatory officials; (5) promoting the economic and social contributions of the state's tourism industry to the legislative and executive branches of state government; and (6) providing opportunities for members to become involved in the political process through the Association's political action committee, TravelPAC.

### **LOBBYING EFFORTS**

The Association's President is a registered lobbyist who protects and promotes tourism interests in the State Capital. The PA General Assembly consists of two chambers—a 203-member House of Representatives and a 50-member Senate. Lawmakers meet, consider and vote on bills during approximately nine months of the year. Several standing committees of the Association, including the Tax Legislation Committee and Liquor Issues Committee, act as a policy making and directive agents for the Association in the area of governmental affairs by developing and recommending to the PTLA Board of Directors positions on bills of interest to members and the tourism industry in general.

### **REGULATORY AFFAIRS**

PTLA works toward establishing a favorable regulatory and business environment in which its members can prosper. In fulfilling this role, the Association monitors the activities of state regulatory agencies and lobbies those agencies for rules and regulations that are favorable to the tourism industry. Among the issues addressed by PTLA are state per diems, swimming pool regulations, building code, and the liquor regulations. PTLA also works with businesses and other state and federal trade associations in a continuing effort to represent the common interests of the tourism industry.

### **TRAVELPAC**

TravelPAC is PTLA's voluntary, nonprofit, bipartisan political action committee that exists to help elect qualified individuals to the PA General Assembly who recognize the importance of the tourism industry. By combining the political efforts of PTLA members, TravelPAC attempts to have an impact on state elections and helps to create a pro-tourism climate in the Legislature. TravelPAC provides a convenient opportunity for PTLA members to become involved in the political process.

## **ANOTHER SUCCESSFUL SESSION FOR PTLA**

The 2007-2008 legislative session was a busy one for the PA Tourism & Lodging Association.

Nearly 4,500 bills were introduced during the two-year legislative session that ended on November 30, 2008, but only 292 laws were signed—and about a quarter of those were routine appropriations bills.

Heading into the session, PTLA Board of Directors identified several issues it wanted to pursue. Chief among these were making sure room tax legislation dedicates revenue for tourism purposes, increasing the state tourism budget, implementing Post Labor Day school start, and opposing government mandates that would increase the cost of doing business for PTLA members.

Overall, we won more legislative battles than we lost.

We are disappointed, however, to report our failure to secure final passage of Post Labor Day school start and amusement tax legislation. Even though these bills did not pass, we did succeed in getting them approved by legislative committees for the first time.

Also, our efforts to increase the wholesale discount on wine and spirits will continue to be difficult due to the fiscal plight of state government.

In the following report, you will find summaries of last year's session's priority bills. We thank you for your involvement and support and we look forward to working on your behalf in the 2009-2010 legislative session of the PA General Assembly.



### **Dauphin County Room Tax – House Bill 1877**

PTLA teamed up with the Hershey Harrisburg Regional Visitors Bureau and successfully lobbied for legislation that increased the room tax in Dauphin County from three to five percent. The bill also provided the additional two percent be disbursed as follows: 1.25 % of the additional tax goes to the Bureau for marketing and promotional expenses and .75% is dedicated to the new Milton Hershey Museum. This distribution formula resulted in approximately \$1.9 million in new marketing and promotional dollars for the Bureau. HB 1877 was signed into law as Act No. 72 of 2007 on December 18, 2007.

### **Room Tax Revenue for Transportation Funding – House Bill 1590**

In June 2007, the PA House of Representatives inserted a controversial amendment into HB 1590. Among other things, the amendment allowed counties in the Commonwealth to impose an additional room tax up to 1% for public transportation funding. In response to an aggressive lobbying campaign from PTLA, the State Senate removed the room tax amendment from the final bill. PTLA has a long-standing position that room tax revenue must be used for tourism marketing and other activities to enhance the state's tourism industry.

### **Philadelphia County Room Tax – House Bill 2167**

In cooperation with the Greater Philadelphia Hotel Association, the Greater Philadelphia Visitors & Convention Bureau, and the Greater Philadelphia Tourism Marketing Corporation, PTLA supported legislation that would allow Philadelphia City Council to increase the room tax up to 1.5%. The additional tax, which is expected to generate an estimated \$9 million, will be used by the CVB and GPTMC for marketing purposes and for expansion of the Pennsylvania Convention Center. Governor Rendell signed HB 2167 into law as Act No.80 of 2008 on July 11, 2008.

### **Tourism Funding in State Budget**

PTLA Successfully lobbied for a \$2.3 million funding increase for tourism marketing and promotion in the \$28.3 billion State General Fund Budget for fiscal year 2008-2009. The final budget included a total of \$37,474,00 compared to \$35,109,000 in the previous fiscal year. HB was signed into law as Act No. of 2008 on July 2008.

### **Tourism Funding Programs – House Bill 2302**

In cooperation with the PA Association of Convention & Visitor Bureaus and the PA Tourism Office, PTLA successfully lobbied for the passage of legislation that repealed the Tourist Promotion Law (Act 50 of 1961) and combined the Regional Marketing Partnership and the TPA Matching Grant Program. The new law awards funds to tourist promotion agencies based on a formula that considers the agency's eligible expenses, hotel room tax revenue and an evaluation of the agency's marketing plans. On July 4, 2008, Governor Rendell signed HB 2302 into law as Act No. 50 of 2008.

### **Carbon Monoxide Sensors – House Bill 2436**

PTLA blocked legislation requiring hotels & motels to install sensors in guest rooms. In May 2008, HB 2436 was introduced in response to the death of a hotel guest staying at a property in the Lehigh Valley. A contractor working outside the hotel hung plastic sheeting that covered exhaust vents and caused the carbon monoxide poisoning death. The bill was referred to the House Labor Relations Committee, but “died” in Committee because it did not receive consideration before the end of the legislative session.

### **Swimming Pool Lifeguards – House Bill 2062**

PTLA blocked legislation that would require hotels, motels, inns, resorts and campgrounds to have lifeguards on duty at a swimming pool during hours open to guests and for private functions. Currently, Pennsylvania law does not require lodging establishments and campgrounds to use lifeguards at swimming pools. HB 2062 was referred to the House Tourism & Recreational Development Committee, but “died” in Committee because it was not considered before the end of the legislative session.

### **Wine & Spirits Discount – Senate Bill 1226**

PTLA supported legislation that would increase the wholesale discount from 10% to 16% for Pennsylvania liquor licensees when they purchase liquor at State wine and spirit shops. SB 1226 was referred to the Senate Law & Justice Committee on January 22, 2008. On April 1, 2008, the Committee approved the bill, and it was re-referred to the Senate Appropriations Committee. Because the bill would have resulted in a loss of revenue to the Commonwealth, the Rendell Administration opposed it. SB 1226 received no further consideration and “died” in Committee at the end of the legislative session.

### **Dispensing Alcohol by Minors – House Bill 680**

PTLA blocked legislation that would prohibit minors from dispensing alcohol. Introduced and referred to the House Liquor Control Committee on March 9, 2007, HB 860 would prohibit minors between the ages of 18 and 21 employed by servers from dispensing alcoholic beverages. Many hospitality businesses hire minors to serve and dispense alcoholic beverages. Given the current tight labor market, these employees are critical to food and beverage operations. Therefore, HB 680 would have a negative impact on the labor force for hospitality businesses.

### **Debit Cards – House Bill 869**

PTLA blocked legislation that would require businesses to clearly post signage in their establishments letting consumers know that if they use credit or debit cards for payment that the issuing financial institution may put a hold on that card. Introduced on March 22, 2007, HB 869 was referred to the House Consumer Affairs Committee. It “died” in Committee.

### **Statewide Smoking Ban – Senate Bill 246**

PTLA successfully lobbied for an exemption for hotel guest rooms (no more than 25% of total rooms) in the Clean Indoor Air Act. Governor Rendell signed the bill into law as Act No. 27 of 2008 on June 13, 2008. The new law was effective on September 11, 2008.

### **Post Labor Day School Start – House Bill 258**

PTLA supported legislation that would require public schools in the Commonwealth to begin classes after the Labor Day holiday. House Bill 258 was introduced and referred to the House Tourism & Recreational Development Committee on April 16, 2007. On May 9, 2007, the Tourism Committee held a public hearing on the bill in Harrisburg. John Kiesendahl, President, Woodloch Pines Resort & Woodloch Springs, testified on behalf of PTLA. The Committee approved HB 258 on June 25, 2007. This was the first time a standing committee of the legislature approved Post Labor Day legislation. The bill was then referred to the House Appropriations Committee where it “died” at the end of the legislative session.

### **Amusement Taxes – Senate Bill 1012 & Senate Bill 1063**

PTLA supported legislation that would prohibit political subdivisions from levying an amusement tax on the charge of admission to a fixed site amusement park or fixed site water park. Senate Bill 1012 was introduced and referred to the Senate Finance Committee on June 30, 2007. The Committee amended and approved the bill on February 11, 2008. This was the first time an amusement tax bill was adopted by a standing committee of the State Senate. The bill was then referred to the Senate Appropriations Committee where it “died” at the end of the legislative session.

On June 23, 2008, the State House considered Senate Bill 1063. Rep. Brian Ellis (R-Butler) offered an amusement tax amendment supported by PTLA on the House floor. Unfortunately, the Ellis amendment was rejected by a vote of 84-111.

### **Bottle Bill – Senate Bill 1035 & House Bill 1839**

PTLA blocked legislation that would establish a 5-cent deposit on glass, metal or plastic beverage containers. Senate Bill 1035 was introduced and referred to the Senate Environmental Resources Committee on July 20, 2007. A companion bill, House Bill 1839, was introduced and referred to the House Environmental Committee on September 17, 2007. PTLA and its members support and participate in current curbside recycling that was established under Act 101 of 1988. SB 1035 and HB 1839 would place unnecessary burdens on businesses, including staff time and resources to collect and store beverage containers.



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