

Senate of Pennsylvania

SENATE DEMOCRATIC WRAP-UP FOR THE 1995-1996 LEGISLATIVE SESSION

FOR EDITORIAL BACKGROUND

Big headache items such as local tax reform and adequate funding for the state's schools and roads will remain migraines for the next two-year legislative session as the Pennsylvania Senate concluded floor action for the 1995-96 session November 26, 1996 without resolving these issues.

There were certain achievements. Machinery was put in place to deregulate the electric industry and state assistance for drug purchases by the elderly was expanded.

Generally, the accomplishments in the last few months of the session continued the pattern established early in Gov. Ridge's administration of enacting more tough-on-crime legislation and breaks for big business.

It was in the waning days of the session that major issues crowded the agenda only to wither away before final adjournment. Proposals for hiking the gas tax and registration fees, for establishing charter schools, for reforming local property taxes, and even for legitimizing slot machines, video poker and riverboat gambling, swirled through the legislative hallways during the late hours, but never came to a final vote.

The administration lobbied hard for a \$408 million increase in the state's gasoline tax and auto registration fees to help pay for road and bridge maintenance and construction. Ridge wanted to increase the oil company franchise tax by 3.5 cents and raise car and truck registration fees by 50 percent -- from \$24 to \$36 for most cars.

Despite Republican majorities in the Senate and House, the Republican governor failed in his bid for the road tax hike because there were not enough Democratic votes to make the tax hike look bipartisan. Democrats balked at a last minute administration provision that would have allowed the privatization of highway maintenance. And the minority Democrats were also dissatisfied with insufficient fuel tax revenues going for mass transit.

Similarly, an administration initiative for charter schools failed to see the light of day. As part of his proclaimed plan for education reform, Ridge sought passage of legislation to allow groups of parents, teachers and others in communities to set up and run their own public schools. But the bill died in the Senate when the administration insisted on amendments to enable communities to bypass their local school boards and gain approval from a gubernatorial appointed commission to establish charter schools.

Earlier in the session, charter schools were part of a larger educational reform initiative advanced by Ridge that included tuition vouchers -- state subsidies for students who want to attend public schools outside their districts, or private schools. The controversial use of tax money to pay private school tuitions -- made more controversial by the administration's stagnant funding of public schools -- died struggling for votes in the House.

Local tax reform, considered essential to any eventual solution to adequate public school financing, remained an elusive goal as the curtain descended on the Senate and House ping ponging different proposals. The House wanted to abolish school property taxes completely, giving the legislature a year to come up with an alternative method of funding schools. The Senate insisted on a plan to allow referenda for local governments to choose their own tax mix. Maybe next year.

Tapping gambling proceeds to supplement tax revenues for education or senior citizen programs will also have to wait for another session. Late hour attempts in the Senate for a statewide referendum that would have allowed video poker machines in bars and for a measure that would have allowed up to 3,000 slot machines at each of the state's four race tracks were rejected. The House also turned back these proposals and another calling for a statewide referendum on allowing riverboat casinos. All were sweetened with provisions requiring a slice of the gambling profits to go for schools, senior citizens or to build sports stadiums.

Another measure which failed consideration before the legislature's sine die adjournment was an extension of a law requiring hospitals to get state approval before investing in expensive equipment or new buildings. The so-

called certificate-of-need law expired amid controversy over a Senate Republican amendment to exempt five hospitals from proving a need for major expansion of facilities or services. Expiration of the law may mean an open season on construction of heart bypass surgery and other facilities.

Hospital deregulation may have been inadvertent, but opening up competition among the state's electric utilities was definitely intentional; in fact, hailed as a crowning achievement of the two-year session.

By the year 2001, all Pennsylvania consumers will be able to shop for the best deal in generated electricity. The transmission and distribution of electricity will remain a monopoly regulated by the Public Utility Commission, so there may be a frenetic unbundling of electric services in the next few years as companies split and merge to gain the most profitable edge. Some Democrats opposed the deregulation legislation because it carried no guarantees of lower rates for consumers.

The entire Senate did approve an expansion of the lottery supported Pharmaceutical Assistance Contract for the Elderly (PACE). Income eligibility was increased for elderly individuals and couples, many of whom were failing to qualify for the program because of cost-of-living increases in social security and other pensions. And a second tier was created to allow senior citizens with modestly higher incomes to get subsidized prescriptions after paying a yearly \$500 deductible.

Electric deregulation and PACE were just part of the flurry of legislative activity that seems always to be stirred at the close of a session. The skyrocketing costs of medical malpractice insurance were confronted in legislation to reduce payments to a state-operated catastrophe loss fund and to discourage frivolous medical malpractice lawsuits. And in another bill, optometrists for the first time were given a limited right to treat patients with drugs.

Cracking down on crime, which received special attention earlier in the session, continued to preoccupy legislators up to the final day. A loophole was closed in the state's driving-under-the influence law that will permit the court use of blood alcohol tests taken up to three hours after an arrest. Hunting under the influence was made a crime. Tough penalties were instituted for telemarketing fraud and the theft and resale of compact discs. The Board of Probation and Parole was expanded from five to nine members, with more consideration to be given to crime victims. And same sex marriages were denied legal recognition in Pennsylvania.

Favorable treatment for corporate businesses remains as much a hallmark of the Republican controlled two-year session, and Ridge's first two years as governor, as was the special crime session that lengthened prison stays for a variety of offenses. About \$300 million in business tax cuts were enacted and the state's 83-year-old worker's compensation law was changed to limit severely payments to injured workers. Despite these measures, the administration's economic forecasts for the state at the close of the year were quite flat.

And for consumers, interest rates on credit card purchases may soon slide upwards as the majority Republicans prevailed in removing an 18 percent cap on charges in one of the last batch of bills approved during 1995-96.

Most of the legislation briefly mentioned here and many other bills either approved by the Senate or enacted into law are described in more detail in this review.

Legislation is coded as follows: a single asterisk indicates Senate passage, two asterisks indicate Senate and House passage and three asterisks indicate the measure became law. A "V" means the measure was vetoed by the governor.

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** Senate and House passage

*** Became law

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Budget & Finance

*** **1996-97 State Budget** -- A conference committee report on the major part of a \$16.4 billion state general fund budget for 1996-97 drew some reluctant Democratic support as the Senate approved it 36-13, beating a June 30 deadline for a new budget by a couple of days.

All 29 Senate Republicans and seven Democrats voted for the new budget bill (SB 1583), which required no tax increases and called for a \$15 million tax cut for businesses who create new jobs (**See Community & Economic**

Development, HB 2668) and a \$4 million sales tax exemption on the sale of race horses (**See Veterans Affairs, SB 1251**). Senate Bill 1583 was signed by the governor June 29, 1996 as Act 1A.

Senate Democrats berated the new budget for not providing any increased spending for basic education. The \$3.4 billion basic education subsidy for the state's 501 school districts to help cover their instruction costs remained the same as the previous year. With the pressures of inflation, said Democrats, the increased school costs will likely have to be made up by local property tax hikes.

Further, Democrats noted, a lawsuit against the commonwealth by some 200 school districts who claim state aid is skewed against rural and urban school districts will gain new force because of the stagnant state education subsidy. This is a provocation, they said, for the courts to step in and mandate a more equitable distribution of state aid to the schools.

The Education Department's governmental operations costs were cut back \$3.5 million from the previous year, a 17 percent loss. The effect has been a reduction in the number of personnel involved in calculating aid formulas, indicating a lack of intent by the administration to initiate more equitable funding formulas.

However, some Democrats, though not enamored by the budget, cast their votes for it, saying it was an improvement over the governor's original version which proposed \$186 million less in spending.

Under this budget bill, they noted, funds for special education increased by \$15.3 million -- from \$537.4 million to \$552.7 million. The governor had proposed a decrease of more than \$4 million in special education funding.

Also, the early intervention program which provides therapy and special instruction for handicapped children under 3 received \$75.9 million, or \$3.6 million more than was proposed by the governor.

The governor had also called for the total elimination of an \$18 million line item for the Home Emergency Mortgage Assistance program, which helps people suddenly unemployed pay their mortgages until they find new jobs. This budget restored \$3 million for the program.

The Commission for Women, slated to lose its entire \$346,000 appropriation, continued to operate with funding of \$100,000.

Other funding cuts proposed by the governor that were restored included \$40 million for sewage treatment plants, \$220,000 to support the Keystone summer games, \$700,000 for the state health care centers -- for a total appropriation of \$16.1 million and some assurance they will not be privatized. Also scuttled was the governor's plan to cut \$6 million by eliminating line items for such illnesses as hemophilia, sickle cell anemia, cystic fibrosis and services for children with special needs. Another plan to charge certain municipalities for state police protection was abandoned.

The budget package did increase slightly funding for the four state-related universities: Penn State, University of Pittsburgh, Temple and Lincoln universities. Funding for private universities continued at previous levels, contrary to the governor's proposal to halve the assistance.

Although the budget did include a new appropriation of \$33 million for schools to purchase computers, Democrats remained critical of the freeze on aid for basic and higher education. Funding for the State System of Higher Education's 14 universities remained at about \$398 million, and \$152.1 million for community colleges.

Further, the budget contained no increase in funding for Pennsylvania Higher Education Assistance grants for the first time in a decade, keeping the appropriation at \$233 million.

Also, \$37.8 million in educational opportunity grants were eliminated as were \$1.44 million in teacher development programs; funding for intermediate units was cut in half from \$11 million to \$5.5 million; funding for pupil transportation was increased \$15.88 million, from \$313.58 million to \$329.47 million; and nonpublic school transportation was increased from \$37.8 million to \$38.21 million.

The overall flat support for education, said Democrats, characterized a budget that lacked any vision for the future, nor compassion for society's less fortunate.

They noted that the budget was built on recent legislation to remove some 220,000 working poor from health care coverage, cutting state costs by \$210 million (**See Public Health & Welfare, SB 1441**).

But, instead of using the savings for such things as education, the money was ploughed into a ten percent increase for state prisons, boosting its appropriation to \$933 million.

Priorities in this budget were wrong, said Democrats, who preferred an emphasis on prevention and education, rather than on punishment.

The governor and his allies in the Legislature delivered much rhetoric on how the budget would help economic development. They pointed to a new \$25 million Opportunity Grant Fund

that would be used for business expansions. However, it was unclear how the grants would be disbursed, or who would be eligible.

And while the budget created this fund, it faded out a longstanding program to lure new businesses into Pennsylvania. The Sunny Day Fund, a Democratic initiative of the early 1980's, gave financial help to businesses planning to locate or expand in the commonwealth. Such financial aid required two-thirds approval by the Legislature, a safeguard against the majority party monopolizing business development in its members districts. Two years ago, \$25 million was appropriated for the Sunny Day Fund. Last year, it was \$15 million. And in the new fiscal year, nothing.

The budget package also included a \$1.9 billion Motor License Fund to finance road maintenance and most of the state police operating costs. The new fiscal year's highway budget included an expenditure of \$61 million to rehabilitate roads damaged by the January, 1996 floods. It also earmarked \$255 million for mass transportation assistance, the same as the last fiscal year.

The total \$1.9 billion highway budget expenditure was about the same as the previous year. It is supported by gas tax and license and registration fee revenues. The administration had pushed for a 6.5 cent increase in the gas tax to support the new budget, but it never materialized. Then, nearly halfway into the 1996-97 fiscal year, the administration again lobbied for more money -- about \$408 million -- through a 3.5 cent increase in the oil company franchise tax and a 50 percent increase in car and truck registration fees. The 1996 session ended without their enactment.

*** **Non-Preferred Appropriations** -- As part of the overall budget package for the new fiscal year, the Senate overwhelmingly approved 36 so-called non-preferred appropriation bills for state-related and private universities and health and cultural institutions. They were contained in HBs 2720 through 2755, which became Acts 9A-44A.

The non-preferred appropriations, which totaled about \$665 million, must be approved as separate bills by a two-thirds vote of the legislature because they represent spending on institutions not under the direct control of state government.

In his original budget proposal, the governor had proposed maintaining current spending levels for the four state-related universities -- Penn State, Pitt, Temple and Lincoln-- and halving the appropriations for private universities such as the University of Pennsylvania and Drexel, saving about \$35 million.

However, the Senate restored the spending for the private institutions to current levels and increased slightly the funding for the state-related schools. Some of the larger non-preferreds were:

House Bill 2752, Penn State, \$281 million, compared to \$277 million the previous year; HB 2755, University of Pittsburgh, \$149 million, compared to \$147 million; HB 2753, Temple, \$149 million, compared to \$147 million; HB 2754, Lincoln, \$10.3 million, compared to \$10.2 million; HB 2742, University of Pennsylvania, \$35.5 million; HB 2745, Thomas Jefferson University, \$10 million; and Hahnemann Medical College, \$10.3 million.

On the last day, another non-preferred (HB 2768, Act 45A) was unanimously approved that appropriated \$160,000 to the Arsenal Family and Children's Center.

*** **PUC Budget** -- The Pennsylvania Utility Commission budget for 1996-97 of about \$37 million was unanimously approved by the Senate (SB 1485) and signed by the governor July 10, 1996 as Act 46A.

It was slightly less than the previous year's \$37.4 million budget. This funding is derived from assessments on utilities regulated by the PUC.

*** **Consumer Advocate** -- Senate Bill 753, approved unanimously by the Senate and signed July 2, 1996 as Act 2A, appropriated \$3.9 million to the Office of Consumer Advocate in the attorney general's office for 1996-97. The funding, derived from utility company assessments, was about \$64,000 more than the previous year.

*** **Business Advocate** -- Senate Bill 1487, approved unanimously by the Senate and signed July 2, 1996 as Act 8A, appropriated \$823,000 for the Office of Small Business Advocate in the Commerce Department for 1996-97, a \$123,000 decrease from the previous year. This money is derived from assessments on utilities regulated by the Public Utility Commission.

*** **Capital Budget** -- A \$517 million capital budget for 1996-97 (SB 1496) was unanimously approved by the Senate and signed July 11, 1996 as Act 101.

This budget, which authorizes the size of debt that can be incurred for capital projects in the new fiscal year, permits \$189 million in public improvement projects, \$140 million for transportation assistance, \$90 million for redevelopment assistance, \$13 million for flood control and \$85 million for highway projects.

A provision in an earlier version of this bill would have required bond counselors, underwriters and others involved in bond issues to bid their services competitively. This language was stricken from the legislation, which means the administration can continue to award contracts as it sees fit.

The capital budget authorization for 1995-96 was for \$526 million.

*** **Network Upgrade** -- A \$179 million supplemental capital budget for 1996-97 (SB 857) to install a modernized communications network to improve public safety was approved unanimously by the Senate and signed by the governor December 5, 1996 as Act 148.

The statewide, digital radio network will allow the state police and other state agencies to communicate more efficiently during emergencies. The project is expected to take four years to complete and includes building radio towers equipped with transmitters. County and local governments will have access to the new equipment.

The network's new digital signal is expected to be more resistant to static interference than signals from older technology. Also, state officials said that signals for data transmission will be tougher to intercept and decipher.

*** **Flood Repair** -- Special session legislation (SS HB 3, Act 9) to appropriate \$53.8 million for capital projects to repair highway and railroad bridges damaged by the January, 1996 flood was unanimously approved by the Senate and signed by the governor July 11, 1996. These projects are being financed by revenues in the Motor License Fund. This legislation also appropriates \$1.8 million for various railroad projects, and \$4.9 million for public transit authorities.

*** **Flood Protection and Repair** -- Flood control and hazard mitigation projects throughout the commonwealth are itemized in special session HB 2, signed July 11, 1996 as Act 10. This legislation, unanimously approved by the Senate, authorizes nearly a \$392 million debt to pay for the projects. Any federal money committed to the itemized projects will not be reduced by the amount of bond-financed money appropriated.

*** **Board Budget** -- A \$15,980,000 budget to cover administrative costs for the State Employees' Retirement Board for 1996-97 is in SB 1480, unanimously approved by the Senate and enacted July 2, 1996 as Act 3A. This is about a \$100,000 increase over the previous year.

*** **School Retirement Board** -- Senate Bill 1481, signed July 2, 1996 as Act 4A, appropriated \$24,256,000 to the Public School Employees Retirement Board for fiscal 1996-97, a decrease of about \$150,000 from the previous year.

*** **Workers Comp Budget** -- Senate Bill 1482, signed July 2, 1996 as Act 5A, transferred \$42.688 million from the Workmen's Compensation Administration Fund for administrative costs for the Department of Labor and Industry to operate the fund, and \$180,000 to the Department of Economic and Community Development to fund workers' compensation activity by the Small Business Advocate. This was about a \$40,000 increase over the previous year to operate the fund. The Small Business Advocate received \$85,000 less than the previous year.

*** **Workers' Comp Budget** -- Senate Bill 863, approved unanimously by the Senate and signed December 18, 1996 as Act 47A increased to \$48,588,000 the appropriation from the Workers' Compensation Administration Fund to the Department of Labor and Industry for costs to administer the fund for fiscal 1996-97.

*** **License Boards Budgets** -- Senate Bill 1483, unanimously approved by the Senate and signed July 2, 1996 as Act 6A, appropriated for 1996-97 \$15,396,000 to the Department of State's Bureau of Professional and Occupational Affairs, \$2,756,000 to the State Board of Medicine, \$138,000 to the State Board of Podiatry, \$410,000 to the State Board of Osteopathic Medicine, and \$224,000 to the State Athletic Commission.

*** **Flood Forecasting** -- The Senate unanimously approved special session HB 37 which appropriated \$120,000 in fiscal 1996-97 to the Susquehanna River Basin Commission to computerize new flood stage forecast maps for use by municipalities and the Pennsylvania Emergency Management Agency. It was signed June 28, 1996 as Act 1A.

*** **1995-96 State Budget** -- A 1995-96 state general fund budget, characterized by Senate Democrats as stuffed with payoffs for Republican votes and deficient in spending for human resources, passed the Senate by a mostly party line vote of 30-20.

House Bill 1169, which included the \$16.1 billion general fund budget for 1995-96, earlier passed the House 126-77. It was signed into Act 5A by the governor June 30, 1995.

Overall, it increased state spending by about \$426 million, or 2.7 percent more than 1994-95.

General fund state spending actually totaled about \$16.2 billion because another \$650 million in non-preferred appropriations were approved in separate bills for Penn State, Pitt and other state related and private educational, health and cultural institutions.

House Bill 1169 included \$43 million for a tuition voucher program that would pay parents up to \$1,000 to send their children to public, private or parochial schools of their choice. However, the legislation to authorize spending for the program never was approved.

When this money is added to \$460.2 million the governor certified as surplus at the close of the 1994-95 fiscal year, the result was a budget flush with extra dollars despite provisions for a \$284 million reduction in business taxes (**See Taxes**).

Senate Democrats raised constitutional objections to the budget's inclusion of nearly \$32 million for various projects or organizations spread throughout districts of legislators who were ready to support the governor's school tuition voucher proposal. They represented improper payoffs, Democrats charged.

And the charges had validity. In November 1995, Commonwealth Court stopped \$13.2 million of these questionable appropriations from going to 145 individually named service and charitable organizations. Without contesting their merit, the court said the general fund budget could not designate funds for specific organizations not under the direct control of government. Such appropriations must be passed as separate bills by a two-thirds vote of the legislature.

Senate Democrats also objected to a budget that hoarded more than \$1/2 billion in uncommitted funds.

Democrats had advocated returning some of the surplus to taxpayers in the form of a cut in the personal income tax rate and in pumping needed funds into local school districts, higher education, health programs and the job producing infrastructure.

However, Democrats were refused an opportunity to amend the governor's budget.

Ironically, six months later in December, 1995 the governor's midfiscal year briefing on the state's finances showed the \$500 million surplus had just about disappeared. He attributed this to reduced revenues from a sluggish economy and greatly accelerated prison costs.

The 1995-96 budget did restore funds to a \$38.4 million program to support the operation of municipal sewage plants. The governor had proposed eliminating the program which, since 1953, has provided municipalities with stipends equal to 2 percent of the construction cost for a sewer plant to help cover operation costs. Senate Democrats wanted the funding restored so local sewer rates would not increase.

Also, the budget increased the basic education subsidy to local school districts by \$143 million, increasing the appropriation from \$3.21 billion to \$3.36 billion **(See Education)**.

However, because of the great disparity between wealthy and poor school districts in the amount spent on each student, Senate Democrats wanted an additional \$42.3 million targeted to the poorer school districts. Special subsidies to level the playing field between school districts were contained in the last two state budgets, but discontinued in the Ridge budget for 1995-96.

For higher education, the State System of Higher Education's 14 universities were held to \$388 million, the same funding as in 1994-95.

These universities and the state related schools -- Penn State, Pitt, Temple and Lincoln -- were able to qualify for an extra \$100 per student by holding tuition increases to no more than 4.5 percent. The governor had proposed \$15 million for this program, but it was increased to \$24 million in the final budget.

The only substantial increase in educational spending went for college aid grants, which actually benefit private colleges the most. About \$233 million was appropriated to the Higher Education Assistance Agency which administers the scholarship grants. This was an increase of \$27 million or 13 percent over 1994-95.

But spending for public education overall increased only minimally.

By contrast, the Corrections Department appropriation was boosted from \$721 million to \$818 million, making it one of the fastest growing expenditures in the state budget.

The state planned to spend \$92 million to build four new prisons, three of them for violent juveniles. This followed the largest prison construction project in state history, initiated by the previous administration, which added 7 new prisons and 10,000 new cells to the prison system.

Prison building was about the only type of economic development activity contained in the 1995-96 budget. The Pennsylvania Economic Revitalization Fund (PERF), which received \$42.5 million in 1994-95 and consolidated most of the state's economic assistance programs, was abolished.

Welfare recipients were squeezed with an \$81.5 million reduction in the cash grant program **(See Welfare, HB 2)**, which eliminated a \$360 payment the transitionally needy were getting over two-year periods. The total cash grant appropriation of \$593 million was considerably less than the rapidly rising medical assistance appropriation, which was about \$1.3 billion for 1995-96.

The governor did veto language in the budget bill, effectively restoring a \$2.03 million appropriation for family planning centers. The language would have denied the money to the centers if they counseled pregnant women.

Besides the general fund which covers the operations of state agencies, the budget included several special funds such as the motor license fund which pays for highway related costs.

The \$1.9 billion motor license fund for 1995-96 represented about a \$39 million increase over the 1994-95 budget of \$1.88 billion. Of that, highway maintenance and construction costs were \$1.4 billion, an increase of \$45 million. Also, the state police were given a \$22 million increase to \$252 million in 1995-96.

An appropriation of \$37,439,000 was authorized for the Public Utility Commission for 1995-96, about \$400,000 more than the previous year. This funding is derived from assessments on utilities regulated by the PUC.

When federal funds are added, the total state budget for 1995-96 was about \$31.2 billion.

*** **Taxes** --As part of the 1995-96 budget package, the legislature approved a measure cutting business and other taxes by some \$284 million.

House Bill 39, which also included a tax amnesty feature, was approved 44-6 in the Senate, concurred in by the House 180-21, and signed by the governor June 30, 1995 as Act 21.

The original provisions of the bill to repeal a 2 percent insurance premium tax for annuities and set a tax amnesty for 90 days during 1995-96 were retained after the measure was heavily amended to provide corporate and other tax cuts.

Attempts by Senate Democrats to include tax cuts to benefit working people and small businesses were rebuffed by majority Republicans when the measure was considered earlier by the Appropriations Committee.

Democrats, who were blocked from offering amendments on the Senate floor, wanted to reduce the personal income tax from 2.8 to 2.5 percent by January 1, 1996. They argued that working people and the thousands of small businesses in the state should also share in a tax break made possible by a \$500 million surplus that had accumulated in the general fund.

Small businesses and subchapter S corporations, which comprise some 98 percent of Pennsylvania's 231,000 businesses, pay personal income taxes, not corporate net income taxes, said Senate Democrats, and would have stood to benefit from a reduction in the PIT.

Elimination of the four-year-old 2 percent tax on insurance annuities reduced revenues by \$24.7 million.

The largest cut of \$163 million stemmed from reducing the corporate net income tax from 10.99 to 9.99 percent retroactive to January 1, 1995. The CNI had been slated to drop to that level by 1997.

The CNI was also reduced by \$40.7 million for multi-state corporations who do business in the state because the legislation double weights their sales factor in the calculation of their Pennsylvania CNI payments.

Other tax reductions resulted from:

-- Increasing the net operating loss carry forward maximum for corporations from \$1/2 million to \$1 million;

-- Increasing the exemption for the capital stock and franchise tax from \$75,000 to \$100,000;

-- Eliminating the inheritance tax paid by surviving spouses;

-- Eliminating the gross receipts tax for intrastate rail freight and providing tax exemptions for apiary manufacturing equipment, coin operated phone calls, video programming service, and a number of other services.

The governor had originally proposed tax cuts amounting to about \$214 million. The additional cuts were balanced by projected revenues from the tax amnesty program.

*** **Sunny Day** -- A Sunny Day Fund measure (SB 933) to provide \$9 million in loans to two companies planning to expand in Pennsylvania was signed by the governor June 13, 1995 into Act 1A.

The legislation authorized a \$2 million loan to Bush Industries to construct a new furniture distribution and manufacturing facility in Erie and a \$7 million loan to Berg Electronics to construct a manufacturing facility in Huntingdon County.

The Sunny Day Fund was established more than ten years ago to provide low interest loans to attract new industries or encourage their expansion in Pennsylvania. As the loans are repaid, funds become available for new projects. Legislation approving each project requires a two-thirds vote of the General Assembly.

Before final passage, this bill became embroiled in controversy because of concern by Democrats over the solvency of the fund. In April, 1995 the fund showed commitments totaling \$62.7 million and a negative balance of \$10 million.

By May, 1995 the governor was able to assure Democrats that approved commitments would not be jeopardized by the new loans, and the bill cleared both chambers unanimously.

*** **More Sunny Day** -- The Senate unanimously approved HB 2222, a measure appropriating \$19.5 million from fiscal 1995-96's Sunny Day Fund for low interest loans to three companies to locate expanded operations in Pennsylvania. It was signed by the governor Dec. 21, 1995 into Act 48A.

The bill gave Lockheed Martin \$15 million to locate a new facility in Bucks County, expected to create 1,500 jobs. Sony Electronics received \$3 million for operations in Westmoreland County, expected to create 500 jobs; and Genesis Health Ventures received \$1.5 million for operations in Chester County, expected to create 230 jobs.

*** **Cable TV Operators Get Competition** -- Cable TV operators will have some competition thanks to HB 1297, which was signed into law as Act 37 on July 6, 1995.

Under the new law, entities such as telephone companies can offer video programming services to residents. Their services will be subject to a 5 percent sales tax to the local municipality in which they are offered, the same tax paid by cable TV.

*** **Personal Property Tax** -- Counties were given more flexibility in levying a personal property tax in legislation (HB 1488) approved unanimously in the Senate and signed by the governor October 31, 1995, into Act 54.

Previously, counties choosing to impose the tax had to establish a fixed rate of 4 percent. The new law permits any rate up to 4 percent.

Personal property taxes can be imposed on certain mortgages, bonds and stock. This legislation excludes from the tax stock held as part of an employee's stock purchase plan.

*** **Local Governments Prohibited from Using Pension Funds** -- Legislation (HB 1973), unanimously approved by the Senate and signed March 29, 1996, as Act 14 prohibits local governments from using pension funds as security for bonds or notes issued to fund their pension plans.

*** **Real Estate Tax Relief for the Elderly** -- Philadelphia can now provide real estate tax relief for the elderly, poor and disabled under legislation (HB 2223) signed into law July 2, 1996, as Act 91. Any future increases in the real estate tax will be partially paid for or forgiven for Philadelphia's elderly, disabled and poor.

*** **Pension Funds for Regional Police Departments** -- Regional police departments covering two or more municipalities will be required to establish a pension fund or annuity for their officers, under a measure (SB 633) passed unanimously by the Senate and signed into law May 10, 1996 as Act 33.

Also, the bill allows service credits to be transferred for a full time officer appointed from a municipal police force to a regional force.

*** **Pittsburgh Stock Brokers Exemption** -- Pittsburgh stock brokers will be exempt from the city's business privilege and mercantile tax under legislation unanimously approved by the Senate and signed into law July 11, 1996, as Act 102. Senate Bill 1600 prohibits the city from imposing a business tax, mercantile license tax or any other tax on the gross receipts of a regulated financial institution.

*** **PACE EXPANSION** --More senior citizens will be included in a state subsidized drug prescription plan under legislation (HB 544) approved unanimously by the Senate, but which some Democrats worried was only a temporary solution to a recurring eligibility problem.

The measure, signed into law by the governor November 21, 1996 as Act 134, is expected to add 75,000 senior citizens to the lottery supported Pharmaceutical Assistance Contract for the Elderly (PACE). However, many of them will have to spend \$500 on prescriptions before qualifying for assistance.

Previously, under PACE, senior citizens earning less than \$13,000 a year individually or \$16,200 per couple could buy prescriptions for \$6 each.

This bill raised the income limits for the first time in five years to \$14,000 for individuals and \$17,200 for couples. It also created a second, PACENET tier whereby individuals earning between \$14,000 and \$16,000 and couples earning between \$17,200 and \$19,200 can get subsidized prescription drugs after spending a \$500-per-person deductible. Instead of spending \$6 for drugs, senior citizens in the PACENET tier will pay \$8 for generic drugs and \$15 for brand name drugs.

The new law discourages the use of brand name drugs by requiring, besides a higher copayment, that the purchaser pay 70 percent of the wholesale cost of the brand name drug.

Since 1988, when more than 477,000 senior citizens were enrolled in PACE, some 200,000 have been dropped from the program because cost-of-living increases in social security and other pensions pushed them over the program's income limits.

Senate Democrats this session unsuccessfully introduced measures to raise the income eligibility limits, with some advocating a built-in cost-of-living adjustment so that seniors would no longer be bumped because of social security increases.

Democrats contended the cost of raising income eligibility limits could be covered by eliminating periodic transfers of lottery funds to support general government expenditures that are supposed to be covered strictly by tax revenues.

Also, Democrats proposed raising the income limits without imposing any deductibles. The \$500 deductible requirement in the PACENET tier will apply to more and more senior citizens as inflation adjustments drive their pensions higher, Democrats noted.

This expansion of PACE is expected to cost the lottery fund an additional \$43 million, most of which, according to the governor, will be covered by less payments to pharmacists and drug manufacturers.

Under the legislation, pharmacists will be reimbursed for only 90 percent of the average wholesale costs of prescription drugs, plus a dispensing fee of at least \$3.50. Previously, the program paid full price for prescriptions plus a \$2.75 dispensing fee. Generic drugs are mandated unless they are unavailable. Another savings is expected by requiring drug manufacturers to rebate the state 17 percent of the cost of brand name or generic drugs. Previously, manufacturers rebated 15 percent of brand name costs and 11 percent of generic costs.

Originally, HB 544 would have placed a one-year moratorium, beginning December, 1995, on eliminating senior citizens from PACE whose pension increases were making them ineligible for the program. The moratorium was never enacted and the legislation became the vehicle for an expansion of the program.

**** Local Tax Reform** -- Local tax reform remained an elusive goal as the Senate amended a House version of the legislation, sending it to die in a House committee as the two-year 1995-96 session ended.

Last year, the Senate approved SB 2, a measure to permit counties, municipalities and school districts to abolish nuisance taxes and shift from a reliance on property taxes to an increased personal or earned income tax.

The House amended the bill, narrowing its scope to only school property taxes. It later gutted the bill, and inserted a simple provision to abolish school property taxes completely, giving the legislature a year to come up with an alternate method of funding schools.

When this version was returned to the Senate during the last week of session, senators voted 38-12 to restore the bill's original tax shifting provisions, bouncing it back to the House. But the House adjourned without further action.

The restored Senate version would have allowed voters in a particular municipality, county or school district to vote on a new tax structure. Once approved, the new set of local taxes would be in place and any decision to increase the property tax portion of the mix would have to be approved in subsequent referenda.

Proponents said the plan would give homeowners long sought relief from skyrocketing property taxes. Opponents said the bill was slanted toward business, and feared homeowners and wage earners would have to take up the slack and end up with a greater tax burden.

Opponents also felt the referendum requirement for any future tax increases would actually discourage local taxing bodies from opting into a new plan.

The Senate version would have let counties impose a 0.5 percent personal income or earned income tax. Counties could have imposed a 1 percent sales tax, to be shared with their municipalities and school districts.

Municipalities could have replaced nuisance taxes with up to a 1 percent personal or earned income tax. And school districts could have shifted to a personal or earned income tax of up to 2 percent, with surpluses used to reduce property taxes.

The Senate and House did approve a related constitutional amendment this session (SB 284) to permit local governments to exempt a portion of the residential property tax, known as the homestead exemption. This is considered necessary to true tax reform because it would give local governments the flexibility to reduce residential property taxes while maintaining a higher level of business property taxes. The constitutional amendment will have to be approved again in the next session and by voters before it takes effect.

*** Public Charities Defined** -- Legislation (SB 355) passed the Senate, 35-15, that would lower the requirements for nonprofit organizations to qualify for tax exempt status as charities. Organizations that benefit a community culturally, spiritually or emotionally could be considered charities.

Under the Senate passed bill, tax exempt charities would have to show that they advance a charitable purpose; benefit people who truly need help; relieve government of a burden; do not make a profit; and donate their services generously. The bill would eliminate tax exempt status for charities that pay their chief executive officers more than \$100,000. It would let state-related universities seek certification as purely public charities. But they would be prohibited from using their tax-exempt status to compete unfairly with small businesses.

The measure was amended in House committees but never considered by the full House.

***** COLAs for Retired Officers** -- Legislation was unanimously passed by the Senate that would grant cost of living adjustments (COLAs) to retired firefighters and policemen without causing them to lose their state contribution to their local pension funds.

Under SB 388, "fiscally sound" municipalities--those that are at least 50 percent funded--would be allowed to grant COLAs without losing the state contribution. The measure would amend the Special Ad Hoc Municipal

Police and Firefighter Postretirement Adjustment Act which currently says that state contributions made to local pension funds are correspondingly reduced by the amounts of COLAs given.

The bill was unanimously approved by the House and signed December 18, 1996 as Act 152.

*** **Organ Donor Fund** -- The Senate unanimously approved a \$300,000 appropriation for a fund to facilitate organ donations for transplant surgery.

The appropriation contained in SB 1303 is for the Organ Donation Awareness Trust Fund, which administers the state's Organ Donor Card program. The legislation was signed by the governor December 20, 1995 into Act 47A.

*** **Prison Conversion** -- A measure to finance the conversion of Somerset State Hospital into a state prison was approved 47-1 in the Senate and signed by the governor November 17, 1995 into Act 34.

Special Session SB 109 authorized a \$1.9 million bond-financed expenditure to convert the hospital into a 1,350-inmate medium security prison for men.

The conversion involves the purchase and installation of two perimeter fences and an electronic detection system.

Before enactment, the bill had been amended by the House to include a \$10.6 million appropriation to renovate the Quehanna Motivational Boot Camp in Clearfield County and permit the boot camp to receive prisoners from county prisons around the state. The Senate removed this amendment.

*** **Pay Scale Change** -- The state Senate concurred 26-22 in a conference committee report (SB 1074) that for the first time since 1987 increased salaries for the governor, his cabinet, judges and legislators. It was concurred in by the House 104-91 and signed by the governor October 19, 1995 into Act 51.

Under the bill, the governor's salary was increased from \$105,000 to \$125,000 and the lieutenant governor from \$83,000 to \$105,000. The attorney general, auditor general and treasurer had their pay increased from \$84,000 to \$104,000. Pay for cabinet officers increased an average of about \$18,000, and members of the state judiciary received 8 percent boosts, with the chief justice of the Supreme Court getting \$123,000.

Legislators, whose base salary of \$47,000 was less than the average of tenured teachers in the commonwealth, had their pay increased to \$55,800.

Though legislators had not had an increase in eight years, the raise approved in the bill was calculated on the basis of rising costs experienced in the economy since 1990.

The governor had expressed difficulty in forming his cabinet early in 1995 because of an inability to compete with benefits corporate executives and professionals are receiving. Similarly in the legislature, a number of lawmakers had left in recent years, citing financial hardships.

Included in the legislation were provisions for subsequent cost-of-living adjustments.

*** **Taxpayers' Bill of Rights** -- The so-called taxpayers' Bill of Rights (HB 2572), requiring the Department of Revenue to provide more information when dealing with taxpayers was signed into law December 20, 1996 as Act 195.

Under the bill, the Revenue Department must provide a taxpayer with a list of a taxpayer's rights and obligations during an audit.

Also, under the bill, payments will be applied to reducing tax liability first, thereby reducing the total amount of interest owed.

Taxpayers will also have the right to have an audio recording of their interviews with the Revenue Department.

*** **Municipalities Remain Eligible for State Aid** -- Legislation (HB 2579) was signed into law as Act 150 on December 10, 1996 that protects municipalities that have borrowed money to eliminate an unfunded liability in their pension systems. The new law clarifies that municipalities incurring such a debt will still qualify for state aid.

*** **Postretirement Adjustments Made for Military Service** -- Under legislation (HB 168) signed into law December 18, 1996 as Act 167, certain Public School Employees' Retirement System members and State Employees' Retirement System members will receive special supplemental postretirement adjustments for certain military service. The adjustments apply to those who retired between October 1, 1975, and January 1, 1985, (PSERS) or between February 28, 1974, and January 1, 1985, (SERS).

Education

*** **1995-96 Education Funding** -- A measure authorizing state spending for education in 1995-96 was approved by the Senate, 44-6, and signed into law as Act 26 on June 30, 1995.

House Bill 20 allocates funding for basic education, special education, community colleges, distance learning grants and nonpublic school transportation. It also creates a "safe schools" office in the Department of Education to combat violence and prohibits weapons on school property.

The bill restores \$4 million in temporary aid to seven distressed school districts that was eliminated from the 1995-96 budget. It cuts special education funding for Philadelphia and Pittsburgh.

All districts in the state receive aid for special students, including the severely handicapped and the gifted, based on the number of such students served. The two largest school districts, Philadelphia and Pittsburgh, received a direct supplement of \$40 million for special education this past fiscal year which the governor wanted to cut in half. House Bill 20 cuts the funding by \$10 million -- \$7.5 million for Philadelphia and \$2.5 million for Pittsburgh.

The bill eliminates funding for the Connelley Adult Education Center and the Bidwell Training Center, both in Pittsburgh, which serve disadvantaged and needy people.

House Bill 20 contains the formula for the state's \$3.357 billion basic education subsidy for the next fiscal year, which increases by \$144.4 million over the current year (\$23 million more than the governor had proposed). All school districts will get at least a 1 percent increase in subsidies, with poorer schools getting as much as 4 percent more. Schools with rapidly growing enrollments will get an even greater percentage increase.

Also, under the bill, students bringing weapons onto school property or a school bus can be expelled for one year.

The "safe schools" office established by the legislation will collect and disseminate information about school violence and encourage schools to establish programs such as conflict resolution and classroom management.

*** **Sabbatical Limits** -- Legislation that limits teacher sabbaticals was signed into law as Act 66 on June 25, 1996. It was approved by the Senate, 35-14.

Under House Bill 1031, teachers may take sabbaticals for professional development or health reasons. The bill eliminates sabbaticals for travel, severance pay or early retirement. School boards will have sole authority to adopt and enforce sabbatical policies.

School boards can authorize classroom occupational exchanges that will let professional employees take leaves of absence to work in business, industry or government. School districts will be reimbursed by the participating business, industry or government entity for the cost of salary, wages, benefits and pensions.

Professional development leaves will have to be directly related to an employee's professional responsibilities as determined by the school board. Employees seeking a sabbatical leave must submit a detailed plan describing their proposed professional development activities and provide evidence that the plan was followed during a leave.

*** **Safe Schools Legislation** -- Students who habitually skip school could lose their drivers' licenses under legislation signed into law as Act 29 on Nov. 17, 1995. Special Session Senate Bill 98 also increases penalties for truancy. Parents of truant children, and the children themselves, will face fines of up to \$300. Parents may be required to attend a parenting education program.

Truant students will lose their operating privileges for 90 days for a first offense and for six months for subsequent offenses. Insurers may not increase premiums or cancel insurance for such suspensions. The bill also requires the Department of Education to develop recommendations for community-based antitrucancy pilot programs. It requires schools to report chronically truant children under age 13 to a county youth agency.

A companion bill in a "Safe Schools" package requires that school principals be notified when juveniles are adjudicated delinquent. Special Session Senate Bill 99 was signed into law as Act 30 on Nov. 17, 1995.

The bill requires that public, private and parochial school principals receive specific information about adjudicated students. The information may be used solely to protect school personnel and will have to be maintained separately from a student's official school record. The information may not be used for admissions or disciplinary decisions unless the acts occurred on or within 1,500 feet of school property.

Principals will inform a child's teacher of all information received about a student.

A third bill, Special Session Senate Bill 96, would have given schools a new tool to deal with "disruptive students." The bill would have let school districts create Disruptive Student Programs that would remove disruptive students from regular classrooms and give them instruction and counseling services. It was in the House Education Committee when the Special Session ended.

*** **Resident Tuition for Military** -- Civilian personnel and their dependents assigned to active military duty in Pennsylvania will be entitled to Pennsylvania resident tuition rates at state colleges and universities under legislation (HB 2305) signed into law as Act 60 on June 28, 1996.

The less expensive resident tuition rates will apply to state community colleges, state-owned and state-related institutions.

*** **Limits on Government Role in School Assignment** -- The Pennsylvania Human Relations Commission cannot determine pupil school assignments under legislation signed into law as Act 117 on July 12, 1996.

House Bill 1689 is commonly known as the Neighborhood School Bill. Under the bill, pupil assignments will be determined only by local education authorities unless changes are needed to remedy a violation of the equal protection clause of the 14th Amendment to the U.S. Constitution.

The bill also expands the definition of "housing for older persons" to include a requirement that housing complies with regulations promulgated by the Human Relations Commission.

*** **Special Ed Funding, Computer Grants, etc.** -- Special education funding for the 1996-97 school year was increased to \$1,115 for mildly impaired students and \$13,125 for severely impaired students under legislation signed into law as Act 107 on July 11, 1996. House Bill 837 also establishes other state funding for schools for the 1996-97 school year.

The bill creates Project Link to Learn, which will help schools buy computer equipment, and establishes a standard employment application for all Pennsylvania school districts. It allocates \$1.45 million to help school districts experiencing severe financial problems, provides temporary aid to districts that lose tax revenue due to reductions in assessed valuation, limits basic education funding to that received in the 1995-95 school year and increases the full-time equivalent student reimbursement factor for community colleges to \$1,210.

The state will no longer help school districts pay for children placed by a court in a private residential rehabilitative institution. School district liability for such placements will be limited to 150 percent of a district's tuition charge.

*** **Private Licensed School Definition** -- Hospital-based allied education programs operated by a hospital under the Health Care Facilities Act were exempted from the definition of Private Licensed Schools under legislation signed into law as Act 81 on July 2, 1996.

House Bill 2680 requires that such programs be accredited by a regional or national accreditation agency.

*** **Teacher Tenure and Termination** -- Public school teachers must wait an additional year before qualifying for tenure under legislation signed into law as Act 16 on March 29, 1996.

Senate Bill 708 makes teachers eligible for tenure after three years. Tenure could be granted after two years under prior law.

The bill also establishes additional causes for the termination of teachers, including unsatisfactory teaching performance, physical or mental disability that substantially interferes with the ability to perform essential functions, conviction of a felony and persistent and willful violation of school laws.

*** **Make-up Days for Storm** -- Schools were permitted to hold classes on one Saturday each month to make up days lost due to bad weather under legislation signed into law as Act 28 on May 6, 1996.

House Bill 2339 did not permit tests to be given during the Saturday sessions. It required that schools use all available days to meet the state's 180 day instructional requirement and let schools compute instruction time on an hourly, rather than daily, basis. Schools were required to offer 900 hours of instruction for elementary students and 990 hours for secondary students

* **Expulsion for Students With Weapons** -- Students who bring weapons to school would face a one-year expulsion under legislation unanimously approved by the Senate.

House Bill 38 would expel students for at least a year if they bring a weapon onto school property, to a school-sponsored activity or on a vehicle providing transportation to school. School superintendents could recommend punishment short of expulsion on a case-by-case basis.

The bill defines weapons as firearms, knives, nunchaku and any other instrument capable of inflicting serious bodily injury.

School districts would be required to develop written policies regarding expulsions for possession of weapons. They would report incidents involving weapons and acts of violence to a new Office for Safe Schools in the state Education Department.

House Bill 38 is in the House Rules Committee.

* **Academic Standards** -- Legislation that would create a 12-member State Education Standards Commission was unanimously approved by the Senate. The commission would recommend academic standards to the State Board of Education by Dec. 1, 1996. The board would then have 90 days to review the recommendations and promulgate proposed regulations.

Standards established under Senate Bill 1352 the bill would include, but not be limited to, mathematics, science, reading and writing. The standards commission would consist of the Secretary of Education, seven members appointed by the governor, two members appointed by the President Pro Tempore of the Senate and two members appointed by the Speaker of the House.

Senate Bill 1352 would also repeal the Sept. 30, 1996, deadline for school districts to submit strategic plans. The bill is in the House Appropriations Committee.

* **Public Hearing for Board Vacancies** -- School boards would have to hold a public hearing before filling a board vacancy under legislation (SB 239) unanimously approved by the Senate.

The public hearing provision would apply to second, third and fourth class school districts. A board vacancy would have to be filled within 30 days. Vacancies in first class districts would be filled by the local Court of Common Pleas.

The bill is in the House Education Committee.

* **Adult Literacy** -- Legislation that would coordinate Pennsylvania's efforts to promote adult literacy was approved by the Senate, 48-0.

Senate Bill 975 is an effort to better reach the four million Pennsylvanians in need of adult literacy services. It would coordinate adult literacy funding and programs across state agencies and create an Interagency Coordinating Council to promote public awareness of literacy challenges and solutions.

The bill is in the House Education Committee.

Environmental Resources and Energy

*** **DER Split** -- Legislation that eliminates the state Department of Environmental Resources and divides its responsibilities between two new departments -- the Department of Environmental Protection and the Department of Conservation and Natural Resources -- was signed into law as Act 18 on June 28, 1995.

House Bill 1400 was unanimously approved by Senate. The House concurred in Senate amendments on a vote of 194-9.

The new Department of Conservation and Natural Resources will be responsible for state parks, forestry programs, community recreation, river conservation and similar activities. It will have approximately 1,300 salaried and 1,400 seasonal employees and an annual budget of approximately \$177 million.

The Department of Environmental Protection will enforce environmental regulations and be responsible for waste management, deep mine safety, drinking water and other similar activities. It will have approximately 3,000 employees and an annual budget of approximately \$442 million.

The state Health Department will take over regulation of swimming pools and bathing places.

House Bill 1400 will continue the state's Environmental Quality Board.

*** **Industrial Site Redevelopment** -- A three-bill legislative package intended to encourage the cleanup and redevelopment of old industrial sites has been signed into law.

The industrial site reuse bills simplify the way Pennsylvania sets environmental standards for industrial properties and limit the liability of new owners who did not cause pollution.

The centerpiece of the package is Senate Bill 1 (Act 2/1995) -- the Land Recycling and Environmental Remediation Standards Act. The bill establishes the overall process for cleaning and reusing industrial sites. Other provisions of the bill set requirements for public notice and public review of cleanup plans, which are not now part of most state cleanup programs, and for limiting cleanup liability when a site owner meets the cleanup standard. The bill includes special provisions that encourage the cleanup and reuse of truly abandoned sites and areas in state-designated enterprise zones.

Senate Bill 1 also creates a \$15 million Industrial Sites Cleanup Fund to help pay for environmental studies and cleanup plans. The fund will make grants and loans to people who didn't cause pollution on a property and agree to clean it up. The fund will also support redevelopment efforts by political subdivisions and local development agencies.

The second bill in the package, Senate Bill 11 (Act 3/1995), will protect financial institutions, economic development agencies and municipalities from cleanup liability if they are merely providing financing for a project and if they hold other interests in the property but do not cause pollution on it.

The final bill, Senate Bill 12 (Act 4/1995), will create a special fund to finance environmental assessments by economic development agencies.

*** **Tire Recycling** -- Legislation that will encourage tire recycling and ban the disposal of whole waste tires in landfills was signed into law as Act 190 on Dec. 19, 1996. House Bill 1929 also creates a program to reduce pollution by small businesses and households.

The measure establishes an investment tax credit program for companies that recycle waste tires and provides funding for the cleanup of waste tire sites. The Department of Environmental Protection will be required to develop a list of waste tire sites. A grant program funded by the state Recycling Fund will help fund efforts to remove waste tire piles.

The bill creates a program to educate small businesses and the general public about ways to prevent pollution and manage solid and hazardous wastes. It establishes procedures for household hazardous waste collection programs.

*** **Storage Tank Law Changes** -- Legislation that makes several changes to the state's Storage Tank and Spill Prevention Act was signed into law as Act 16 on June 26, 1995.

House Bill 825 exempts aboveground tanks of 1,100 gallons or less used to store motor fuel for noncommercial purposes or motor oil; expands the exemption for underground commercial heating oil storage tanks; provides for the optional participation of such tanks in the Underground Storage Tank Indemnification Fund; adds members to the Storage Tank Advisory Committee and Indemnification Board: requires DER to reimburse owners of underground storage tanks for the costs of some testing, monitoring and studies; and requires that owners of some noncommercial farm tanks used to store diesel fuel pay the same insurance fee as owners of gasoline storage tanks.

*** **In-lieu-of-tax Payments Double** -- In-lieu-of-tax payments to counties, townships and school districts were doubled under legislation signed into law as Act 49 on July 6, 1995.

House Bill 861 increases the payment to \$1.20 per acre. The payments are made by the state Department of Environmental Resources, which will see its annual costs rise to \$2.4 million, and by the state Game Commission, which will see its costs rise to \$1.64 million.

*** **Deadline Extended for Well Bonding** -- The deadline for some wells to comply with bonding requirements of the Oil and Gas Act was extended under legislation signed into law as Act 41 on June 28, 1995.

House Bill 1639 gives operators of unbonded wells drilled before 1956 another three years to comply with the bonding requirements. The new compliance deadline is August 1998.

*** **Capital Park Projects** -- Legislation that itemizes 1995-96 capital projects under the Keystone Recreation, Park and Conservation Program was signed into law as Act 56 on Oct. 31, 1995.

Senate Bill 858 authorizes DER to use \$14,930,000 for capital projects at the following state parks:

Bendigo State Park, \$1,500,000

Codorus State Park, \$1,200,000

French Creek State Park, \$1,000,000

Neshaminy State Park, \$1,500,000

Prince Gallitzin State Park, \$1,900,000

Raccoon Creek State Park, \$2,000,000

R.B. Winter State Park, \$1,500,000

Yellow Creek State Park, \$1,000,000

Pool repairs at Sizerville,

Hyner Run, Bendigo, Reeds Gap

and Mt. Pisgah state parks, \$ 630,000

Moraine State Park, \$ 900,000

Caledonia State Park, \$1,200,000

Frances Slocum State Park, \$ 600,000

*** **Dust Control in Second Class Townships** -- Legislation that establishes exemptions from dust control requirements for some highways in Second Class Township was signed into law as Act 68 on Nov. 28, 1995.

The exemption created by House Bill 490 applies to highways where no businesses or residents are located.

*** **Phosphate Ban Extended** -- Legislation that extends the sunset date of the Phosphate Detergent Act from December 31, 1995, to December 31, 1998, was signed into law as Act 78 on Dec. 20, 1995.

House Bill 2189 also establishes an additional exception to the prohibition on phosphorous content, allowing for a total amount not exceeding 0.5% phosphorous that is incidental to manufacturing or that is added to stabilize the cleaning agent or its packaging.

*** **Rainy Day Fund, Tree Harvesting, Department Shifts** -- Legislation that transferred \$57 million from the General Fund to the Tax Stabilization Reserve (or Rainy Day) Fund and \$7 million from the Capital Loan Fund to the Machinery and Equipment Loan Fund was signed into law as Act 10 on Feb. 23, 1996.

House Bill 272 began as a measure that requires the Department of Conservation and Natural Resources to study its tree harvesting practices in state forests. That provision remains in the bill, along with a variety of unrelated provisions that:

-- redefine "surplus property" and revise the process by which the state disposes of it;

-- appropriate \$2 million from the Energy Conservation Assistance fund to the Department of Environmental Protection for fiscal year 1995-96;

-- require that lapsed Energy Conservation and Assistance Fund money be reappropriated to the program that lapsed the funds;

-- transfer administration of the Anaerobic Manure Digesters Act from the Pennsylvania Energy Office to the Department of Agriculture;

-- require the state Health Department to designate a Health Care Policy Board that would be responsible for the Certificate of Need Program and licensing of facilities established under the Health Care Facilities Act;

-- give the Department of Labor and Industry authority to regulate modeling and theatrical agencies; and,

-- create a joint select committee under the Joint State Government Commission to investigate the financial integrity of the State Workmen's Insurance Fund.

*** **Diesel Equipment in Coal Mines** -- Diesel powered equipment can be used in bituminous coal mines under legislation signed into law as Act 182 on Dec. 19, 1966.

House Bill 2828 will allow the use of diesel equipment underground if the equipment uses an engine approved or certified by the federal Mine Safety and Health Administration. The equipment must be attended while in operation.

*** **Storage Tank Changes** -- Legislation that would make several changes to the Storage Tank and Spill Prevention Act was signed into law as Act 34 on May 10, 1996.

Senate Bill 638 changes the definitions of aboveground storage tank and storage tank facility, changes the out-of-service inspection frequency requirements for aboveground storage tanks and limits third party civil actions. It requires the Underground Storage Tank Indemnification Board to conduct a study to determine the feasibility of a low interest loan program from the Underground Storage Tank Indemnification Fund. The loan program will be used by owners of underground storage tanks to bring the tanks into compliance with technical standards and corrective action.

*** **Mining Bonds, Water Loss** -- Legislation signed into law as Act 43 on May 22, 1996 revises requirements for payments in lieu of bond for remaining operations and reclamation bond credits and changes the criteria dealing with rebuttable presumption for water loss in areas near mining operations.

House Bill 1940 also makes several corrective technical changes to the Surface Mining Conservation and Reclamation Act dealing with remaining incentives and government-financed reclamation contracts.

*** **Guaranteed Energy Savings Contracts** -- State and local governments can enter into Guaranteed Energy Savings Contracts under legislation (SB 1083) signed into law as Act 29 on May 10, 1996.

The contracts will allow energy saving improvements to be made based on a guarantee that the savings will offset the cost of the improvements.

*** **Cable Television Lines at Ohiopyle** -- The state can approve a restricted right-of-way for cable television lines through Ohiopyle State Park under legislation (HB 76) signed into law as Act 2 on Feb. 7, 1996. The cable lines would serve the Borough of Ohiopyle, which is surrounded by the park.

* **Negotiated Rulemaking** -- The Senate has unanimously approved legislation that would establish a process for negotiating environmental regulations and policy guidance and create a uniform policy for public access to Department of Environmental Protection documents.

Senate Bill 872 would let DEP and the Environmental Quality Board use negotiating committees to develop environmental regulations and policy. The committees would attempt to reach a consensus on a proposed regulation or policy. When a consensus is achieved, DEP and the EQB would be required to propose it. The final regulation or policy could be changed by DEP or EQB after additional public review.

The bill also authorizes DEP to create temporary or permanent advisory committees and stakeholder groups to help develop or discuss regulations or policy and to provide advice on implementing DEP programs.

DEP would be required to provide public access to its written policies, procedures, guidance, decision rules, guidelines, technical standards and specifications.

Senate Bill 872 is in the House Environmental Resources and Energy Committee.

* **Submerged Lands Charges** -- The Senate has unanimously approved legislation (SB 639) that would eliminate annual charges for use of the state's "submerged lands." Easements, rights-of-way, leases and licenses for the use of submerged lands would instead be subject to a one-time fee that could not exceed the annual charge established in current DER regulations.

The bill is in the House Environmental Resources and Energy Committee.

* **In-lieu-of-tax Payments for Parks** -- The Senate unanimously approved legislation that would require DER to make annual in-lieu-of-tax payments to school districts for state park property that is leased for rental amounts nearly equivalent to fair market value. The amount of the payments would be equivalent to the tax that would be collected if the Commonwealth did not own the land.

Senate Bill 771 would also restrict the siting of methadone maintenance facilities and require that employees of the facilities undergo criminal background checks and periodic drug testing. The facilities could not be located within 1,000 feet of a school, church or playground.

The bill is in the House State Government Committee.

* **Explosives Regulation** -- Pennsylvania's outdated laws governing the use of explosives would be revised and updated under legislation unanimously approved by the Senate.

Senate Bill 868 would increase penalties for unsafe blasting activities, respond to changes in explosives technology and establish new licensing requirements for people who conduct blasting activities. The state Department of Environmental Protection would regulate the use, storage, purchase, sale and handling of explosive materials.

The legislation was in the House Environmental Resources and Energy Committee when the session ended.

** **Recreational Land Use** -- Landowners would be encouraged to make their property available for recreational use under legislation unanimously approved by the Senate.

Senate Bill 654 would expand the definition of "land" under the Recreational Use of Land and Water Act, which limits the liability of landowners who let their property be used for public recreation. It would also add field sports, basketball and horseback riding to the definition of "recreational purpose" under the act. The bill is a response to recent court decisions. It has returned to the House for a concurrence vote, and is in the House Rules Committee.

Judiciary

*** **Gun Control** -- Legislation to keep guns out of the hands of criminals was unanimously approved in the state Senate and signed into law as Act 17 on June 13, 1995.

Special Session HB 110 was hailed as a major victory by its Democratic sponsor, who described the measure as: "a model for the nation of a sensible resolution of the problem of keeping guns out of the hands of the wrong people."

The bill cracks down on illegal gun sales and prohibits people convicted of violent crimes or judged mentally or emotionally incompetent from possessing guns. It does not ban any weapons.

The new law will:

-- prohibit purchases of any type of firearms by people convicted of violent crimes such as rape, arson and so forth, even if they were juveniles when the crimes were committed;

-- prohibit gun purchases by people convicted of drug offenses, or three driving under the influence offenses within a five year period;

-- increase penalties for the illegal sale of handguns, rifles and shotguns;

-- expand the categories of convicted criminals prohibited from owning or possessing a firearm to include such crimes as aggravated assault, corruption of minors, illegal gun sales and so forth;

-- hold sellers criminally liable for criminal acts committed with an illegally sold gun;

-- and establish a computerized instant background check for individuals waiting to buy firearms in Pennsylvania. This will be funded by a \$3 surcharge on all gun sales.

The bill eliminates Pennsylvania's 60-year-old law requiring a 48-hour cooling off period before someone could buy a handgun. The waiting period was deleted, with some senators arguing the electronic background checks would make the two-day waiting period unnecessary. Others regretted removal of the cooling off period, saying it was effective in preventing crimes of passion.

The bill also overturns a requirement in Philadelphia that people demonstrate a need before they are granted permits to carry concealed weapons.

*** **Gun Law Amended** -- Pennsylvania's new firearms law, designed to keep guns out of the hands of criminals and incompetents, had certain registration provisions loosened in an amendment approved 36-9 in the Senate and signed into law as Act 66 on Nov. 22, 1995.

The amending legislation was contained in a conference committee report on SB 282, which also toughens penalties for food stamp fraud and allows local referenda on the operation of bottle clubs.

Enacted in June, 1995, the state's Uniform Firearms Act provides for the creation of a computerized instant background check for people wishing to buy firearms. People with records of violent crime convictions or with histories of mental or emotional incompetence cannot have firearms under the new law.

The electronic background checks, however, will not be implemented by the state police until the end of 1999. In the meantime, the state developed regulations requiring gun dealers and patrons to complete and file a bewildering amount of paperwork. Dealers complained that sales were discouraged and buyers feared their names would remain on permanent police registration lists.

Senate Bill 282 amended the law to exempt purchasers of rifles and shotguns from having to undergo criminal background checks until Jan. 1, 1997.

After that date, long gun buyers will have to submit applications to the state police for background checks until the computerized system is in place for instant checks. Some legislators opposed the temporary scrapping of background checks on long gun buyers, saying it created a dangerous loophole in the law.

Under the legislation, state gun application forms will no longer be submitted to local sheriffs, only to the state police who must destroy the forms within 72 hours after completing the background checks. These checks must be completed within 14 days.

The amended law will also allow a gun sale to proceed if the instant background system is out of operation for longer than 48 hours. Gun dealers would be required to obtain a paper record that could be used to complete the check later.

Also, the new gun law eliminates a section that provided immunity for mental health professionals who report dangerous patients to law enforcement officials.

The original provisions in SB 282 to crack down on food stamp fraud and to let communities close bottle clubs were preserved with the gun law amendments.

Under the bill, anyone convicted of the unauthorized sale of federal food coupons valued at \$1,000 or more will be subject to a third degree felony penalty of up to seven years in jail. Sales valued at less than \$1,000 could result in a five-year jail sentence. Currently, food stamp fraud convictions can result in no more than a year in jail.

The bill also provides that bottle clubs -- places that do not have liquor licenses, but charge an entrance fee and provide liquor or permit patrons to bring their own bottles -- can be shut down by communities choosing to do so in a referendum. At least 25 percent of the community's voters would have to petition for the referendum.

Also, the bill prohibits the sale of butane to anyone under 18. Violators are subject to a first time fine of \$250, and subsequent fines of \$500.

*** **Megan's Law Notification** -- A plan to notify communities about released violent sexual offenders in their midst considered likely to repeat their crimes, known as "Megan's Law", was approved unanimously in the Senate. It was signed into law as Act 24 on Oct. 24, 1995.

Under Special Session SB 7, sexual offenders whose victims were minors or whose sexual assaults were violent, regardless of their victims ages, must register with the State Police for ten years. These include people convicted of rape, involuntary deviate sexual intercourse, aggravated indecent assault or spousal sexual abuse.

Upon conviction of a sexual offender, a state board will determine if the offender is a sexually violent predator -- that is, prone to repeat the crime. If the trial judge concurs, the sexual predator, upon release from prison, will have to keep the State Police notified of his or her whereabouts every 90 days. Further, neighbors and the community in which the predator locates will be so notified by their municipal police.

The so-called Megan's Law was named after 7-year-old Megan Kanka of New Jersey, who was raped and strangled in 1994 allegedly by a twice-convicted child molester.

Included in the notification process are colleges, schools, day care centers, preschool programs and the county children and youth agency.

*** **Longer Terms for Repeat Offenders** -- The Senate, in an attempt to reduce violent crime, approved "three strikes" legislation that imposes longer prison terms on repeat violent offenders.

Special Session HB 93, which also allows juvenile offenders to be held more than the previous 10-day maximum if hearing delays are caused by them or their attorneys, passed 45-2 after it was amended to include the "three strikes" provisions. The bill was signed into law as Act 21 on Oct. 11, 1995.

Under the measure, a third violent felony conviction will mean a sentence of 25 to 50 years, or life imprisonment without parole. A two-time violent offender will face at least 10 years in prison.

Before passage, Senate Democrats failed (17-30) to strengthen the bill with an amendment to mandate life imprisonment for a third violent felony conviction. Though they supported passage of the final version, Democrats characterized it as a watered down, "three strikes and you're benched" attack on violent crime.

Among the violent offenses that will trigger longer sentences are murder, rape, kidnaping, car jacking, burglary of an occupied home, and aggravated assault. Previously, murder was the only charge that carried a life sentence.

The bill mandates that anyone convicted of a second violent crime be given a 10 to 20 year sentence, unless the assumption that the offender is dangerous can be rebutted at a court hearing. If successfully rebutted, a minimum 5 year sentence would be imposed.

Second time violent offenders will be warned that a third violent felony conviction will mean at least a 25 year sentence, or life imprisonment without parole.

Juvenile convictions will not count as strikes, nor will prior offenses more than 7 years old.

The bill also mandates a minimum sentence of 5 years for possessing a firearm during the commission of a violent crime, and for committing such crime in or near public transportation facilities.

The new law was estimated to cost the state an additional \$537,000 in the first year, based on an expected increase of 23 state prison inmates.

*** **Cells for Juveniles** -- As a follow-up to previous legislation to transfer certain juveniles to the adult criminal courts, the Senate passed Special Session SB 101, a measure to provide cell space for the anticipated new residents. The bill was signed into law as Act 19 on July 7, 1995.

It authorizes bond-financed expenditures of \$145,785,000 for cell space for an additional 1,990 adult offenders and 500 juveniles sentenced as adults, and 100 Youth Detention Center beds for juveniles. It will also provide for jail renovations not associated with the additional cell space.

*** **Prison Boot Camp to get New Draftees** -- More prisoners will be eligible for motivational boot camp programs under legislation signed into law as Act 86 on July 2, 1996.

House Bill 2580 allows inmates serving minimum sentences of three years or less to participate in the Quehanna program when they are within two years of completing their minimum. Previously, only inmates with minimum sentences of two years or less were eligible.

The program is only operating at two-thirds capacity and this measure will increase the pool of potential eligibles by 1,400 to fill another 250 slots.

*** **Child Protection** -- Penalties for involuntarily causing the death of a child under age 12 were increased under legislation signed into law as Act 31 on July 7, 1995.

Special Session HB 578 makes involuntary manslaughter a second degree felony when the victim is under age 12, and when the person who causes the death has custody or control of the child.

The bill also makes a parent, guardian or other person supervising the welfare of a child under 18 subject to a first degree misdemeanor for knowingly endangering a child.

*** **Ridge's First Law** -- Special Session SB 19, unanimously approved by the Senate, was signed into law as Act 1 of 1995, the first law of the new administration.

The measure authorizes judges to review juvenile records when setting bail for juvenile offenders. The review is to be limited to documents relating to delinquency adjudications and dispositions, orders resulting from disposition review hearings and histories of bench warrants and escapes.

Ridge signed the measure on Feb. 22, 1995.

*** **Hasten Death Warrants** -- Another early priority that became law in the new session was Special Session HB 1, a bill that requires governors to sign death warrants within 90 days. It was approved by the Senate, 43-6, and signed into law as Act 4 on March 15, 1995.

The bill is similar to a measure passed by the General Assembly the previous year. That bill, which would have required a governor to sign warrants within 60 days, was vetoed by former Governor Casey.

The new law will force governors to sign death warrants within 90 days of a convicted killer's death sentence being upheld by the state Supreme Court. Advocates of the measure said without prompt action on death warrants, which set the dates of executions, inmates have no motivation to begin their federal and state appeals process.

If the governor fails to issue an execution warrant within 90 days, the Secretary of Corrections is empowered to sign the death warrant.

The bill also extends the list of aggravated circumstances a jury must consider in a first degree murder case to include previous murder or voluntary manslaughter convictions.

According to a Democratic staff analysis, implementing the measure will cost an additional \$800,000 a year.

*** **Pennsylvania "Son of Sam" Law** -- Legislation that mandates restitution for crime victims and prevents criminals from exploiting their crimes for profit was signed into law as Act 12 on May 3, 1995.

Special Session HB 18 requires courts to order defendants to pay full restitution to their victims. A Senate amendment restricted the legislation to apply only to adult courts.

Criminals will also be responsible for money paid to a victim by any governmental agency such as the Crime Victim's Compensation Board or an insurance company. Restitution can be paid in a lump sum or in installments.

In response to "Son of Sam," a serial killer who received royalties on written and dramatized accounts of his case, and other notorious crimes, the new law requires the Crime Victim's Compensation Board to be notified of all commercial contracts signed with a defendant. The board or the victim could then file a civil suit to recover any profits made from the crime.

The Board is responsible for publicizing the existence of such profits so affected victims can be alerted to file their claims.

*** **Victim Notification** -- A Democratic sponsored bill to require that crime victims be notified when their assailants are released from county jails was signed into law as Act 2 on March 9, 1995.

Prior law had required victim notification when prisoners were about to be released from state correctional institutions. Special Session SB 14 extends that requirement to local jails. A local prison, under the bill, is one operated by one or several counties. Victims who suffered personal injuries will be notified when offenders are furloughed, paroled, given work release, placed in a community treatment center or escape.

*** **Attempted Murder Penalty** -- The ante has been raised for attempted murder convictions in a bill (Special Session SB 16) signed into law as Act 3 on March 19, 1995.

A conviction of attempted murder that results in serious bodily harm will carry a sentence of up to 40 years in prison. If no serious injury occurs, an attempted murder conviction will be punishable by a prison sentence of up to 20 years.

Previously, attempted murder carried a maximum sentence of 10 years.

The law also imposes a fine of up to \$50,000 for murder or attempted murder.

*** **Bail Amendment** -- A constitutional amendment that would let judges deny bail to people considered a danger to the community was approved by the General Assembly and filed with the Department of State as Pamphlet Laws Resolution No. 3 on April 26, 1995.

Special Session SB 12 will have to be passed again in the next legislative session and approved in a referendum before going into effect. The bill, which passed the Senate 43-6, drew some Democratic opposition because of fears that a fundamental right of an accused to bail was being eroded.

Currently, bail can be denied to people charged with capital offenses, for which the maximum sentence is death or life imprisonment.

Under the proposed constitutional amendment, a judge could also deny bail when, in the judge's opinion, only imprisonment "will reasonably assure the safety of any person and the community."

*** **Change in Pardon Board** -- A constitutional amendment to require a unanimous recommendation by the Board of Pardons before a death or life imprisonment sentence could be commuted was approved by the General Assembly and filed as Pamphlet Laws Resolution No. 2 on April 26, 1995.

Special Session SB 4 must be approved again in the next session in a referendum before the constitution could be changed. Currently, only a majority board vote is needed to recommend a pardon or commutation by the governor.

The legislation was prompted by the release in 1994 of Reginald McFadden, a convicted murderer, who was subsequently arrested in New York on rape and murder charges.

In the Senate, an amendment to remove the lieutenant governor and attorney general from the five member board, replacing them with gubernatorial appointees, failed, 9-40. Proponents argued that the two elected officeholders were unlikely ever to vote to recommend a prisoner's release, making the prospect for a sentence commutation or pardon impossible because of the requirement for a unanimous board decision.

The bill would also change the composition of the board's appointed members, replacing a lawyer with a crime victim and a penologist with a corrections expert. The third appointed member would be a doctor or psychologist with expertise in predicting violent behavior.

*** **Protect Child Victim's Testimony** -- A constitutional amendment to remove the requirement that defendants meet their accusers face to face was approved in the 1994 and 1995 sessions of the General Assembly and in a referendum Nov. 7, 1995.

The constitutional amendment approved in special session SB 11 preserves the right of defendants to be confronted by witnesses against them, but that confrontation, in the case of child victims or witnesses, can be satisfied through the use of videotaped depositions or closed-circuit television.

Legislation (SB 1322) to implement the constitutional amendment was approved unanimously by the Senate and signed by the governor December 18, 1996 as Act 161.

Under the new law, the court must determine that testifying in the defendant's presence would cause the child serious emotional distress that would make him or her unable to communicate. The law applies to children under 16.

*** **Juveniles to be Fingerprinted** -- Juveniles arrested for misdemeanors or felonies may be photographed and fingerprinted under legislation unanimously approved by the Senate. Special Session SB 10 was signed into law March 15, 1995, as Act 6.

Information collected under the new law may be used by law enforcement officials for investigative purposes. It will be kept separately from adult records in a central repository maintained by the state police. The information will be destroyed if the juvenile is found innocent.

Approximately 10 additional state police employees will be needed to process an estimated 42,000 prints and files at a cost of about \$266,000.

*** **Stricter Control of Juvenile Records** -- Legislation that places additional conditions on the expungement of juvenile records was signed by the governor March 5, 1995, as Act 7.

Under previous law, juvenile offenders could have their juvenile records expunged by court order at age 21. Special Session SB 20 lowers the age to 18, and requires the consent of an attorney for the Commonwealth in addition to a court order. It also requires a variety of factors to be considered such as offense, age, employment history, criminal activity, drug and alcohol problems and the effect on the public.

The measure requires that the district attorney receive 30 days notice of an expungement request, up from 10 days under previous law.

*** **Assistance for Crime Victims** -- An Office of Victim Advocate was created by legislation (Special Session HB 14) unanimously approved by the Senate and signed into law as Act 8 on March 21, 1995.

The office will be located within the Board of Probation and Parole and will represent the interests of crime victims before the Board. The victim advocate will be appointed by the governor to a six-year term, and will be subject to Senate confirmation.

The advocate will supervise the victim notification duties now conducted by the Board, coordinate the preparation of oral testimony and the submission of written comments by crime victims before a release decision and represent the interests of the crime victims.

Crime victims will be given at least 90 days notice of an impending parole date and the opportunity to submit a statement regarding parole or parole supervision. The victim, or the advocate, can appear before the Board or hearing examiner for comment before a release decision. Testimony will be confidential.

The Office of Victim Advocate will cost approximately \$296,000.

*** **Tougher Sentences and Fines for Murderers** -- A measure to fine convicted murderers up to \$50,000 and increase the prison term for a conviction of third degree murder was signed into law as Act 5 on March 15, 1995.

Special Session HB 16 increases the maximum term for third degree murder to 40 years. The previous maximum term was 20 years.

*** **Combine Juvenile Offenses** -- Juvenile court will exercise broader powers regarding certain offenses under Special Session HB 31, which was signed into law as Act 9 on March 31, 1995.

The bill expands the jurisdiction of juvenile court to include any offense arising from the same episode as any misdemeanor or felony. Now one court rather than two will decide the issue.

Prior law provided that juveniles charged with delinquent acts and summary offenses arising out of the same episode were under the jurisdiction of district justices for the summary offense, and court for the delinquent act.

*** **Open Juvenile Courts** -- The public will have more access to court hearings for juvenile offenders under legislation signed into law as Act 11 on April 4, 1995.

Special Session HB 10 was approved 34-14 in the Senate after being amended to open proceedings for certain juveniles 12 or older. An earlier version set the age at 14.

Under the measure, court proceedings may be made public for juveniles charged with a crime that would be considered a felony if committed by an adult. The proceedings may remain closed by agreement with the attorney for the Commonwealth. Also, the court retains its discretion to close a hearing to receive information regarding mental health, medical health or juvenile institutional documents.

Some Senate Democrats opposed publicizing hearings for 12-year-olds, saying youngsters are often given serious charges to scare them, only to be reduced upon disposition. This latitude to influence their behavior will be compromised under the new law, they said.

*** **No Means No** -- Legislation that provides for a lesser rape conviction when a victim is not physically threatened cleared the Senate and House unanimously and was signed into law as Act 10 on March 31, 1995.

Special Session SB 2 adds the offense of sexual assault to the commonwealth's rape statute to cover instances when nonviolent sex occurs despite a victim's protests.

The legislation is a response to a 1994 Supreme Court ruling that said a victim must prove force or the threat of force for a conviction under the existing rape statute. It retains rape as a first degree felony when force or the threat of force is used. It adds sexual assault, a second degree felony, in cases when the victim unwillingly succumbed without the threat of force.

The bill also expands the definition of rape to include compulsion by use of physical, intellectual, moral, emotional or psychological force.

It also raises the penalty for hiring a prostitute from a summary offense to a third degree misdemeanor. Upon conviction, the court is to have the offender's name published in the local newspaper.

*** **Instruments of Crime** -- In response to a court decision that ruled a baseball bat was not an instrument of crime, the Senate unanimously passed legislation that expands the definition of an illegal weapon.

Senate Bill 729 was signed into law as Act 27 on July 7, 1995. Under the bill, something is considered an instrument of crime if it is used with the intention of committing a crime. Possession of an instrument of crime is a first degree misdemeanor.

The bill also expands aggravated assault to include injury against people such as prison guards and others who put themselves in danger while serving the public good.

The bill also makes it an offense to harass, annoy or injure a guide dog. Killing or torturing any dog or cat would be a misdemeanor of the second degree.

*** **Open Juvenile Records** -- Juvenile records would be less restricted under legislation signed into law as Act 13 on May 12, 1995.

Special Session HB 19 will allow access to juvenile records for subsequent juvenile criminal or civil proceedings involving the same person in the following situations: for the purpose of a presentence investigation and report if the child was adjudicated delinquent; in a civil matter where reputation or character is an issue; or in a criminal proceeding, if the child was judged delinquent for an offense for which evidence would be admissible in court if committed by an adult.

Courts will retain jurisdiction to assure full compliance with any restitution order until the child becomes 21. At age 21, if full restitution to a victim is still not satisfied, the court would place a lien against the individual until compliance is satisfied.

*** **DNA Collection** -- Genetic information may soon be used to track down rapists and other sex offenders under Special Session HB 3, which was signed by the governor on May 28, 1995 as Act 14.

The bill creates a statewide DNA data bank to be maintained by the State Police to help identify criminal suspects. Adults and juveniles convicted of rape and other felony sex offenses will be required to give tissue samples so that DNA profiles can be stored. In investigating a crime, police will be able to compare material taken from the crime site with the DNA profiles in the data bank.

The DNA profiles will also be provided to the FBI for inclusion in a national DNA identification system.

*** **Tougher Release and Parole** -- Two Special Session House bills tightening procedures for commuting sentences and releasing inmates to society were signed into law.

Special Session HB 5 (Act 15/1995) requires the Board of Pardons to notify victims when an inmate applies for clemency. Under the bill, violent offenders applying for clemency will be required to appear before the Pardons Board. If the Board recommends clemency, the inmate will be required to serve at least one year in a pre-release program

Hearings will only be granted upon a majority vote of the members, and in cases involving a death sentence, the application must be filed within ten days of the governor's issuance of a warrant for execution.

Special Session HB 6 (Act 16/1995) increases the parole supervision of released inmates.

Under the bill, the Board of Probation and Parole upon request will investigate and make recommendations to the Board of Pardons in cases coming before it. The Probation and Parole Board will also be required to notify the Board of Pardons immediately of any parole violation.

Also, inmates convicted of violent crimes will not be paroled until they serve at least one year in a pre-release center. Afterward, they will be subject to weekly supervision for the first six months of parole. A parolee could not relocate to another state unless the receiving state agrees to the same requirement for supervision. Similar legislation had been approved in the Senate as Special Session SB 23.

*** **Judicial Code Revised** -- Legislation that revises several aspects of the Judicial Code and establishes a rent-to-own business policy was signed into law as Act 104 on July 11, 1996.

Under SB 1374, unauthorized practice of law by any person, including a paralegal or legal assistant, is a misdemeanor of the first degree for a second or subsequent offense. The bill also prevents a district justice who resigns from office from being reappointed to his or her unexpired term.

Under the bill, judges who presided over a dependent child in a criminal proceeding or dependency hearing may also be assigned to Orphan's Court for proceedings related to the same child when the proceedings involve the involuntary termination of parental rights, or a petition to adopt the child.

The bill establishes the Rental-Purchase Agreement Act (rent to own) and sets an initial period of four months or less on an agreement that may then be extended by automatic renewal and permits the lessee to then acquire the property.

The new law defines what may and may not be disclosed in the rental purchase agreement, specifying the rights and duties of both parties.

Finally, the bill also raises the cap on the Judicial Computer System Augmentation Account from \$80 to \$100 million.

*** **Inmate Health Costs, Organ Donation, etc.** -- State prison inmates with health insurance will have to pay their own medical costs under legislation signed into law as Act 53 on June 12, 1996.

House Bill 406 also contains provisions concerning hospital notification of potential organ donors. Prior law required hospitals to notify organ procurement organizations after every death to discuss the potential of an organ donation. Health Department guidelines let hospitals decide which agency to contact. The bill requires hospitals to notify agencies on a rotating basis.

The measure also shifts the oversight of seasonal farm workers to the Department of Agriculture, requires the Departments of Welfare and Aging to study the costs of prescription and pharmacy services under Medicaid and PACE and lets the Department of General Services go to a single prime contractor for certain prison projects under \$25,000.

*** **Limited Liability** -- People who flee from police will not be able to file a negligence claim if they are injured in a car accident under legislation signed into law as Act 46 on July 7, 1995.

Senate Bill 653 limits liability in cases where an individual was in a fight or fleeing apprehension or resisting arrest by a police officer. Also, local governments will not be liable for people who aid a group in resisting surrender.

The bill will also allow introduction of evidence that a plaintiff was engaged in willful misconduct when liability is asserted under any exception to governmental liability. It will permit wrongful death actions only if no recovery for the same damages claimed in the wrongful death action was obtained by the injured individual during his or her lifetime. Any prior actions for the same injuries would be consolidated with the wrongful death claim.

*** **HIV Sex** -- A provision to protect care-dependent persons was combined with penalties for HIV infected prostitutes in HB 247, which was signed into law as Act 28 on July 7, 1995.

Under this bill, "caretakers," such as an owners, operators, or employees of nursing or personal care homes, could be charged with neglect for knowingly failing to prevent injuries to their patients.

The bill also makes it a third degree felony for a prostitute or a patron knowingly infected with the HIV virus to engage in sex. A third degree felony carries up to a seven year prison sentence.

*** **Drugs in Prison** -- A Special Session measure (HB 24) to stop the flow of drugs within prisons was unanimously approved in the Senate and signed into law as Act 18 on July 7, 1995.

Under the bill, people convicted of furnishing drugs to prison inmates will receive a mandatory minimum sentence of two years. An inmate found in possession of drugs will be guilty of a misdemeanor of the first degree. The bill also permits prisons to use dogs or other animals to search for contraband substances.

*** **Info for Adoptees** -- Medical histories of adoptees will be more accessible under legislation signed into law as Act 76 on Dec. 20, 1995.

Under HB 215, medical histories of natural parents will be available to determine potential hereditary problems. Forms will be made available to enable parents whose rights have been terminated to register and update medical history information. Identities will continue to remain confidential.

*** **Pregnancy Aggravating Circumstance** -- Legislation that adds pregnancy to the list of aggravating circumstances used in deciding if a convicted murderer should be sentenced to death was signed into law as Act 31 on Nov. 17, 1995.

Special Session SB 72 requires proof that the defendant knew the victim was pregnant for it to be considered an aggravating circumstance.

Under Pennsylvania law, if a jury finds that aggravating circumstances, such as the victim being a police officer, etc., outweigh any mitigating circumstances in a murder, the sentence must be death. Otherwise, the sentence is life imprisonment.

*** **Parents' Responsibility** -- Judges will be allowed to order parents or guardians to attend juvenile court proceedings and to participate in court-ordered rehabilitation programs for their children under legislation (Special Session SB 34) signed into law as Act 28 on Nov. 17, 1995.

Failure of parents or guardians to participate when ordered may lead to contempt of court charges.

*** **Victim is Sentencing Factor** -- Evidence concerning the victim and the impact of the victim's death on family members will be considered during sentencing in first degree murder cases under legislation (Special Session SB 54) signed into law as Act. 22 on Oct. 11, 1995.

Victim impact evidence could make it easier for a jury or trial judge to impose a death sentence.

*** **Hate Crimes** -- People who burn crosses to intimidate minorities could be more easily prosecuted under legislation signed into law as Act 53 on Oct. 27, 1995.

Senate Bill 223 attempts to close a loophole in the state's criminal code by creating a new offense called "simple trespass," which will prohibit anyone from entering another person's property with the intent to threaten or cause damage, regardless of whether a "no trespassing" sign is posted.

Under current law, trespassing is a crime if there are signs posted or fences erected, or if the property owner has specifically told the visitor to leave.

*** **Victim Protection** -- Crime victims will receive greater protection and compensation under legislation signed into law as Act 26 on Nov. 17, 1995.

Special Session HB 103 requires that abuse victims be notified when their convicted assailants are released on bail from local jails. The notification requirement will apply to offenders jailed for violation of protection from abuse orders or for injuring someone under a protection order.

Also, the bill merges the Crime Victims Compensation Board into the Pennsylvania Commission on Crime and Delinquency to create the Bureau of Victim Services.

*** **Hasten Appeals** -- The Post-Conviction Relief Act was amended to expedite appeals of criminal convictions under legislation (Special SB 81) signed into law as Act 32 on Nov. 17, 1995.

The new procedures will apply to both capital and non-capital cases, but execution delays in death penalty cases provided the impetus for the legislation. Time limits and guidelines will be imposed for filing appeals and, with capital cases, no court will have the authority to issue a stay of execution unless the petition for post-conviction relief meets all the requirements and the petitioner makes a strong showing of the likelihood of success on the merits.

*** **Relief for Victims** -- Victims of sexual and domestic violence will no longer be charged for certain costs associated with investigating the crime under legislation signed into law as Act 20 on Sept. 26, 1995.

Special Session HB 127 authorizes courts to order an offender to pay the cost of a reward and forensic examinations of sexual offense victims. It absolves domestic violence victims from costs associated with charges and prosecution.

The bill also allows the interception and disclosure of information from prison inmate telephone calls by lawful authorities. Attorney/client calls will not be subject to monitoring.

*** **Parole Budget Boosted** -- Reflecting the mounting cost of tough-on-crime legislation, the Senate concurred 45-2 on a measure (Special Session SB 23) boosting the state Board of Probation and Parole's budget by more than \$3 million for tightened surveillance of parolees. It was signed into law as Act 37 on Nov. 17, 1995.

The bill added \$3.249 million to the board's 1995-96 budget of \$59.2 million.

The two dissenting senators criticized the quick approval of the additional money, noting the regular procedure of sending funding requests to the Appropriations Committee for analysis was short circuited.

The bill permits the board to enter into contracts to provide the continuous electronic monitoring of parolees. It also provides the establishment by the board of intensive supervision units and day reporting centers for parolees.

Also, the bill adds arson and robbery of a motor vehicle to the list of violent crimes for which offenders, after serving their prison terms, must spend at least a year in a prerelease center.

*** **Sentence Increased for Manslaughter** -- The maximum prison sentence for voluntary manslaughter was increased under legislation signed into law as Act 36 on Nov. 17, 1995.

Under Special Session HB 130, voluntary manslaughter is upgraded to a first-degree felony with a maximum penalty of 20 years in prison and a fine of \$25,000. Formerly, voluntary manslaughter was a second-degree felony carrying maximums of ten years and \$25,000.

*** **Warrantless Searches** -- State and county probation and parole officers can conduct warrantless searches of people and property under legislation approved by the Senate 36-11 and signed into law as Act 35 on Nov. 17, 1995.

Special Session HB 115 permits warrantless searches of parolees or people on probation if there is "reasonable" suspicion of finding contraband, or if they are being taken into or released from custody. The bill is a response to a court decision which ruled that warrantless searches could not be conducted without a statute or regulation permitting them to do so.

Opponents of the bill contended it represented an erosion of constitutional rights.

*** **Try Juveniles as Adults** -- Juveniles committing serious crimes will be transferred to adult court under Special Session SB 100, which was signed into law as Act 33 on Nov. 17, 1995.

The intent of the bill is to punish more violent juvenile offenders by sending them to prison, rather than attempting to rehabilitate them in the juvenile justice system. Under the new law, juveniles age 15 to 17 accused of using a deadly weapon while committing rape or one of eight other violent crimes will be tried as adults. Formerly, only juveniles charged with homicide landed in adult court.

Also, juveniles age 15 to 17 will be automatically transferred to adult court if they have prior convictions for one of the nine crimes, even if the new charge does not involve use of a deadly weapon. The nine offenses are: car jacking, rape, involuntary deviate sexual intercourse, aggravated assault, robbery, aggravated indecent assault, kidnaping, voluntary manslaughter, or any attempt to commit those crimes.

Also under the bill, a judge could require the presence of parents, guardians or custodians at juvenile proceedings. With the new law in effect, an estimated 1,166 juveniles will be shifted to adult criminal court annually.

*** **Arrests Without Warrants** -- By a 26-22 vote, the Senate approved Special Session HB 22, which expands the power of police to make warrantless arrests. It was signed into law as Act 25 on Nov. 17, 1995.

The bill enables police to make an arrest without a warrant in situations in which people or property are imperiled. Previously, police could only make a warrantless arrest in cases of probable cause of a felony.

Under this bill, whose purpose seems directed at underage drinkers, drunken or disorderly behavior -- normally subject to only a summary offense -- could result in a warrantless arrest.

Amendments inserted by the House require police to witness the alleged offense before making a warrantless arrest. Democrats strongly opposed this bill as an unwarranted erosion of civil rights.

*** **Abuse Victims Notified** -- The Senate unanimously passed Special Session HB 103, which requires abuse victims to be notified of an offender's release from prison. It was signed into law as Act 26 on Nov. 17, 1995.

The legislation provides for victims to be notified when offenders subject to protection from abuse orders are released on bail from local correctional facilities. Notification is required only if the offender was incarcerated for violating the protection from abuse order.

*** **Victim's Board Abolished** -- A bill to replace the Crime Victim's Compensation Board with the Bureau of Victim Services was signed into law as Act 27 on Nov. 17, 1995.

Special Session HB 126 placed the new bureau within the Pennsylvania Commission on Crime and Delinquency (PCCD). The bureau was given all the duties performed by the Crime Victim's Compensation Board. All personnel, appropriations, equipment, records and so forth, were transferred to the bureau.

The bill also created a 15-member Victims Services Advisory Committee to advise the PCCD and the bureau. It is to include persons representing crime victims. The transfer from the board to the bureau took effect January 1, 1996.

*** **Waiver of Jury Trial** -- Despite Democratic opposition, a proposed constitutional amendment was approved by the Senate in regular session. Senate Bill 752 would eliminate a criminal defendant's exclusive right to decide to waive a trial by jury, requiring the prosecutor's consent to the waiver.

The bill passed 29-21 with Democrats opposed, saying it was wrong to strip a defendant of a basic right to choose between a jury trial or one decided by a judge. After passing the House as amended 134-67, the Senate concurred and the measure was filed with the Secretary of the Commonwealth on June 13, 1996 as Pamphlet Laws Resolution No. 1. Having passed sessions of 1996, it will have to be approved a second time before being submitted to the voters.

*** **Local Court for Tenants-Landlords** -- Philadelphia landlord/tenant disputes that involve less than \$10,000 in plaintiff demands will be heard in municipal court under legislation (SB 347) signed into law as Act 65 on Nov. 21, 1995.

Appeals from these cases will go to the Court of Common Pleas, in accordance with local rules, in cases that do not exceed \$15,000.

*** **Confidential Documents** -- Legislation signed into law as Act 3 on Feb. 7, 1996, will protect the confidentiality of documents and communications produced during the course of mediation.

Senate Bill 619 makes all mediation documents confidential, not subject to discovery and not admissible as evidence in any action or proceeding.

*** **Easy Eviction** -- Drug dealers could be thrown out of rental housing much more easily under legislation signed into law as Act 23 on Oct. 11, 1995.

Special Session SB 103 provides grounds for a complete or partial eviction of drug traffickers. A court could issue an order for the immediate eviction of a tenant if it finds that drug-related criminal activity is occurring within the tenant's rental unit or if drug-related criminal activity has been engaged in within the immediate vicinity of the leased property.

*** **Tenants Pay Property Damage** -- Landlords could attach tenants' wages for property damages under legislation signed into law as Act 5 on Feb. 15, 1996.

Attachments under HB 908 will be limited to 10 percent of a tenant's gross wages.

*** **Emergency Workers Protected** -- A bill (SB 1313) to help protect emergency workers unanimously passed the Senate and was signed into law as Act 75 on July 2, 1996.

Under the legislation, any attempt to cause "serious bodily injury" to emergency medical workers, such as ambulance personnel, would constitute a second-degree felony.

*** **Divorce Refereeing** -- By unanimous vote, the Senate approved a conference committee report on SB 432, a measure to provide mediation services for divorce and custody proceedings.

The bill, signed into law as Act 20 on April 4, 1996, also streamlines the enforcement of child support payments across state and county lines.

The Senate Republican majority had stripped these child support provisions from an earlier version of the legislation, despite objections by Senate Democrats that the state's dismal record on child support collections was causing hardships for needy children. Democrats were pleased the provisions were reinserted, but regretted the unnecessary delay in forcing "deadbeat dads to pay their share of their children's support."

. Under the bill, county courts can establish a voluntary mediation program for divorce and custody proceedings, to be funded by an additional \$20 filing fee. The program would not apply in cases where either party, or child of either party, has been subject to domestic violence within the past 24 months.

The measure also adds a section in the law on involuntary termination of parental rights to include fathers of children conceived in incest.

*** **Atty. Gen. on Board** -- Senate Democrats opposed legislation signed into law as Act 53 on June 12, 1996, because Senate Republicans had made it a vehicle to add the attorney general to a state board that approves leasing contracts.

Democrats contended that the attorney general should not sit as a member of the Board of Commissioners for Public Grounds and Buildings because of possible conflicts of interest that could arise from legal investigations of contracts awarded by the board.

House Bill 406 also mandates the Department of Corrections to set up a program requiring prison inmates to cover their medical expenses with their own medical insurance if they have it. Also, the bill transfers oversight of seasonal farm labor conditions from the old Department of Environmental Resources to the Agriculture Department.

Another provision calls for an in-depth study of prescription costs and profits for pharmacists participating in Medicaid and PACE programs to determine proper reimbursements for them.

*** **Incompetency Proof Lowered** -- The standard of proof required to establish incompetency was lowered under legislation signed into law as Act 77 on July 2, 1996.

Under Senate Bill 1566, the standard of proof is changed from "clear and convincing" to "preponderance of the evidence," conforming to a U.S. Supreme Court decision that said the higher standard was unconstitutionally strict.

The bill requires judges, mental health review officers and county mental health and retardation administrators to notify the state police within seven days of an individual's adjudication, commitment, or treatment for competency.

*** **Burial Ground Liability** -- A bill (HB 409) limiting liability for owners of historical burial grounds was unanimously approved by the Senate and signed into law as Act 73 on Dec. 20, 1995.

The legislation is intended to encourage owners of private cemeteries to allow caretaker organizations, such as local historical societies, to restore and maintain the grounds.

*** **Protection for Public Officials** -- Legislation (HB 569) that adds several types of "public officials" to the list of people whose work puts them in danger while serving the public good was signed into law as Act 7 on Feb. 23, 1996.

Anyone causing or attempting to cause serious bodily injury to any of these persons could be charged with aggravated assault. Among those added to the list are emergency medical services personnel and parking enforcement officers.

The bill also addresses behavior at bottle clubs by holding an establishment and its employees responsible when they knowingly allow disruptive behavior at such a club.

*** **DUI Penalties Increased** -- Penalties for drunken driving were increased under legislation signed into law as Act 8 on Feb. 23, 1996.

House Bill 2079 creates the offense of Aggravated Assault while Driving Under the Influence, a second degree felony. Vehicular homicide while driving under the influence is upgraded to a second degree felony.

The bill also specifies penalties for unlicensed drivers who are in an accident, as well as forfeiture of the vehicle.

*** **Inmates to Pay Medical Bills** -- Prison inmates will pay a portion of the costs of certain medical services under legislation signed into law as Act 40 on May 16, 1996.

Under SB 856, the Department of Corrections is to set up a copayment plan for elective medical services, which the department estimates may be 50 cents per sick call. However, no inmate will be denied medical services because of an inability to pay. Estimates of annual cost savings are about \$500,000.

The department would use 25 percent of the annual fees collected to cover administrative costs of the program. An annual report on the new program will be sent to the Appropriations and Judiciary committees of both chambers.

*** **Money Laundering** -- Legislation dealing with money-laundering passed the Senate unanimously and was signed into law as Act 55 on June 19, 1996.

Senate Bill 1172 adds money-laundering to the crimes considered as racketeering activities, and allows prosecution under the state corrupt organizations provisions of the crimes code.

*** **Statute of Limitations Extended** -- Legislation signed into law as Act 17 on March 29, 1996, extends the statute of limitations for certain crimes and permits children charged with serious offenses to be detained in jail.

House Bill 1927 extends the period of time for prosecution from 2 to 5 years for such offenses as aggravated assault, unlawful use of a computer, and insurance fraud. The bill also provides for the detention and imprisonment of children charged with a "delinquent act" for serious offenses.

*** **Illegal Body Armor** -- Body armor was added to the list of instruments of crime under legislation signed into law as Act 98 on July 11, 1996.

Under SB 1254, using body armor when committing a felony is itself a third degree felony. This applies to any combination of materials that covers the body, and is designed to resist, deflect or deter penetration by ammunition, knife, or any other weapon.

*** **Access to Criminal Records of Juveniles** -- County children and youth services agencies will have free access to unedited criminal records under legislation signed into law as Act 76 on July 2, 1996.

Senate Bill 1323 provides greater access to criminal histories for child service agencies. Prior law permitted police agencies to charge for such information and to edit out information pertaining to criminal proceedings halted after three years or when there was no conviction.

*** **Pennsylvania Megan's Law Revisited** -- Pennsylvania's new law to alert communities of the whereabouts of released sex offenders was revised to clarify reporting and administrative requirements under legislation signed into law as Act 46 on May 22, 1996.

House Bill 814 amends the so-called Megan's Law to ensure that registration requirements apply to out-of-state sex offenders who move to Pennsylvania, not just offenders convicted and jailed in the Commonwealth.

The bill closes loopholes in the law by establishing punishment for people who do not register, making those on probation and parole register their address and requiring offenders to notify state police if they change their address.

People designated as predators will be placed on lifetime parole, and indecent assault against a victim under the age of 13 will be added to the list of crimes requiring registration.

The original "Megan's Law" became effective on April 21, 1996.

*** **Grandparent Rights and Same-Sex Marriage** -- The national controversy over same-sex marriages emerged in the state Senate with the second passage (43-5) of SB 434, which denies legal recognition of the practice. The House concurred 199-2 and it was signed by the governor Oct. 16, 1996 as Act 124.

The bill's original provision to permit grandparents to petition the courts for custody of their grandchildren was preserved after the House added the prohibition against same-sex marriages.

In that provision, grandparents will be allowed to petition a court for physical and legal custody of a grandchild in cases where it is not in the best interest of the child to be in the custody of either parent.

The same-sex marriage prohibition provision drew some opposition from members who argued the measure was discriminatory and merely pre-election hype.

However, a Democratic proponent contended the measure was aimed at avoiding economic dislocations in the state that would be caused by allowing gay and lesbian couples to enjoy the same financial benefits as married couples, such as collecting inheritances, health benefits and filing joint taxes.

The measure expressly prohibits same-sex marriages in Pennsylvania, voiding any such marriages from outside Pennsylvania and defining "marriage" as a civil contract by which one man and one woman take each other for husband and wife.

A pending court case in Hawaii to permit same-sex marriage had triggered efforts in other states to enact laws stipulating they would not recognize gay and lesbian unions granted elsewhere. The Hawaiian court ruled that such marriages were legal, but the ruling was appealed.

The bill also toughens measures to enforce child support orders by making it easier for domestic relation agencies to secure information, such as income and residence, from government agencies and labor organizations. It also raises the maximum fine for failing to comply with a support order from \$500 to \$1000.

*** **Knock Off the Knock Offs** -- Legislation (SB 1466) to discourage the theft and resale of compact discs and fencing activities in general was unanimously approved by the Senate and signed by the governor Oct. 16, 1996 as Act 128.

Under the bill, anyone possessing more than 25 items bearing counterfeit marks could be subject to a sliding scale of penalties depending upon the amount and value of the items and any prior convictions. A person in possession of these many items will be presumed to be an intentional seller.

A growing number of CDS and tapes are being stolen and easily resold with changed labels, sometimes by unwitting merchants. This bill should make a merchant more cautious when the same person keeps returning with a load of CDS for sale.

The bill also upgrades penalties for theft of trade secrets.

*** **Charitable Trusts** -- Charitable organizations, and their money, will be subject to closer regulation under legislation signed into law as Act 136 on Nov. 27, 1996.

Senate Bill 598 affects any trust governed by Pennsylvania that is treated as a pooled income fund under the IRS Code. The trustees will be able to amend the organization's governing instrument to ensure that gifts and bequests qualify for charitable deductions available for federal income, estate and gift tax purposes.

*** **Expand Parole Board** -- Membership on the Board of Probation and Parole will be expanded from five to nine members under SB 1667, approved unanimously by the Senate and

House and signed by the governor Dec. 18, 1996 as Act 164.

The enlarged board is expected to ensure more input from crime victims when considering parole applications. The bill also restricts the number of parole applications.

*** **Pirate Tapes** -- Legislation (HB 2295) to crack down on pirated recordings of live performances and audio and video tapes was signed into law as Act 194 on Dec. 20, 1996.

Property used to commit this offense will be subject to forfeit. This measure is primarily aimed at preventing the use of unauthorized recording devices in movie theaters.

*** **Bad Check Charge** -- Penalties for writing bad checks were increased in legislation (HB 2401) unanimously approved by the Senate and signed into law as Act 201 on Dec. 20, 1996. The severity of the penalties, which range from a summary offense to a third degree felony, correspond to the amount of the fraudulent check.

*** **Retail Theft** -- The penalty for retail theft was also upgraded with the Senate's unanimous approval of HB 2348. The bill makes retail theft a third degree felony if the value of stolen merchandise exceeds \$2,000, or if the theft involves a firearm or motor vehicle.

The bill was signed into law as Act 200 on Dec. 20, 1996.

*** **Uniform Law for Securities Transfer; Disclosure of School Revenues** -- A measure (HB 299) to allow the automatic transfer of securities, bonds and mutual funds at the owner's death without probate, and a requirement for school districts to report revenues from land holdings, was signed into law as Act 168 on Dec. 18, 1996.

The bill applies the concept of "pay on death" bank accounts to securities and similar financial instruments by providing legal recognition for the annotation "TOD" or "POD" (Transfer/Pay on Death) to a designated death beneficiary on them. Only sole survivors of securities or joint owners who have rights of survivorship can use this. These transfers are subject to estate and inheritance taxes, but do not have to go through probate.

The bill also requires school districts that are trustees of land that benefits the public and is not used for school purposes to make an annual report regarding the revenues from such land, certified by the District Superintendent and published for public review.

*** **Graffiti Penalties Increased** -- Legislation that upgrades the penalty for defacing property with graffiti was signed into law as Act 198 on Dec. 20, 1996.

House Bill 2118 lowers the damage cost from \$500 to \$150 to trigger a third-degree misdemeanor for criminal mischief in the case of graffiti vandalism. The \$500 threshold for property damage remains in effect to trigger other types of third-degree criminal mischief charges.

The bill is aimed at bringing most graffiti offenses within the jurisdiction of juvenile court, where greater punishment and supervision can be ordered.

*** **Monitor Prison Phone Calls** -- County prison inmates may have their telephone calls monitored under legislation signed into law as Act 186 on Dec. 19, 1996.

House Bill 2592 authorizes county prison officials to monitor inmate's telephone calls, and allows investigators to record oral conversations with suspected felons. Inmates must be notified in writing their calls may be monitored,

intercepted, recorded and divulged. Attorney-client calls may not be monitored. Also, people calling inmates must be notified their calls may be monitored.

*** **False Information to Police; Bottle Clubs Defined** -- Legislation (SB 1204) to broaden the law against hindering the apprehension or prosecution of a person who committed a crime was unanimously approved by the Senate and signed by the governor Dec. 18, 1996 as Act 160.

The legislation makes it an offense to hinder the apprehension of a person for violating the terms of probation, parole, intermediate punishment or accelerated rehabilitation disposition (ARD).

The bill to expands the definition of a bottle club, an establishment that does not sell but permits liquor to be consumed on its premises. Under the expanded definition, a bottle club would not have to charge an entrance fee to be considered such a club.

*** **Adult Book Stores get Restrictions** -- The operations of adult theaters and bookstores will be tightened to prevent any sexual contact between their occupants under HB 1053, unanimously approved by the Senate and subsequently unanimously concurred in by the House.

The measure specifies lighting requirements for such establishments and prohibits minors from loitering on the premises.

Also under the bill, any openings between the walls or dividers of booths in these establishments will be prohibited. The bill's provisions do not apply to commercial movie theaters.

The measure was signed into law as Act 120 on Oct. 16, 1996.

** **Court Fine Collections** -- With court caseloads and expenses expected to increase because of the many tough-on-crime measures enacted this session, the Senate unanimously approved a bill to make it easier for courts to collect fines and costs due them.

Under SB 790, third class county courts would be able to refer delinquent court costs, reparations, fees, fines and so forth to a private collection agency. Any contract drawn up between the county and private agency would have a collection fee limit of 25 percent of the amount owed. The fee would be added to a defendant's costs.

Also under the bill, a judge could order a hearing to determine if someone in default of payment is financially unable to pay.

The bill passed the House with amendments, 150 to 49, and was returned to the Senate Rules Committee where it died.

** **Good Samaritans** -- Protection for people who come to the aid of crime victims is provided in Senate Bill 1052, approved unanimously in the Senate.

Under the bill, people who assist a victim of a serious crime would not be held liable for civil damages. The immunity does not extend to those who intentionally harm or recklessly endanger a crime victim.

The bill was amended in the House and returned to the Senate where it was amended and died.

* **Prisoners Pay Rent** -- The Senate approved 46-2 SB 342, a measure to authorize state and county prisons to charge inmates for room and board and non-essential medical services.

At a future charge of \$10 per day, the state estimates it could ultimately receive \$13 million annually from the room and board assessments.

Many county prisons already charge room and board to prisoners, billing the balance after release. This bill would create a specific statutory authority for such charges. Inmates could also be charged a \$3 administrative fee for medical examinations and for receiving over-the-counter medications. The bill died in the House Judiciary Committee.

* **Parole Requirements** -- Violent criminals whose sentences are commuted by the governor would be required to spend at least one year in a pre-release program prior to parole under Special Session SB 50, approved unanimously in the Senate.

The pre-release center requirement would apply to inmates who are serving a life sentence or who were convicted of a violent crime. The bill was in the House Judiciary Committee when the special session ended.

* **Victims Comment On Pardons** -- The Senate unanimously passed a measure that would require the Board of Pardons to give victims an opportunity to comment on applications for pardons or sentence commutations.

Special Session SB 5 would also require prisoners serving life sentences or sentences for crimes of violence to be present at their hearings before the Board of Pardons. Also, a majority vote by the board would be required to grant hearings in the first place. A projected cost of \$1,500 per month was given by the board for the victim notification process.

The bill was in the House Judiciary Committee when the special session ended.

* **Communication Devices Illegal for Criminals** -- Senate Bill 562, approved unanimously and sent to the House, would criminalize the use of communication devices when committing a crime.

Originally aimed at pagers used by drug dealers, the bill broadly defines such devices to include anything that can transmit "signs, signals, writing, images, sounds, data or intelligence of any nature." This could mean anything from telephones to photo copying machines.

Illegal use of transmitting devices would be a third degree felony punishable by up to a \$15,000 fine and up to seven years in prison. The bill died in the House.

* **Search and Seizure Amendment** - A proposed constitutional amendment that would strip the state Supreme Court of its power to interpret the search and seizure clause of Pennsylvania's constitution was approved by the Senate, 32-18. Senate Bill 806 would leave the U.S. Supreme Court to decide on search and seizure protection rights under the more general U.S. constitution's Fourth Amendment.

Some Democrats argued against the amendment, saying that a citizen's privacy rights would be undermined because law enforcers would only have to demonstrate so-called good faith in gathering evidence. The measure died in the House.

* **Perjury Convictions Revealed** -- Criminal defendants during trial could be questioned about previous convictions involving perjury or that reveal a dishonest character under SB 563, unanimously passed by the Senate and sent to the House where it died.

Under the bill, prosecutors could only interrogate defendants about convictions that occurred within 10 years. The intent is to allow prosecutors to demonstrate relevant criminal activities in a distant jurisdiction without having to bring in a records custodian to establish it.

* **Guide Dogs Protected** -- Dog owners would be responsible for the costs of civil suits and double actual damages for any attack by their pet that kills or bites a guide dog, or that bites a guide dog user, under legislation (SB 1298) unanimously approved by the Senate, but never acted on in the House..

* **County Discretion** -- Counties would have more options for intermediate punishment for certain offenders under SB 1009, passed unanimously by the Senate.

County intermediate punishment programs would include housing the offender full or part time, or significantly monitoring the offender's movements. People caught driving with a revoked or suspended license would be subject to the same intermediate punishment as DUI offenders.

The bill died in the House Judiciary Committee.

* **Foreign Criminals** -- Compliance with foreign treaties regarding the transfer of convicted offenders is the gist of SB 316, which was passed unanimously by the Senate.

The bill would let the governor authorize the transfer of convicted offenders to or from a foreign country in accordance with effective treaties. Pennsylvania currently has over 300 foreign nationals incarcerated.

The bill died in the House Judiciary Committee.

* **Information Restriction** -- Public officials could not sell information about a criminal investigation under legislation unanimously approved by the Senate.

Senate Bill 468 would apply to public officials who learn of criminal investigative material while performing their official duties. Senate Bill 468 would make it a first degree misdemeanor if an employee intentionally receives or agrees to receive anything of value in return for providing information about a criminal matter.

The restriction would not apply to compensation received for performing official duties, compensation to an informant by law enforcement officers or the prosecuting attorney or information provided by a juror after a verdict is rendered.

The bill died in the House Judiciary Committee.

* **Chain Gangs** -- Prison inmate work crews could be assembled for road work and other projects under SB 635, passed by the Senate 46-4.

The bill would let the Department of Corrections establish inmate work forces to conduct public work projects, collect litter along roads and assist municipalities during local emergencies. The work crews could include juvenile delinquents, but not prisoners whose presence in the community could pose a danger to public safety.

Work forces would not include prisoners convicted of murder, kidnaping, rape, involuntary deviate sexual intercourse, or robbery.

The bill was amended in the House where it then died.

* **More Power to Feds** -- Federal authorities would be able to enforce state laws under Special Session SB 75, approved 34-16 in the Senate.

Most Democrats opposed the measure to expand the power of federal authorities, saying it amounted to an abdication of state's rights. They said this would amount to the creation of a federal police force, which was never intended by our founding fathers.

The bill was in the House Appropriations Committee when the special session ended.

** **"Date Rape" Drugs** -- The Senate unanimously passed legislation to give prosecutors the ability to seek tough new penalties against criminals who use the powerful and illegal tranquilizer Rohypnol to incapacitate their victims.

The bill (SB 1681) is specifically aimed at preventing rapes committed with the use of the so-called "Date Rape" drug. Under the bill, administering any drug or other intoxicant to an unsuspecting individual would be a second-degree felony, punishable by up to 10 years in prison and a maximum fine of \$25,000.

A Democratic amendment added on the Senate floor would give judges the discretion to impose an additional prison sentence of up to 10 years and a maximum fine of \$100,000 for the specific use of Rohypnol to commit rape.

The powerful sedative is legal in 64 countries but not in the United States. When slipped into a drink, the drug can cause unconsciousness and memory loss. Its use has been cited in 2,400 criminal cases nationwide, including five recent cases of suspected date rape in Pennsylvania.

Under legislation passed during last year's Special Session on Crime, the use of drugs or alcohol during the specific commission of the crime of rape that involves sexual intercourse is a felony, punishable by up to 20 years imprisonment and a maximum fine of \$25,000.

The bill was amended in the House and returned to the Senate where it died.

* **Insanity No Longer Defense** -- Defendants accused of murder or other crimes could no longer seek acquittal by reason of insanity under legislation (SB 1579) approved 40-8 by the state Senate and sent to the House.

The bill drew some opposition from senators who said the insanity plea has rarely been successfully used in criminal proceedings. Generally, opponents said, in the few instances defendants were found innocent by virtue of insanity, they were institutionalized for longer periods than if they had been convicted and imprisoned.

Under the bill, evidence of legal insanity would still be admissible in court to help the defendant prove he or she was incapable in intentionally committing the crime, thereby lessening the offense.

The bill, which died in the House, would have generally limited Pennsylvania juries to verdicts of guilty, not guilty or guilty but mentally ill.

* **Longer Sentences Imposed and Served** -- A bill (SB 1158) unanimously approved in the Senate would give the courts power to impose longer sentences for certain violent offenders and allow for additional confinement for so-called "bad time."

One of the effects of the bill would be to restrict the power of the parole board to release violent offenders.

Under this bill, judges could impose a minimum sentence greater than half the maximum for repeat violent offenders. Current law provides for a minimum sentence to be half the maximum. Judges could also impose a flat maximum sentence.

Also under the bill, prisoners serving maximum time, including any additional bad time, would not be released until after they were monitored for 18 months in a pre-release center.

Prisoners would be subject to additional bad time of up to 18 months if they were found guilty of violating any rules imposed by the prison or the Department of Corrections.

The bill died in the House.

** **Restitution for Crime Victims** -- Restitution for crime victims would be made easier and more explicit under legislation (SB 1469) unanimously passed by the Senate.

Under the bill, restitution could be made a condition of probation, with failure to comply leading to a revocation of probation. The bill also permits the court in cases of multiple victims to order the defendant to compensate all the victims, regardless of the actual number of convictions.

The bill was amended in the House and returned to the Senate where it died.

* **Roving Wiretaps Controversial** --Legislation (SB 1448) permitting so-called roving wiretaps encountered some Democratic opposition as it passed the Senate by a vote of 35-14.

Under this bill, a judge could issue an order for a wiretap without specifying a location. Evidence obtained from roving wiretaps would be admissible in court.

Opponents of the measure contended expanded wiretap powers constituted an erosion of civil liberties, and should not be needed by competent prosecutors.

The bill also permits the use of a body wire device in the home of a person who has not consented to it after a probable cause court order has been issued.

It also gives police the right to record all conversations during traffic stops. Several crimes were added to those that can be investigated by the interception of oral communications.

The bill was amended by the House where it died.

Banking and Insurance

*** **Medical CAT Fund** -- Legislation that will discourage frivolous medical malpractice lawsuits and help stabilize the state-operated Medical Professional Catastrophe Loss Fund was signed into law as Act 135 on Nov. 26, 1996.

House Bill 2210 will reduce payments by health care providers to the CAT fund by increasing primary insurance coverage limits in steps over a five year period and basing the annual CAT fund surcharge on the "prevailing primary premium" used by the Joint Underwriters Association. The bill does not allow doctors or hospitals to opt out of the CAT fund.

The tort reforms in House Bill 2210 define "informed consent," cap punitive damages in malpractice cases at 200 percent of compensatory damages, require plaintiffs' attorneys to certify that a malpractice claim is warranted, require malpractice insurers to inform the state when a claim is settled and make it easier for health care providers not involved in the treatment of a patient to be removed from the patient's lawsuit.

*** **Interest Rate Cap Repealed** -- Pennsylvania's 18 percent cap on retail installment credit was repealed by legislation signed into law as Act 197 on Dec. 20, 1996.

Many Senate Democrats opposed House Bill 2617, arguing that it would force Pennsylvania consumers to pay significantly higher interest rates. Supporters of the measure said the market should set interest rates, and claimed that the existing interest rate cap made it difficult for Pennsylvania to compete with other states.

*** **30-Day Notice of Premium Increases** -- Commercial property and casualty insurers must give policy holders 30 days notice of premium renewal increases under legislation (HB 659) signed into law as Act 10 on June 13, 1995. Prior law required insurers to give 60 days notice.

*** **Sponsoring Brokers and Broker's Agents** -- Legislation that created new license categories for "sponsoring brokers" and "broker's agents" was signed into law as Act 15 on June 26, 1995. A sponsoring broker is a licensed secondary loan broker who negotiates or arranges loans for a broker's agent. A broker's agent brokers secondary mortgages, but is not an employee of a sponsoring broker.

House Bill 710 also authorizes a variety of secondary mortgage fees, including a 3 percent allowable application fee (up from 2 percent under current law); late fees of \$20 or 10 percent of the payment, whichever is larger; and an annual fee of up to \$50 for a revolving loan account.

*** **Interstate Banking** -- Legislation that conforms state law with a federal law that permits interstate bank mergers and interstate branching was signed into law as Act 39 on July 6, 1995.

House Bill 1481 was approved by the Senate, 45-5. It contains a new definition of interstate bank. It lets out of state banks merge or branch into Pennsylvania and lets Pennsylvania banks merge or branch into other states.

*** **Insurance Company Law Amendments** -- A series of amendments to the Insurance Company Law was approved through legislation signed into law as Act 79 on Dec. 21, 1995.

House Bill 602 increases the minimum capitalization for title insurance companies, revises the definition of title insurance agent and requires that the agents be biennially certified by the Insurance Department and prohibits title insurance agents and companies from offering inducements for the referral of title insurance business.

The bill also establishes new procedures for the conversion of Pennsylvania property and casualty and life insurance mutual companies to stock ownership insurance companies, exempts domestic life insurance companies and health maintenance organizations from the 10 percent limitation on investments in subsidiaries and lowers the net worth for first party claimants from the Guarantee Association.

*** **Medical Care Savings Accounts** -- Legislation that clarifies the state tax liability of medical care savings accounts was signed into law as Act 179 on Dec. 19, 1996.

Under House Bill 1468, cash contributions made by employers to medical care savings accounts for their employees will not be subject to state income tax. Interest on the accounts will also be tax-exempt as long as the account is used for eligible medical expenses.

A proposed Democratic amendment would have forced health insurance companies to either offer health insurance plans to individuals or pay into a fund to help participating insurance carriers make individual insurance policies more affordable. The amendment was **rejected on a 20-25 vote that split along party lines.**

*** **Securities Fraud** -- Legislation that would help protect the public and charities against securities fraud was signed into law as Act 54 on June 19, 1996.

Senate Bill 1047 is a response to alleged improprieties by the Foundation for New Era Philanthropy, a Radnor foundation that promised to use matching grants from anonymous contributors to double the money of donors and charities. It establishes tougher penalties for violations of the Pennsylvania Securities Act and ensures that organizations like New Era are covered by the Act. The bill prohibits schemes that require charities to buy securities as a condition for the receipt of a gift, grant, donation or other contribution.

*** **Flood Insurance Education** -- A flood insurance education and information program was created by legislation signed into law as Act 10 on July 11, 1996.

Special Session House Bill 5 requires the state Insurance Commissioner to establish a consumer education program to encourage state residents to buy flood insurance.

*** **Minimum Maternity Stays** -- Minimum inpatient hospital maternity benefits were established under legislation signed into law as Act 85 on July 2, 1996.

House Bill 1977 requires that health insurers permit a minimum of 48 hours of inpatient care following a normal vaginal delivery and 96 hours of inpatient care following a Caesarian delivery. Shorter lengths of stay will be permitted upon the recommendation of an attending physician, but insurance coverage must provide for at least one home health care visit within 48 hours of discharge if a shorter hospital stay is authorized

*** **Car Repossessors Must Notify Police** -- Car repossessors will have to notify local police departments when they repossess a vehicle under legislation signed into law as Act 122 on Oct. 16, 1996.

House Bill 1985 requires that local police be notified within 24 hours after a repossession occurs. State police must be notified in areas where there is no local jurisdiction.

*** **Consumer Discount Company Act** -- The maximum loan under the Consumer Discount Company Act was increased to \$25,000 under legislation signed into law as Act 80 on July 2, 1996. The prior limit was \$15,000.

House Bill 2619 also permits licensees to use any registered or otherwise qualified name as a fictitious name and eliminate the requirement that the name include the words "Consumer Discount Company." It allows a service charge of up to \$20 for a dishonored check and a delinquency charge of \$20 or 10 percent of the payment due, whichever is greater. An annual fee of up to \$50 can be charged for any revolving loan account.

*** **Emergency Room Reimbursement** -- Insurance companies will reimburse hospital emergency facilities for emergency services -- under certain conditions -- under legislation signed into law as Act 112 on July 11, 1996.

House Bill 1415 defines a medical emergency as a medical condition with acute symptoms or severe pain that could place a patient's health in serious jeopardy, seriously impair bodily functions, cause a serious dysfunction of a body part or have other serious medical consequences. Hospitals will provide insurers with information about the presenting symptoms of patient and the services provided. Insurers will consider both the symptoms and treatment when processing a claim.

*** **Confidentiality of Bank Records** -- Banks' internal self-evaluations will be considered confidential under legislation signed into law as Act 92 on July 2, 1996.

House Bill 2344 would protect such evaluations from civil discovery.

*** **Accelerated Mortgage Payment Providers** -- Accelerated mortgage payment providers will be included in Pennsylvania's Money Transmission Business Licensing Law under legislation (HB 2536) signed into law as Act 79 on July 2, 1996.

Accelerated mortgage payment providers make payments to lenders on behalf of mortgagors.

*** **No Discrimination Against Domestic Violence Victims** -- Insurance companies may not discriminate against victims of domestic violence under legislation signed into law as Act 24 on April 4, 1996.

House Bill 1100 prohibits insurers from denying or refusing to renew coverage based on a person's status as a victim of abuse. Insurers also may not deny claims related to abuse, limit insurance coverage or increase the premiums of abuse victims.

*** **Check Refunds** -- Refunds for lost, destroyed or stolen cashier's checks, teller's checks or certified checks will be expedited under legislation signed into law as Act 44 on May 22, 1996.

House Bill 2042 also adds new provisions to the Uniform Commercial Code dealing with the indirect holding of securities, amend the statute of fraud provisions to make them inapplicable to qualified financial contracts and repeal the Uniform Fiduciaries Act.

*** **Notification of Insurance, Bond Lapses** -- Insurance companies will have to notify the Department of Transportation if the liability insurance or bond lapses or is canceled on an official state vehicle inspection station under legislation (SB 80) signed into law as Act 123 on Oct. 16, 1996.

*** **Charitable Gift Annuities** -- The state Insurance Department will not regulate "charitable gift annuities" under legislation (SB 1433) signed into law as Act 127 on Oct. 16, 1996.

A charitable gift annuity is a legal contract between a donor and a qualified charity. The donor makes an irrevocable gift transfer of cash, securities or real property to a charity. In return, the donor receives a designated rate of return from the charitable organization. When the donor dies, the remainder of the gift belongs to the charity.

Prior law made no distinction between commercial insurance annuities and charitable gift annuities, and required that annuities be issued only by insurance companies.

The bill also includes senior citizen centers, qualified religious institutions and corporations established by acts of congress under the definition of "qualified charity."

*** **Life Insurance Standards** -- Standards for the solicitation, sale, issuance and delivery of life insurance products and annuity policies would be established under legislation signed into law as Act 154 on Dec. 18, 1996.

Senate Bill 31 also makes a number of other changes to the Insurance Company Law. It increases the limit on preferred stock investments for life insurance companies, deletes the requirement that mutual insurance companies offering nonassessable policies file annual certification and clarifies sections pertaining to demutualization.

*** **Health Insurance Deregulation** -- The state Insurance Commissioner was given broad discretionary authority to exempt Blue Cross and Blue Shield, HMOs and other insurers from filing forms prior to their use under legislation signed into law as Act 159 on Dec. 18, 1996.

Senate Bill 1110 also lets the commissioner exempt health insurers from filing rates. Insurers will have to file an initial base rate that will be subject to insurance department approval. Changes to the base rate would require prior approval only if they exceed percentages established in the legislation.

The bill also repeals the sunset provision in the Children's Health Care Act (CHIP).

*** **Health Coverage for Nutritional Supplements** -- Legislation that requires health insurance companies to provide coverage for medically necessary nutritional supplements used to treat medical disorders that if left untreated cause mental retardation and chronic physical disabilities has been signed into law as Act 191 on Dec. 20, 1996.

The coverage mandated by House Bill 1532 will apply to hereditary metabolic disorders such as phenylketonuria, branched-chain ketonuria, galactosemia and homocystinuria.

* **Credit Cards for Cars** -- Automobile dealers could accept credit cards for the purchase of cars under legislation unanimously approved by the Senate. Senate Bill 1231 is in the House Commerce and Economic Development Committee.

* **Financial Responsibility Information at Accidents** -- Police would be required to request financial responsibility information when an accident is investigated, even if the accident is not reportable, under legislation (SB 19) unanimously approved by the Senate.

Police would notify PennDOT if proof of financial responsibility is not provided. Drivers of vehicles involved in accidents with motorists who do not provide proof of financial responsibility could notify the nearest police department. The accident would then require investigation.

The bill has been laid on the table in the House

* **Insurance Cancellation** -- Legislation that would revise provisions for continued insurance coverage while a policyholder appeals a termination was approved by the Senate, 42-4.

Senate Bill 1499 would allow a policyholder's coverage to be canceled 30 days after the Insurance Department issues an Investigation Report/Order finding that the insurer complied with appropriate state law. Policyholders could request a formal hearing if they disagree with the Insurance Commissioner's initial findings. Insurers could also request a formal hearing, in which case the policy would remain in effect until the hearing.

The bill was in the House Appropriations Committee when the session ended.

* **Expanded Exemption from Continuing Education** -- An exemption from continuing education requirements for insurance brokers was expanded by legislation signed into law as Act 72 on July 2, 1996.

Senate Bill 577 exempts brokers from continuing education requirements if they had a valid license to sell insurance as an agent that was issued after December 31, 1970, and have not added any additional lines of authority to their broker's license above those held as an agent since that date. The bill also provides for the distribution of claims on an insurer's estate and for the issuing of a temporary agent or broker license.

* **Discounts for Early Tax Payments** -- Residential mortgage lenders would have to give debtors credit for discounts for early payment of local taxes under legislation unanimously approved by the Senate.

Senate Bill 832 is in the House Commerce and Economic Development Committee.

State Government

*** **Motor Voter** -- Pennsylvanians can register to vote in state and federal elections when they apply for a driver's license under legislation signed into law as Act 25 on June 30, 1995.

House Bill 1212 brought Pennsylvania into full compliance with the National Voter Registration Act (Motor Voter). It was passed by the Senate, 49-1, and by the House, 198-4. Passage of the bill resolved a pending lawsuit against Pennsylvania by the U.S. Justice Department.

Other provisions of the motor voter bill permit voter registration through a variety of government agencies, by mail and at a registration commission or a place established by a commission; make the solicitation of voter registrations for money a third degree misdemeanor and order a feasibility study of statewide central voter registry.

*** **Archaeological Investigation** --The Pennsylvania Historical and Museum Commission will pay for archaeological surveys and field investigations it requires on private land under legislation as Act 70 on Nov. 28, 1995.

Senate Bill 879 establishes a timetable for archaeological site requirements in the private and public sectors. It also:

- prohibits surveys on private property without the owner's consent;
- prohibits state agencies from stopping the processing of a permit or denying a permit solely due to the possible or actual presence of archaeological resources;
- prohibits permit applicants from using a permit to interfere with an archeological survey;
- defines the terms "archeological survey" and "significant archeological site;" and,
- requires the commission to pay the local share of costs associated with an archaeological survey that it requires or conducts on a locally owned highway or bridge project, if the project is paid for with state or local funds.

*** **Volunteer Loan Assistance Program Expansion** -- Pennsylvania's Volunteer Loan Assistance Program for volunteer fire and emergency service organizations was expanded under legislation signed into law as Act 55 on Oct. 31, 1995.

House Bill 267 permits loans for the acquisition and renovation of existing structures. Under prior law, loans could be granted only to build a new facility, to refurbish an existing facility or to buy new equipment.

*** **State Fire Commissioner** -- A State Fire Commissioner was established within the Pennsylvania Emergency Management Agency under legislation signed into law as Act 61 on Nov. 13, 1995. The commissioner will be appointed by the governor and report to the lieutenant governor

House Bill 1085 also includes the fire commissioner and General Counsel on the Pennsylvania Emergency Management Council. The commissioner will oversee the State Fire Academy, firefighter training and certification programs and Volunteer Loan Assistance Program. The commissioner will be advised by a Fire Safety Advisory Committee.

A related bill, House Bill 1086 (Act 62/1995) includes the fire commissioner and General Counsel on the Emergency Management Council.

*** **Sunshine Law for Vacancies** -- Local governments and agencies covered by the state's Sunshine Act cannot fill elected vacancies during an Executive Session under legislation (SB 238) signed into law as Act 9 on Feb. 23, 1996.

*** **Transfer for Disaster Relief** -- Legislation (Special Session SB 2) that increased to \$10 million the amount of money the governor can transfer in the General Fund for disaster relief in any one year was signed into law as Act 1 on May 22, 1996. The prior limit was \$5 million.

*** **Limit Raised for Disaster Aid** -- Pennsylvania's \$5,000 limit on individual and family disaster assistance was removed legislation signed into law as Act 2 on May 31, 1996.

Special Session House Bill 4 also brings state law into conformity with the federal

Robert T. Stafford Disaster Relief and Emergency Assistance Act. Aid under the bill cannot exceed an amount authorized by the Stafford Act or by state law.

*** **Disaster Aid Grants** -- Victims of the winter storms of 1996 could qualify for state grants under legislation signed into law as Act 3 on May 31, 1996.

Special Session House Bill 6 created a Supplemental Individual Assistance Grant Program. People are eligible for the grants if they earn less than 300 percent of 1995 poverty income guidelines and have received the maximum property damage grant (\$12,900) from the federal government. State grants are based on a sliding scale with a maximum of \$12,900. They are financed by \$13 million in revenue collected under a recent state tax amnesty program.

*** **Bond Issue for Disaster Help** -- Pennsylvania will borrow \$110 million to help pay for damage caused by the harsh winter of 1996 under legislation signed into law as Act 4 on July 11, 1996.

Special Session Senate Bill 1 authorizes a \$110 million bond issue to help pay for repairs to public property. The money will help the state obtain federal funding to pay for damage caused by the 1996 blizzard and subsequent flood. The federal government will pay 75 percent of disaster recovery costs. Special Session Senate Bill 1 establishes state and local participation levels at 22 and 3 percent, respectively. The 3 percent local contribution can be reduced for municipalities especially hard hit by the winter storms.

Special Session Senate Bill 1 also creates a Legislative Disaster Oversight Committee that will review the policies and procedures used by the Pennsylvania Emergency Management Agency in providing disaster relief grants.

*** **Hazard Mitigation** -- The governor could enter into cooperative agreements with the federal government for hazard mitigation projects under legislation signed into law as Act 5 on July 11, 1996.

Projects authorized under Special Session Senate Bill 4 would help reduce the potential damage in future natural disasters. The projects are itemized in the Special Session Flood Capital Budget Project Itemization Act of 1996.

*** **Day of Prayer** -- An annual Commonwealth Day of Prayer and Celebration of Religious Freedom was established under legislation signed into law as Act 61 on June 28, 1996.

The observance created by House Bill 220 will be held on the first Thursday of May.

* **Pay Increase for Election Officials** -- The Senate unanimously approved legislation that would increase the maximum compensation counties can pay to election officials such as judges of election, inspectors, clerks and machine operators. County Boards of Election could establish different per diem rates based on the number of votes cast.

Senate Bill 1292 was on second consideration in the House when the session ended.

* **Bipartisan Legislative Commission for Women** -- A Bipartisan Legislative Commission for Women would be created under legislation (SB 1476) unanimously approved by the Senate.

The commission would be an agency of the General Assembly charged with investigating, classifying and evaluating matters relating to women. It would act as state government's advocate for women.

The bill is in the House State Government Committee.

* **School Boards Covered by Sunshine Law** -- A court decision that exempted school boards from Pennsylvania's Sunshine Law would be reversed by legislation unanimously approved by the Senate.

Senate Bill 1333 would define "political subdivision" under the Sunshine Act to include counties, cities, boroughs, incorporated towns, townships, school districts, intermediate units, vocational school districts and county institution districts. It was prompted by a Bucks County court ruling. The bill is in the House State Government Committee.

* **Legislators Excused from Meetings** -- Legislators conducting legislative duties could be excused from meetings of the Pennsylvania Historical and Museum Commission under legislation (SB 998) unanimously approved by the Senate.

Under current law, commission members forfeit their seats if they fail to attend three consecutive meetings. The only acceptable excuses are for illness or for the death of an immediate family member.

The bill is in the House Appropriations Committee.

Public Health and Welfare

*** **Welfare Cuts Approved** -- Legislation (HB 2) to end cash assistance grants to some 100,000 Pennsylvanians was signed into law as Act 20 on June 30, 1995.

The bill eliminates welfare payments to all so-called transitionally needy recipients, at a savings of about \$25.4 million a year.

It also establishes a workfare program for able-bodied recipients to receive their welfare benefits, and sets up a pilot fingerprinting program to identify welfare recipients.

Other provisions restrict emergency room visits for medical assistance recipients and limit drug and alcohol detoxification treatment and pharmaceutical subsidies. The total welfare cost reduction is estimated to be \$88.6 million.

Formerly, transitionally needy recipients -- mostly men between 18 and 65 without dependents considered able to work -- received two months of assistance (about \$360) every two years. The legislation totally eliminates this assistance.

Some Senate Democrats objected that the 1995-96 state budget, which had a beginning surplus of more than \$500 million, had ample funds to assist society's least fortunate.

One Democratic Senator, arguing that older recipients would be harmed the most by the legislation, offered an amendment that would classify all recipients over age 55 as chronically needy, entitling them to monthly benefits. It would have placed about 6,650 people on the rolls at a cost of about \$15 million. The amendment failed, 23-27.

Another amendment to spare some 261,000 older poor people or disabled children from an impending state charge of \$5 for each monthly supplementary security income (SSI) check they receive was also defeated 23-27. The governor proposed the charge to cover the state's costs of administering the federal SSI program. Democrats noted the \$5 charge is more than 11 percent of a recipient's average \$43 monthly check.

The charge became effective January, 1996, triggering numerous complaints and the introduction of a new Democratic sponsored bill to eliminate it.

Under Act 20, welfare recipients must be in workfare programs, such as public service jobs, to receive benefits. Convicted criminals who still owe fines cannot receive welfare.

Also, the new law requires single mothers receiving Medicaid for their children to identify the fathers who, if they are working, will have to provide health insurance for their children.

Another provision in the law requires that any person who is under age 18, unmarried, pregnant and/or caring for a dependent child be living with a parent, guardian or other adult to qualify for cash assistance.

A House provision struck down by the Senate would have capped the number of children welfare recipients could have to qualify for more federal Aid to Families with Dependent Children payments. The state would need a waiver from the federal government to do this.

*** **Medical Assistance Cuts** -- Legislation that stripped medical assistance coverage from some 220,000 single, low-income adults was signed into law as Act 35 on May 16, 1996.

Senate Bill 1441 was approved by the Senate, 26-23, with all Democrats voting in opposition. The medical assistance cuts were a key part of Governor Tom Ridge's 1996-97 budget, since they would help pay for his proposed \$60 million business tax cuts. Democrats argued that cutting health care for the working poor to finance business tax cuts showed badly misplaced priorities.

The version of SB 1441 initially approved by the Senate contained harsher cuts. The final version retains medical assistance for some 40,000 low income people and early retirees originally targeted by Ridge to lose their benefits: people between the ages of 59 and 64 and people who work more than 100 hours a month. However, the change was financed by a new provision that will deduct \$150 annually from the welfare checks of the chronically needy, which will include some pregnant women, children under 21 and domestic violence victims.

Senate Bill 1441 will have a major impact on the state's hospitals. The Hospital Association of Pennsylvania estimates a loss of more than \$279 million next year. Moreover, their finances are expected to be strained further as hospitals provide expensive emergency care to former Medicaid recipients. Opponents of the legislation said some hospitals will face bankruptcy, with the possible elimination of some 5,000 health field jobs. Health insurance premiums are expected to rise as higher medical costs are shifted to policy holders.

A requirement in the new law that individuals reside in the commonwealth at least 90 days to be eligible for medically needy benefits has been suspended, pending a review of its constitutionality.

The new law also allows any pharmacy to compete to provide services to Medicaid recipients in managed health care organizations. Competition was restricted in the earlier proposal to protect neighborhood pharmacies.

Termination of medical assistance benefits to people who do not qualify under the new law was effective immediately. Other provisions in the legislation that narrow eligibility for state and federal welfare payments became effective October 1, 1996.

The bill also:

- Requires welfare recipients to sign an agreement to seek a job, job training, or a high school equivalency diploma. If recipients are not working after two years, training for work or volunteering for at least 20 hours, they will lose their cash assistance.
- Permits cash and food stamp assistance to be converted into a subsidy for an employer to use as a wage supplement in hiring a welfare recipient.
- Limits general assistance to two-parent families with children under 13, unless an older child has a disability. Previous law permitted families with children under 18 to qualify.
- Requires single adults to live in Pennsylvania a year before becoming eligible for general assistance, instead of the old two-month requirement.
- Requires a mother to identify the father of her children to be eligible for assistance.
- Raises the amount of money a welfare recipient can earn and still get benefits.

*** **Food Stamp Fraud** -- Legislation (SB 282) was signed into law November 22, 1995, as Act 66 that increases the penalties for food stamp fraud.

The legislation also includes food order coupons (WIC vouchers) and authorization cards (ATM cards) to the existing statute that prohibits the illegal purchase or exchange of food stamps.

If the amount of fraud is \$1,000 or more, the charge is a third degree felony, which carries a fine of up to \$15,000 and imprisonment of up to seven years. If the amount of fraud is less than \$1,000, the charge is a misdemeanor of the first degree, which carries a fine of up to \$10,000 and imprisonment of up to five years.

*** **Establishing the Office of Physician General** --The Secretary of Health will not have to be a physician under legislation signed into law as Act 87 on July 2, 1996. Instead, the Office of Physician General was established to be filled by a Pennsylvania licensed physician appointed by the governor.

House Bill 216 also requires that state health centers not be privatized or reduced by size or services. However, the bill does allow the Department of Health to develop a pilot program to privatize three state health centers -- one urban, one suburban and one rural. The pilot program will end with a full report given to the General Assembly by January 1, 1998.

*** **Children Immunized for Hepatitis B** -- Children across Pennsylvania will be immunized for Hepatitis B before entering school under legislation (HB 1578) signed into law March 29, 1996 as Act 15.

Hepatitis B will be added to the list of diseases that require immunization for entry into school after August 1, 1997.

The Department of Health estimates the cost of the statewide program will be \$170,160.

*** **Funeral Director Immunity** -- Licensed funeral directors who embalm corpses under an agreement with the Philadelphia Medical Examiner's office will be immune from any civil or criminal action suit under legislation (HB 2009) signed into law February 15, 1996 as Act 6.

Also, people in an accredited school mortuary studies program who may embalm bodies in cooperation with the Philadelphia Medical Examiner's office are also protected from law suits.

*** **Pennsylvania Cancer Control, Prevention and Research Act Extended** -- A program researching cures for cancer will continue until June 30, 2006 under legislation (SB 1607) signed into law July 11, 1996 as Act 103.

*** **Anabolic Steroids Exempted**--Certain anabolic steroids used to treat menopausal women will be exempted from provisions of the Controlled Substance, Drug, Device and Cosmetic Act, under legislation (SB 1662) signed into law December 18, 1996 as Act 163. By lifting this restriction women will be able to purchase more than a 30-day supply at one time, thereby eliminating an unnecessary burden and expense for them.

Transportation

*** **Payment for Scrapped Contract for Emissions Tests** -- Legislation (HB 48) to pay about \$170 million to square a broken contract with a company hired two years before to establish centralized auto emissions testing sites was approved by the Senate 34-14, the House 103-78, and signed by the governor December 15, 1995, into Act 72.

The negotiated deal between the state and Envirotest of Arizona would have collapsed without legislative approval before the first payment deadline of \$25 million by December 31, 1995.

Controversy swirled around passage of the agreement, with some legislators saying the huge payoff was a waste of tax dollars that left Pennsylvania without any plan to reduce its air pollution. Others, who argued for a decentralized auto inspection plan run by local garages, said the contract with Envirotest should have been stopped earlier at a much lower settlement price.

Envirotest, given a contract in 1993 by former Gov. Robert Casey, built 78 of 86 planned inspection stations in 25 counties to carry out a centralized auto emissions testing plan mandated by federal law. Opposition to the proposed centralized testing plan swelled as motorists expressed fears of high costs and the inconvenience of bouncing between central testing stations and local garages who would do the actual repairs. The legislature in the last days of the Casey administration, overriding a gubernatorial veto, enacted legislation to delay implementation of the centralized inspection plan. The new Ridge administration then negotiated an end to the Envirotest contract.

Under the bill, the state was to pay Envirotest \$25 million by the end of December, 1995, followed by three \$40 million installments through July, 1998 for a total of \$145 million. Depending on the amount Envirotest receives from the sale of its stations, the state could be liable for another \$15 million or receive a percentage of the surplus if the sale exceeds \$55 million. In addition, the state will pay 6 percent interest on the amount owing during the 2 ½ year payout period.

The money for Envirotest was to come from some \$28.9 million in unexpended funds from the state's hazardous waste control program. The remaining money will come from the Catastrophic Loss Benefits Continuation Fund, which is supported by surcharges on motor vehicle violations to cover extraordinary medical expenses for motorists injured before March 1, 1989. Because of concerns about the solvency of the CAT fund, HB 48 was amended to ensure the fund remains whole until all medical claims are satisfied.

The original provisions of HB 48 were preserved and deal with further regulations for the operation of bicycles (pedacycles) and the establishment of a 12-member Pedacycle and Pedestrian Advisory Committee. The bill also provides for the voiding of special license plates for the handicapped and veterans 30 days after their deaths.

*** **Hold Open Gasoline Nozzles** -- Hold open gasoline nozzles will be permitted for use at self-service stations under legislation (HB 47) signed into law April 4, 1996 as Act 23. However, anyone using such a nozzle, other than the gas station attendant, must remain with it throughout its use.

*** **65 mph Speed Limit** -- Drivers on Pennsylvania's rural interstate highways can go 65 mph under legislation signed into law as Act 9 on June 13, 1995.

Senate Bill 245, approved in the Senate 42-8, raises the speed limit on interstate highways, including the Turnpike, outside urban areas with populations of 50,000 or more. The new 65 mph speed limit applies to cars and trucks traveling on about 1,200 miles of Pennsylvania roadways.

The penalty for speeding in a 65 mph zone is \$42.50. Speeding fines in other areas remain at \$35. Violators also face an additional fine of \$2 per mph in excess of 5 mph over the speed limit, plus costs and points.

*** **Transportation Code Changes** -- Legislation signed into law as Act 30 on July 6, 1995, made a number of changes to the Transportation Code.

House Bill 511 creates Type I and Type II farm vehicles and defines where and when they can be operated; allows the use of multipurpose registration plates by second-stage manufacturers who are transporting or delivering a vehicle; establishes a notification procedure for people to be alerted in writing of a driver's license suspension, revocation or disqualification; requires taxis to have uninsured motorist coverage and permits the issuance of up to eight handicapped placards to an organization that transports handicapped people.

*** **Tougher Penalties for Drunk Driving, Leaving Accident** -- Legislation that increases penalties for habitual drunk drivers and for leaving the scene of an accident was signed into law as Act 42 on July 6, 1995.

House Bill 575 makes third and subsequent DUI offenses a first degree misdemeanor punishable by one to five years in prison. Failing to stop for an accident where there is

damage only to a vehicle or other property becomes a third degree misdemeanor, punishable by a fine of \$2,500 or imprisonment for not more than one year, or both. Failing to stop for such an accident was previously a summary offense.

House Bill 575 also increases the summary penalty for damage to unattended vehicles or property and creates the Zoological Enhancement Fund.

*** **Cellular Headsets, Suspension Delays, etc** -- Drivers may use headsets with cellular phones, PennDOT may delay license suspensions for up to six months pending an appeal of a criminal conviction, and the steel and milk industries are permitted to transport heavy loads for limited distances under legislation signed into law as Act 48 on July 6, 1995.

Senate Bill 800 also expands an exemption for the use of hearing impairment devices to apply to all emergency vehicles and provides that annual payments to the state Zoological Enhancement Fund is the responsibility of the state treasurer. The \$15 fee collected from the sale of zoological license plates is to be credited to the fund.

*** **Collectible Cars** -- A new category of "collectible" cars was established in SB 578, unanimously approved by the Senate and signed into law as Act 75 on Dec. 20, 1995. The bill also brings the state into conformity with federal law on liquid fuels tax receipts from trucks purchasing out of state gas.

Under the bill, reconstructed cars that are substantially changed from the manufacturer's original specifications are eligible for a collectible registration plate. Cars with these plates will have the same restrictions as cars with antique or classic plates.

The bill also permits cars whose model names have not changed to be registered as classic if they are at least 15 years old. Previously, cars whose model names were unchanged were not considered classic vehicles.

Another license plate directed at fighting drug abuse was created under this legislation. Called a DARE plate (Drug Abuse Resistance Education), it costs \$35, with \$15 going to the DARE program.

Language in the new law conforms with the federal Intermodal Surface Transportation

Efficiency Act so that Pennsylvania can continue collecting liquid fuel taxes from trucks traveling its roads with fuel bought outside the state. School buses are exempt from this tax provision.

*** **Vehicle Transfers** -- Legislation making it easier for car dealers and buyers to transfer vehicles was unanimously approved in the Senate and signed into law as Act 74 on Dec. 20, 1995.

Formerly, a vehicle acquired for resale had to be accompanied by a title of ownership. Under SB 476, a dealer can acquire a vehicle without a title certificate when there is a verified lien by using information provided electronically.

*** **Steelworker License Plate; No Alcohol for Minors** -- Steelworkers and former steelworkers can purchase a license plate with the steelworker emblem for a \$20 fee under legislation signed July 11, 1996 as Act 115.

House Bill 1712 also prohibits minors from having any alcohol or controlled substance in their systems while driving and provides for chemical testing for adults to determine their alcohol intake. These two provisions were also included in House Bill 2360 and signed into law July 2, 1996, as Act 931. Also under HB 2360 people facing impoundment of their vehicle will be notified 24 hours in advance. House Bill 1712 also calls for seasonal registration plates, temporary registration cards, additional testing for a driver's license, hauling permits for wooden structures, authorization of salvage dealers and exemptions from the motor carrier road tax.

*** **Title Washing Penalties** -- The Senate unanimously approved legislation (SB 37) signed into law March 21, 1996 as Act 11 that increases penalties for title washing, tampering with odometers and impersonating a public notary.

Under this bill, those who provide false information or purposely deceive anyone about the true mileage on their vehicles could be charged with a third degree felony. It also makes impersonating a notary with the intent to deceive a first degree misdemeanor. Also, the bill increases the civil liability for tampering with mileage from \$1,500 to \$3,000, or three times the actual damage, whichever is greater.

*** **Laws Tightened for Hit-and-Run Drivers** -- A bill designed to crack down on hit-and-run drivers was unanimously passed by the Senate and signed into law April 4, 1996, as Act 18.

Senate Bill 140 increases the penalties for failure to stop at the scene of an accident. In cases of injury, the penalty was increased from a third to first degree misdemeanor, subject to up to 5 years in prison. In cases of serious bodily injury or death, the penalty for leaving the scene was increased from a first degree misdemeanor to a third degree felony, subject to up to 7 years in prison.

Additionally, if unlawful flight materially contributes to any bodily injury, the penalty upon conviction was raised from the maximum fine of \$10,000 and at least 90 days imprisonment to mandatory minimums of a \$1,000 fine and one year jail term. When flight contributes to a victim's death, the penalty was increased from a maximum fine of \$15,000 and imprisonment of at least one year to mandatory minimums of \$2,500 and two years in jail.

*** **Testing for Elderly Drivers** -- Legislation (SB 1332) aimed at making sure elderly drivers are physically and mentally competent to retain their driving privileges was signed into law October 7, 1996 as Act 118.

Under the law, people who refuse to undergo an eye exam, physical checkup or mental examination will have their licenses suspended until they are tested and found competent. Former law permitted a person who did not comply with a notice for an examination to continue driving until his or her license expired. People whose licenses are not renewed because of noncompliance or failure to pass a medical exam will have to obtain a favorable ruling from a judge to restore their driving privileges.

*** **Repair Flood Damaged Roads** -- In its special session dealing with January's flood disaster, the state Senate unanimously approved a capital budget for 1996 itemizing the flood damaged roads slated for repairs.

Special Session HB 1 authorizes the use of more than \$64 million from revenues in the Motor License Fund to pay for the projects. Revenue in this fund is derived from the gas tax and other user fees.

This bill, which was signed by the governor July 11, 1996 as Act 7, may have been delayed because of the governor's behind-the-scenes failed maneuvering to get a 6.5 cent gas tax hike. He said the tax increase was

needed to offset increased demands on the Motor License Fund. Senate Democrats had contended the fund had a \$96 million surplus, enough to cover flood damaged road repairs without a tax hike.

*** **Three Hour Window for Drunk Driving Tests** -- Police can test the blood of drunk driving suspects up to three hours after their arrest under legislation signed into law December 10, 1996 as Act 149.

House Bill 2091 responds to a state Supreme Court decision overturning a state law that imposed criminal penalties on drivers whose blood alcohol content exceeded 0.10 percent on tests drawn up to three hours after a suspect's arrest. The bill will reinstate the three-hour time period and allow the use of blood test results in court. Supporters of the bill say it will withstand a constitutional challenge because it does not presume guilt.

Similarly, the three-hour test window in the legislation also applies to minors, who are prohibited from driving with a blood alcohol content of 0.02 percent or higher.

Other provisions of the bill will authorize certified registered nurse practitioners and physician assistants to conduct physical examinations required for driver's licenses and school bus drivers and include Pennsylvania in the multi-state Driver's License Compact. The compact calls for reciprocity of information involving driving violations. Pennsylvania will participate in the compact only for major violations that include: 1) Driving under the influence of alcohol or a controlled substance; 2) Homicide by vehicle; 3) Homicide by vehicle while driving under the influence; and 4) Accidents involving death or personal injury.

*** **PennDOT To Purchase Passenger Rail Cars** -- Passenger rail service between Philadelphia and Harrisburg may get a shot in the arm with the enactment of SB 809, signed by the governor December 18, 1996 as Act 158.

It clears the way for PennDOT to receive \$18.7 million in federal funds to purchase new passenger train equipment for the 104-mile keystone corridor between the two cities. The funds had been withheld because the state was not in compliance with certain federal labor laws.

The new law gives the commonwealth authority to enter into a labor protection contract with Amtrak and other railroad-related unionized employees. The labor protection contract is required before federal funds can be used for certain transportation projects.

The state will provide a 20 percent or \$4.67 million match to the federal funds. The money will be used to purchase trainsets, called diesel multiple units (DMUs), that consist of self-propelled passenger cars capable of speeds of 110 mph.

* **"Super" or "Monster" Trucks Forbidden** -- "Super" or "Monster" trucks--those jacked up above market modifications--would be banned under Senate Bill 323, approved unanimously in the Senate.

The measure contains specifications for head lamps, high beams, tire treads, mirrors and bumpers. Among other restrictions, shackle lift kits or blocks for raising or lowering the suspension would be forbidden. The bill died in the House Transportation Committee.

* **Prevention of Traffic Sign Theft** -- In an effort to stop the theft of traffic signs and bridge parts, the Senate unanimously passed Senate Bill 497, making the sale of traffic devices and bridge parts a summary offense, subject to a \$100 fine per stolen item. The bill died in the House.

* **Emergency Vehicle Signals** -- Senate Bill 489, unanimously passed by the Senate, would permit officers of the State Police liquor control enforcement bureau to use lights and signals on their emergency vehicles when enforcing the liquor code. The bill died in the House Transportation Committee.

* **Motorcycle Helmet Law** -- Most motorcyclists age 21 or older would no longer be required to wear helmets under Senate Bill 165, which was approved by a narrow 27-22 vote in the Senate.

The bill would apply to adults who have been licensed to drive a motorcycle for at least two years or who have completed a motorcycle rider safety course. Passengers of motorcyclists would also be exempt from wearing a helmet if they also meet the age and training requirements.

The bill died in the House Transportation Committee.

* **Motor Theft Prevention Program** -- A measure (SB 216) expected to cut down on car thefts was approved 44-4 in the Senate, but died in the House Transportation Committee.

The bill would authorize the Department of Transportation to set up a voluntary decal program for car owners. The decals would identify cars not normally operated between 1 a.m. and 5 a.m. Anyone driving a vehicle with a decal between the specified hours could be pulled over and required to produce a valid driver's license and registration card.

***Frozen Dessert Trucks**--Frozen dessert truck drivers who operate in Pennsylvania and New Jersey will be able to use their same vehicles in each state, under measure (SB44) passed unanimously by the senate.

Currently, dessert truck drivers in New Jersey must have special safety equipment required by that state. However, this equipment precludes the use of these trucks in Pennsylvania because of commonwealth law. This bill allows the use of those trucks in Pennsylvania provided the special equipment is not operated. The bill died in the House Transportation Committee.

V Special License Plates for Youths & Others -- Legislation (HB 2064) providing for a number of special license plates was approved by the Senate and House, but vetoed by the governor July 11, 1996.

The bill would have allowed a Youth Hunter and Angler license plate, a Special Children First plate, plates for state-owned and state-related institutions, a special Pennsylvania College of Technology plate, a library plate, a submarine veterans and several other categories of plates. The bill would also have designated two routes as scenic byways.

The governor vetoed the legislation because the large number of specialized license plates posed safety concerns for law enforcement agencies. He also said some of the special funds set up by fees from the proposed plates violated the state constitution.

Aging and Youth

*** **Battery Operated Smoke Detectors Allowed in Day Care Center Homes** -- Under legislation (HB 2063) passed unanimously by the Senate and signed into law May 22, 1996, as Act 47, family child day care center homes servicing four to six children will be allowed to use battery operated smoke detectors and still fulfill the requirements of the Department of Labor and Industry's Fire and Panic Law.

Day care home operators will have to record the date and proof of purchase of the smoke detectors in their fire drill logs.

*** **Background Checks Required For Health Care Employees** -- This legislation (HB 304), signed into law December 18, 1996 as Act 169, requires background checks for employees of health care facilities for the elderly. People with a history of violent or sexual crimes will be prohibited from such employment. There will be a 10-year waiting period for people with a history of drug offenses and other felonies that constitute endangerment to a person's well being. The criminal records will be checked by state police for a fee of not more than \$10.

* **Child Abuse Victims Protected** -- Child abuse victims would be further protected by legislation passed by the Senate. Senate Bill 1513 would expand the criteria for the release of confidential information to law enforcement officials in the investigation of suspected child abuse.

Under current law, confidential reports are not turned over to police unless a child has suffered "serious bodily injury" which constitutes dismemberment or permanent damage. Senate Bill 1513 would alert police when a child

is found to have suffered "serious physical injury" which constitutes permanent or yet to be determined permanent damage such as in shaken baby cases.

The measure died in the House.

Communications and High Technology

*** **Prison Telephone Scams** -- A bill (SB 537, Act 156/1996) to prevent criminal telephone scams from being operated out of state prisons is now law.

Under the new law, telecommunication companies that provide service to correctional institutions in Pennsylvania must provide identifying messages on outgoing calls that clearly state that the telephone call originates from a prison. The bill also would restrict inmates of state correctional facilities to only making collect personal calls.

Unrelated language was added to the legislation to create a sliding scale of rates to give water utilities the ability to recover the costs of improvements made to enhance water quality or fire protection reliability.

*** **Cellular Fraud** -- Enacted was a bill (SB 655, Act 8/1995) designed to crack down on cellular phone fraud.

The measure creates penalties for those who possess, use or assemble unlawful telecommunications devices that can be used to steal telecommunications services.

Those convicted of a first offense will face a misdemeanor charge of the first degree. Anyone previously convicted of a similar crime in Pennsylvania or elsewhere will face a third degree felony charge.

The new law also creates a system of restitution and civil action to compensate individuals and companies that are the victims of cellular fraud.

*** **Free Telephone Devices** -- Enacted was a bill (HB 961, Act 34/1995) establishing a new program within the Department of Labor of Industry to provide free special telecommunications equipment to hearing or speech disabled state residents whose incomes are less than 200 percent of the federal poverty level. The program is funded by the Telecommunication Relay Surcharge which was established by the PUC in 1990.

Intergovernmental Affairs

*** **Forest Fire Protection Compact** -- Legislation (SB 1325, Act 59/1996) that makes minor changes to the law that allows Pennsylvania to join Delaware, Maryland, New Jersey, Virginia and West Virginia in forming the Middle Atlantic Interstate Forest Fire Protection Compact has been signed into law. Under the compact, the states agree to provide mutual aid to prevent and control forest fires. The laws allows the governor to enter into similar agreements with any other state that chooses to join the compact. The legislation also updated the 1953 law by changing the designated compact administrator for Pennsylvania from the secretary Forests and Water to the secretary of the Department of Conservation and Natural Resources.

*** **Delaware River Joint Toll Bridge Compact** -- A series of four bills (SBs 1344, 1345, 1346 and 1348) making changes to the law concerning the operation of the Delaware River Joint Toll Bridge Commission has been signed into law as Acts 99 (SB 1344), 70 (SB 1345), 68 (SB 1346) and 69 (SB 1348) of 1996. Under SB 1344, commission members are forbidden from being employed by the commission or contracting with the commission for a period of two years following the expiration of his or her term of office. The legislation also mandates biennial audits of the commission by the Pennsylvania Auditor General and the New Jersey State Auditor. SB 1345 requires the commission to receive open, competitive bids for all contracts exceeding \$10,000. SB 1346 removes the Auditor General, the Treasurer and Secretary of Transportation from membership of the commission and

provides for the appointment of five public members by the governor. SB 1348 requires that the commission conform with the Pennsylvania Sunshine Law.

Labor and Industry

*** **Workers' Compensation Reform** -- A bill (SB 801, Act 57/1996) making extensive changes to the state's workers' compensation law that Democrats say will do little to bring down insurance costs for businesses was signed into law.

The Senate approved the bill (27-22), despite charges by Democrats that the bill is another give-away to the business community at the expense of working people. The bill was later rushed through the House, which concurred in Senate amendments by a 106-97 vote.

Supporters claim the measure will rein in the high cost of insuring workers for on-the-job injuries, but Democrats argued that the bill fails to regulate the insurance industry or mandate lower premiums. Instead, the bill's focus is on lowering benefits, making it more difficult for injured workers to qualify for benefits and shifting the burden of proof from employers to employees.

Under the bill, benefits are based on average earnings during three of the last four quarters, which would reduce benefits for seasonal and part-time employees. Previous law based benefits on a single quarter.

Injured workers are now required to use company doctors for 90 days, instead of the previous 30-day requirement.

Injured workers who are on total disability for two years must submit to a medical exam to determine impairment. After two years, injured workers must be at least 50 percent impaired to remain on total disability. Previously there was no such provision.

The bill also reduced workers compensation benefits by the amount of unemployment compensation benefits, wages, Social Security or pension benefits being collected by an injured worker. Democrats charged the provision amounts to allowing insurance companies to offset their costs by indirectly tapping into a worker's Social Security, pension or other savings.

Finally, Democrats argued that Act 44 of 1993, the last overhaul of the workers' compensation law, was never fully implemented and therefore the full effect of its mandated and anticipated savings never had a chance to materialize.

*** **Workers' Comp Hearing Loss** -- A new law (HB 3, Act 1/1995) establishing guidelines for workers' compensation awards for those who suffer hearing loss as a result of long-term exposure to hazardous workplace noise has been enacted.

Under the law, workers' compensation cases involving hearing loss will use standards based on American Medical Association guidelines when determining the level of hearing loss and the amount of compensation awarded.

The law provides full benefits to workers who suffer a 75 percent loss of hearing. The measure also establishes a sliding scale to determine the level of benefits for those with less than 75 percent impairment. Those who suffer a hearing impairment that is determined to be less than 10 percent will not be eligible for benefits.

Democratic lawmakers in the Senate pushed an amendment to change the testing procedures to ensure that those who experience difficulty in hearing speech receive appropriate compensation. Another amendment offered by Senate Democrats would have removed language in the bill that makes the new standards applicable to workers' compensation cases that have been processed but which have not yet been paid or awarded. Both amendments failed.

*** **Lead Abatement Program** --A new law (HB 1335, Act 44/1995) creates a certification program for individuals, firms and businesses involved in lead-based paint abatement projects. Under the law, the state will provide an accreditation program consistent with guidelines established by the federal Environmental Protection Agency.

*** **Unemployment Compensation Reports** -- Pennsylvania's unemployment compensation law is now in compliance with federal law following the signing of House Bill 2078 as Act 64 of 1995. State law became outdated after federal lawmakers made changes to the Federal Unemployment Insurance Law in 1993.

To comply with the new federal law, the bill reduced penalties for filing late unemployment compensation reports and reduced the tax burden for delinquent employers. Another aspect of the bill established a notification process to ensure that unemployment compensation applicants are informed that benefits are subject to federal income tax and that they may have the tax voluntarily withheld.

*** **Direct Sales and Comp** -- A new law (HB 2388, Act 133/96) exempts individuals working in direct sales from coverage under the state's Workers' Compensation Law. The law only affects those workers whose entire pay is directly related to sales, rather than the number of hours worked. It also prohibits convicted criminals from receiving unemployment compensation benefits while serving a prison term.

*** **Special Agent Benefits** -- The governor has signed legislation (HB 2630, Act 183/96) to extend heart and lung disability benefits to special agents in the Attorney General's office who enforce criminal laws. Drug enforcement officers already had this benefit.

*** **Unemployment Comp and Disasters** -- Under a new law (HB2703, Act 189/96), employees who are out of work as the result of a natural disaster will continue to receive up to 18 months of compensation but it will not be charged to the employer's unemployment compensation account.

** **Minimum Wage** -- The Senate passed legislation (HB 2873) by a 35-15 vote that would have frozen the wage earned by tipped employees at 55 percent of the current minimum wage of \$4.75 an hour. Most Democratic members voted against the bill because it would have prevented tipped employees from benefitting from the pending increase in the federal minimum wage, which is due to increase to \$5.15 an hour on September 1, 1997. In its original form as passed by the House, the bill would have increased the minimum wage in Pennsylvania to \$6 an hour by September 1, 1999. House passage of the minimum wage increase was seen as a political ploy to gather support for its Republican prime sponsor just prior to the 1996 general election. The minimum wage increase language was removed in the Senate Labor and Industry Committee and the amended bill was never considered in the House.

* **Fair Share Fees** -- Despite protests from Senate Democrats that the bills represent the beginning of an all-out attack on public employee unions in Pennsylvania, the Senate has passed a legislative package to repeal the state's fair share fee laws.

The laws, enacted in 1988 and 1993, permit public employee unions to negotiate fair share agreements in their contracts. These agreements, once a part of a contract, require non-union employees to contribute a fair share fee, which is a percentage of dues paid by their fellow union members.

Since contracts negotiated by unions benefit non-union as well as union public employees, it was felt when the laws were enacted that a union had a right to bargain for support from non-union members.

Senate Bill 9, which passed 27-23, would repeal the right to negotiate fair share fees for local government employees. Senate Bill 291, approved 27-23, makes the same provision for public school employees. And SB 711, which passed 26-24, applies to state employee unions.

The three bills were amended on the Senate floor to enable unions to refuse to represent non-union employees on grievance matters. The change was approved 28-22, with Democrats opposed saying it was a cosmetic attempt to disguise the damage of the repealer legislation. Non-union members would still benefit from union negotiated contracts, Democrats said.

An earlier amendment approved in committee clarified that the fair share repealer legislation would not apply to collective bargaining agreements already in effect.

Opponents of the repealer legislation claimed it sends the wrong message to workers who directly benefit from union victories without helping to cover costs associated with collective bargaining for benefits, wages, working conditions, contract administration and grievance handling. It would discourage union membership by giving non-union members a free lunch served up by the union, they said.

Senate Bill 9 and Senate Bill 711 died in the House Labor Relations Committee. Senate Bill 291 was reported out of the House Labor Relations Committee but was never reported out of the House Appropriations Committee.

Local Government

*** **Elimination of DCA** -- The governor has signed legislation (SB 1353, Act 58) to eliminate the Department of Community Affairs (DCA), despite pleas by Democrats that the small agency served a necessary function for local governments in Pennsylvania.

Among other changes, the bill demotes DCA from a cabinet level agency for local governments and shifts many of its functions to the current Department of Commerce. The combined departments become a new agency known as the Department of Economic and Community Development. A separate Center for Local Government Services will be created within the new department to serve as a contact point for municipal leaders wishing to access state services. A new Local Government Advisory Committee in the office of the governor will represent the interests of local government before the governor.

Other functions previously performed by DCA will be transferred to the Historical and Museum Commission, the Pennsylvania Emergency Management Agency and PennDOT.

Democrats portrayed the change as merely a political move to enable the governor to claim he reduced the size of the state bureaucracy. Democrats said the governor sought to eliminate one state agency to compensate for the division of the former Department of Environmental Resources into two agencies last year.

In 1966, in an innovative and nationally recognized effort to meet the growing demands of the more than 2,500 municipalities in Pennsylvania, the legislature created DCA.

In their efforts to defeat the bill, Democrats disputed the administration's claims that the moves would save the Commonwealth nearly \$8 million, pointing to a resulting loss of federal funds and an exaggeration of the actual number of state employee furloughs involved.

Prompt passage of the legislation become necessary as the June 30 deadline for passage of a state budget grew near. The final version of the bill passed the Senate by a vote of 29-20.

*** **Mailed Tax Notices** -- An amendment to the Local Tax Collection Law to give tax collectors more time to mail tax notices in certain instances has been signed into law as Act 11 of 1995.

House Bill 293 is designed to give tax collectors sufficient time to mail the notices when duplicates arrive in late June or after the July 1 deadline for tax notices.

*** **Personal Property** -- A three-piece package (HB 435, Act 12/1995; HB 436, Act 13/1995; HB 437, Act 14/1995) of legislation to raise the threshold for the sale of personal property by local governments has been signed into law.

The bills amend the Borough Code, the First Class Township Code and the Second Class Township Code to let local governments to dispose of up to \$1,000 worth of personal property without soliciting bids. Previously, the threshold was \$200. The bills were introduced to address concerns that the \$200 threshold was too low to cover the cost to local governments for advertising, reviewing bids or conducting public auctions to dispose of the personal property.

*** **Police Pensions** -- A recent Commonwealth Court ruling spurred the enactment of a bill (HB 1095, Act 22/1995) providing statutory authorization for the return of municipal pension contributions to active members. The contributions must have been made prior to February 23, 1994. The law does not authorize further refunds but rather releases the affected municipalities from the obligation of repaying the refunded amounts back into the pension funds. A number of municipalities with over funded pension funds refunded prior contributions to their active members. The court subsequently ruled that the Municipal Police Pension Law did not contain the statutory authorization for the action.

*** **Boroughs Codes and Electricity Business** -- Before sending HB 701 (Act 71/1995) to the governor, the Senate removed controversial portions of a bill that Democrats said would have usurped the authority of local elected officials by restricting the ability of boroughs to incur debt to purchase or manufacture electricity.

The Senate receded from its prior amendments to the bill, legislative language that would have required any borough that wishes to incur debt to operate its own electric business, but which does not currently do so, to have the voters' approval in a referendum.

The Senate's action restores the bill to its original form as passed by the House in March. The new law authorizes boroughs to adopt standard codes and maintenance codes and to enforce building, housing and plumbing regulations. The legislation also repeals obsolete milk inspection provisions that are now enforced by the Pennsylvania Department of Agriculture.

*** **Salary Increases** -- The salary cap for First Class township commissioners and for borough council members and mayors was raised by 25 percent under two bills signed as Act 57 and Act 58 of 1995. Salary increases for Second Class township commissioners were included in House Bill 702, a recodification measure.

Senate Bill 665 raised the commissioner's annual salary cap in First Class Townships based on population as follows:

Less than 5,000 -- \$1,875;

Between 5,000 and 10,000 -- \$2,500;

Between 10,000 and 15,000 -- \$3,250;

Between 15,000 and 25,000 -- \$4,125;

Between 25,000 and 35,000 -- \$4,375;

More than 35,000 -- \$5,000.

Senate Bill 667 raised the annual salary cap for borough council members and mayors based on population as follows:

Less than 5,000 -- \$1,875;

Between 5,000 and 10,000 -- \$2,500;

Between 10,000 and 15,000 -- \$3,250;

Between 15,000 and 25,000 -- \$4,125;

Between 25,000 and 35,000 -- \$4,375;

More than 35,000 -- \$5,000.

*** **County Budget/Delinquent Taxes of Landlords** -- A bill (SB 652/Act 39, 1996) that provides an additional method for tax collectors in Allegheny County to collect from landlords of rented properties who become delinquent on tax payments has been signed into law.

Under the bill, landlords are given 15 days after receiving written notice of their delinquent taxes to remit rental income from the property to be put toward the taxes owed. Failure to remit the rental income would result in an immediate judicial sale procedure by the county.

Other provisions of the bill repeal the current fixed interest rate of 5 percent on funds withdrawn from the Allegheny County retirement system. The bill also enables the county retirement board to set the rate. In addition, the two-year time limit during which a county employee can purchase prior employment credits is eliminated and replaced with a system in which the employee could pay the principal and interest in 36 or fewer equal monthly installments.

The bill also clarifies provisions in the Second Class County Code regarding the appointment of deputy fire marshals, handling and disposition of evidence by fire marshals and other responsibilities. In addition, the bill sets the various fees that the clerk of courts can charge in Second Class counties.

Controversy arose over language inserted by the House that would have cleared potential legal hurdles faced by the new commissioners in Allegheny County who had promised to reopen the county budget to enact a 20 percent cut in property taxes. The language was eventually removed from the bill but not after Senate Republicans stalled passage of the bill. The previous version of the bill would have given the commissioners the clear legal authority to reopen the budget, a move that currently is debatably illegal. Democrats said Senate Republicans purposefully bottled up the bill in the Senate Rules Committee to allow the incoming Republican commissioners to renege on their campaign promise to enact the tax cut. Without passage of such legislation, Democrats expected a legal challenge to any move by the commissioners to reopen the budget.

*** **Borough Budget Process** -- The governor has signed legislation (SB 674, Act 97/1996) that should expedite the budget process in borough government.

The amended Borough Code requires the mayor to consider a borough's annual budget or tax ordinance within 10 days of passage by council. It would also require, in the event of a veto, that the borough council act upon the veto within 10 days.

The bill also gave boroughs the option of increasing the number of citizens who sit on a waterworks commission from three members to five. It also created a set of guidelines for providing a salary to waterworks commissioners.

*** **Third Class City Debt** -- The governor has signed legislation (SB 686, Act 157/1996) to clarify the law that governs how third class cities borrow money. The law amends the Third Class City Code to remove previous language that referred to the Municipal Borrowing Law, which became obsolete following passage of the Local Government Unit Debt Act in 1972.

*** **Municipal Borrowing and DCA** -- Municipalities are now able to borrow up to \$125,000 without approval by the state, under legislation (SB 742, Act 125/96) now signed into law. The change increases the ceiling for small borrowing to the lesser of \$125,000 or 30 percent of a municipality's debt limit not requiring approval by referendum. The borrowing ceiling had not been changed since 1978.

*** **Municipal Code Consolidation** -- The legislature passed a bill (SB 689, Act 177/96) to consolidate laws that govern the operation of municipalities in Pennsylvania. The bill repeals 12 freestanding acts dealing with local governments and makes minor technical changes to the municipal code.

*** **Investments by Municipal Authorities** -- Municipal authorities would have more investment options, under legislation (HB 1174, Act 110/1996) signed into law. The change allows municipal authorities in First, Second and Second A class counties, as well as First, Second, Second Class A and Third Class cities to include international investments among their investments. Such investments could not exceed 2 percent of the market value of an authority's assets and the maturity rate of the investments cannot exceed 15 years. In addition, obligations are limited to those investments permitted by the State Employee' Retirement System.

*** **Second Class Township Code** --The governor has signed a measure (HB 702, Act 60/1995) to recodify the Second Class Township Code. The law makes several technical changes in the code, including a new provision to allow supervisors to work in any township capacity. Supervisors are currently limited to performing only road work.

The measure also increased the maximum annual compensation for supervisors by 25 percent based on populations as follows:

Less than 5,000 -- \$1,875;

Between 5,000 and 10,000 -- \$2,500;

Between 10,000 and 15,000 -- \$3,250;

Between 15,000 and 25,000 -- \$4,125;

Between 25,000 and 35,000 -- \$4,375;

More than 35,000 -- \$5,000.

The salary change is similar to those in Senate Bill 666, a bill which passed the Senate but was held in the House Appropriations Committee pending action on the recodification measure.

*** **County wide Burn Bans** -- The governor has signed legislation that permits second class counties through eighth class counties to impose temporary county wide bans on open fires and levy fines against those who do not comply.

The bill (HB 292, Act 52/1995) allows county commissioners to impose a 30-day ban only on the recommendations of the district forester and local fire chiefs. Those convicted of violating the burn ban would face fines of \$100 for the first offense, \$200 for the second offense and \$300 for the third offense.

*** **Attorney Fees** -- Legislation (HB 1076, Act 1/1996) prompted by a recent Commonwealth Court decision declaring that the recovery of attorney fees by municipalities is not authorized by the Municipal Claim and Tax Lien law has been signed by the governor.

The law allows municipalities, after seeking court approval of the fee schedule, to recover attorney fees incurred in the collection of delinquent accounts. The measure also requires that in First Class cities, a notice showing just cause why a property should not be sold free and clear must be served by certified mail or registered mail to the owner or holders of property.

*** **County Officials Expenses** -- A new law (HB 294, Act 62/1996) increased the maximum reimbursement rate for expenses incurred by county officials when representing their respective second class counties at annual association meetings. Authorized county officials could seek reimbursement for up to \$110 a day, an increase from the previous daily rate of \$75. The legislation also brings the reimbursement rate in line with rates for officials representing third class through eighth class counties. The law also requires county coroners who view a body to investigate the circumstances of death regardless of where the death or the injuries which resulted in the death occurred.

*** **Scranton Taxes on Nonresidents** -- The governor has signed legislation (HB 950, Act 108/1996) that imposes restrictions on the City of Scranton, which is enrolled in the state's distressed municipalities program. Under the new law, the city must first satisfy a number of criteria before the Court of Common Pleas can rule on a petition to increase its tax rates on the earned income of nonresidents and/or real property. To do so, the city must prove that it has implemented the provisions of the financial recovery plan and that all other sources of revenue are not sufficient to balance the city's budget.

*** **Montgomery County Taxes** -- The governor has signed a four-bill package (HB's 2002, 2102, 1346 and 2041 -- Acts 88, 90, 83 and 89 of 1996) to address reassessment problems occurring in Montgomery County. All of the bills apply only to Third Class counties.

Under the new laws, county commissioners can establish auxiliary appeals boards to hear assessment appeals during a county wide reassessment. In addition, when taxing districts apply the changed assessment as the result of an appeal, it may only be done in the next fiscal year. County commissioners can advance the last date to file assessment appeals, but not make it any earlier than the first day of August. A designee of the board of assessment may also meet with property owners to review proposed assessments and correct errors.

*** **Compensation of Tax Collectors** -- The governor has signed legislation (HB 2470, Act 78/1996) that sets the compensation for tax collectors in Second Class Townships. In Second Class Townships with three thousand or more residents, tax collectors will receive 5 percent of the amount collected. In Second Class Townships with fewer than three thousands residents, the tax collector will receive 10 percent of the amount collected. In Second Class Townships with fewer than three thousands residents that experience a decrease in millage rates, the boards of supervisors may increase the percentage rate of the tax collectors portion of the collected taxes in an amount equal to the compensation that would have been received before the millage reduction.

*** **Bid Requirements** -- A series of new laws (HB 682, Act 170/96; HB 683, Act 171/96; HB 685, Act 172/96; and HB 686, Act 173/96;) exempts municipalities from certain competitive bidding requirements. The changes affect those contracts made for the purchase of equipment, articles, apparatus, appliances, vehicles which are used as well as parts from a public utility. The change also requires price quotations and advertisement for road work materials in excess of \$4,000.

Similar changes affecting counties were included in HB 684 but were not enacted.

HB 685 also made the following changes affecting Second Class Townships:

- : -- township auditors could not be employed by the township;
- supervisors considered for employment by the township could vote on their own appointment;
- police officers could not hold the office of supervisor, auditor, tax collector, assessor or manager;
- the chairman of the board of supervisors could swear in special fire police officers;
- the supervisors could establish a yearly transient merchant fee on an annual basis, not exceeding \$300 annually, while retaining the option to impose the current monthly fee of up to \$25;

*** **Funding for Fire Companies** -- Two new laws (HB 1116, Act 175/96 and HB 1118, Act 176/96) specifically permit boroughs and Second Class Townships in Pennsylvania to appropriate funds to fire companies to help pay for the training of fire fighters and cover the expense of operating fire training centers. Previously, boroughs and Second Class Townships were only permitted to appropriate funds for the purchase and maintenance of fire equipment or to construct a fire company.

*** **Performance Bonds** -- Three bills (HB 2312, Act 192/96; HB 2313, Act 193/96 and HB 2314, Act 181/96) that alter the performance bond requirements for municipal contracts were passed by the legislature. The bills change the amount of liability that municipal officials may require to insure fulfillment of contracts. Previously set at 50 percent, the change enables officials to determine an appropriate performance bond ranging between 10 percent and 100 percent of the amount of the contract. The bills only affect First Class townships, Second Class townships and boroughs.

** **County Disaster Funding** -- A measure (HB 2586) that would have enabled counties to appropriate funds to municipal corporations after a natural disaster passed both chambers but died in the House at the end of the session.

*** **Special Tax Notices** -- The governor has signed legislation (HB 2657, Act 188/96) requiring tax collectors to send a special, large-print notice to individuals 60 years of age and older who have not paid their real estate taxes. The notice must inform them of their missed deadline and that the local Area Agency on Aging may help remedy the situation.

*** **Land Development Plans** -- Legislation (SB 1197, Act 165/96) to authorize landscape architects to review and approve land development plans submitted to a municipality has become law. The bill brings the Pennsylvania Municipal Planning Code into conformity with the Landscape Architects Registration Law, which permits architects to perform such services.

*** **Preserving Open Space** -- Local governments (excluding school districts and cities) across Pennsylvania now have the authority to purchase land to preserve open space, under SB 1320, Act 153/96). The bill enables townships and boroughs, after voter approval in a referendum, to levy a local tax on real property or earned income above existing limits on residents to fund the purchase of open space property. The bill also requires townships and boroughs to receive the approval of the electorate before disposing of any open space interests. It also permits local school boards to provide real estate tax exemptions for property used for open space.

*** **Northampton County Prison** -- With passage of SB 1645, Act 143/96), the General Assembly repealed an out-dated act regarding the operation of the Northampton County Prison. The act dates back to 1871 but was in conflict with the Northampton County Prison Commission which was created by the county's home rule charter.

** **County Code Changes** -- A series of changes to the county code were included in HB 2021, versions of which passed the House and the Senate but the measure was not passed finally before the end of the legislative session. Included in the measure were changes in the retirement allowances for sheriffs, deputy sheriffs and prison guards in Second Class counties. The bill died in the House.

Consumer Protection and Professional Licensure

*** **Public Utility Competition** -- With a promise that consumer rates will drop, the General Assembly approved legislation (HB 1509) to pave the way for Pennsylvania's electric utilities to compete for customers.

The bill, first approved by a bipartisan 40-10 vote in the Senate, will phase in a breakup of the state's electric utility monopolies that will conclude Jan. 1, 2001. It was signed into law as Act 138 on Dec. 3, 1996.

Before the bill's passage, five Senate Democratic amendments were offered to guarantee rate cuts. All were defeated along party lines. The bill was then approved by the House by 171-28.

Throughout several hours of Senate debate on their amendments, Democrats displayed a wary skepticism over a bill so heavily lobbied by the \$10 billion electric industry. If deregulation really meant savings for consumers, then it was a concept the legislature should really embrace without the need for expensive hired guns, they said.

Further, some legislators feared a market driven electric industry might not provide reliable service, nor be concerned with pollution free generation.

The legislation will enable customers to choose their electric generating company beginning with a pilot program in 1997. In 1999, a third of the state's consumers will be phased in each year until full competition is reached in 2001. However, the transmission and distribution of electricity will remain a monopoly regulated by the Public Utility Commission.

The bill includes surcharges that can be imposed during a nine-year transition period, enabling utilities to recover some of their heavy investments in nuclear generators before they face competition in the marketplace. Also, the state could impose a surcharge for a limited time if tax revenues drop because of the sale of cheap electricity.

Democrats were concerned a tax surcharge or a fee to cover standard nuclear investments would negate any savings consumers might realize.

Despite the failure of all their amendments, most Democrats joined in final passage of the bill, hopeful the promise of lower rates for all consumers, homeowners and industrial users alike, will be fulfilled.

*** **Water Rate Hike** -- Municipalities will pay less for fire hydrants and ratepayers will pay more under legislation approved by Senate, 40-10, and signed into law as Act 23 on June 30, 1995.

House Bill 714 changes the way water companies are paid for fire hydrants. Under previous law, municipalities and ratepayers shared the cost on a 50-50 basis. Under HB 714, municipalities will pay 25 percent and ratepayers will pay 75 percent.

The bill will phase in the 25 percent cap for municipalities.

*** **Pay for River Pilots** -- Fees for Delaware River pilots were increased through legislation (HB 846) signed into law as Act 6 on June 1, 1995.

A foreign vessel that negotiates the Delaware must take on a local pilot for a fee calculated on the vessel's size. Measurements are in units.

The fee per unit will be increased at the beginning of the next three years to \$5.75, \$6.21 and \$6.58.

*** **Extend Costs Recovery** -- A bill passed unanimously by the Senate (HB 882) will extend provisions to allow a company to recover new costs associated with taking over troubled water and sewer utilities.

The bill was signed by the governor as Act 7 on June 1, 1995.

*** **Older Cabs** -- Older taxicabs are allowed in Philadelphia under Senate Bill 946, passed unanimously by the Senate and signed into law as Act 59 on Oct. 31, 1995.

The bill increases the age limit of taxis permitted to operate from six to eight years old.

Only Philadelphia cabs operating under the Taxi Medallion program are affected by this bill. The measure also changes the appointment procedure for the Public Utility Commission's chief administrative law judge.

*** **Safety First** -- Legislation (SB 725) to keep closer watch on the safety of public amusement rides was signed into law as Act 4 on Feb. 2, 1996.

The measure requires owners and operators of an amusement ride or attraction to submit an accident report to the state Department of Agriculture within 48 hours of any accident that involves serious injury or illness requiring medical treatment or involving loss of consciousness.

Previously, a serious injury or fatality was reported to the Agriculture Department only when the ride operator filed a report with his or her insurer.

*** **Appraiser Certification** -- Legislation that establishes a new broker/appraiser certification and requires all appraisers to be certified by the Board of Certified Real Estate Appraisers was signed into law as Act 71 on July 2, 1996.

Senate Bill 564 was drafted in an attempt to end confusion and duplication in the real estate appraisal business.

*** **Customers to Pay for Broken Contracts** -- Public Utilities could charge their customers for the costs of breaking contracts with non-utility power suppliers under legislation (HB 2446) approved 39-10 in the Senate and signed into law as Act 94 on July 2, 1996.

*** **Dental Education** -- The State Board of Dentistry must adopt regulations for continuing dental education and the maintenance of certification in cardiopulmonary resuscitation under legislation signed into law as Act 113 on July 11, 1996.

The new requirements under House Bill 1855 will apply to dentists, dental hygienists and expanded function dental assistants.

*** **Protection for Auto Dealers** -- Legislation that will help protect auto dealers as manufacturers reduce their dealer networks was signed into law as Act 27 on April 19, 1996.

Senate Bill 808 is the product of six years of negotiations between vehicle dealers and manufacturers. It expands the present list of unlawful activities by a manufacturer against a vehicle dealer and requires manufacturers to show "just cause" for termination of a dealer franchise.

*** **Chiropractic Assistants** -- Legislation (SB 1585) that allows a licensed chiropractor to use the assistance of unlicensed supportive personnel who perform under the direct on-premise supervision of a licensed chiropractor was signed into law as Act 178 on Dec. 19, 1996.

*** **Telemarketing & Pyramid Fraud** -- In an attempt to crack down on so-called pyramid clubs and telemarketing fraud, the state Senate unanimously approved a two-bill package to increase penalties for deceptive sales practices, especially those targeting senior citizens.

Senate Bill 1315 will increase criminal penalties and SB 1316, civil penalties. Both measures also received unanimous House approval.

Senate Democrats attempted to amend both bills to increase the state's minimum wage to \$6.65 an hour by 1998, and to prohibit automated teller (ATM) surcharge fees. Both attempts were rejected along party lines.

Senate Bill 1315 makes so-called chain-letter plans, pyramid clubs, misleading sales pitches by telephone and other deceptive sales practices subject to as much as a seven year prison sentence. Under the bill, sales fraud committed against people age 60 or over would incur increased penalties.

The second bill, SB 1316, increases the current civil fine of \$1,000 to \$3,000 per violation if the victim is 60 or over.

The governor signed both bills on Dec. 4, 1996, with SB 1315 becoming Act 145/1996, and SB 1316 becoming Act 146/1996.

*** **Expand Optometrists Practice** -- The state Senate unanimously approved a bill (HB 1166) to permit optometrists to prescribe and treat patients with therapeutic drugs.

Under the bill, optometrists will also be permitted to remove foreign bodies from the surface of the eye, but such treatment without consulting a physician would be limited to six weeks.

Optometrists in Pennsylvania for years have sought the right to administer drugs to their patients, noting the practice was permitted in other states. They were opposed by the ophthalmologists until a compromise was struck in this legislation to give optometrists limited prescription and treatment rights.

Optometrists, according to this legislation, will not be able to continue drug treatments beyond six weeks without consulting a licensed physician. Also, optometrists still cannot perform general and laser surgery, use controlled substances, steroids, or treat systemic disease and glaucoma.

Optometrists, under this bill, are required to have minimum liability insurance of \$200,000 per occurrence and \$600,000 cumulative for the year.

The measure was signed into law as Act 130 on Oct.30, 1996.

*** **New State Board** -- By a 49-0 vote, the Senate passed HB 1782, a measure which creates the State Board of Accountancy and generally revamps the procedures for licensing public accountants.

The governor signed the bill as Act 140 on Dec. 4, 1996.

*** **Volunteer Doctors** -- House Bill 2511, a measure to establish volunteer licenses for doctors, was approved unanimously by the Senate.

Under this bill, a retired doctor can apply for a volunteer license to provide free primary health care services at approved community-based clinics.

The bill was signed as Act 141 on Dec. 4, 1996.

*** **More Student Barbers** -- More student barbers will be allowed in barber shops under legislation signed into law as Act 63 on June 28, 1996.

Under House Bill 416, the number of student barbers in each barber shop will be limited to one per barber-teacher, and no more than two students per shop. Prior law allowed only one student.

*** **Real Estate Disclosure** -- Sellers must disclose defects in their properties under legislation signed into law as Act 84 on July 2, 1996.

Under House Bill 1571, approved 43-6 by the Senate, sellers of real estate which consists of one to four residential units will have to provide buyers with a statement disclosing all known material defects in the property. In the case of a condominium or cooperative, the seller will only be responsible for his or her own unit. Sellers will not be responsible for defects once a sales agreement has been signed.

*** **Check Vets** -- Veterinarians would be included in the Peer Review Protection Act under Senate Bill 1165, which was passed unanimously by the Senate and House and signed into law as Act 142 on Dec. 4, 1996.

*** **Hold The Phone** -- In an effort to protect consumers from overly aggressive telephone sales pitches, the Senate unanimously approved legislation that will regulate telemarketers. It will cover calls made to or from Pennsylvania consumers as well as calls from telemarketers located within the state.

Under Senate Bill 1317, telemarketing will be prohibited between 9 p.m. and 8 a.m. Telemarketers, those who use the telephone to sell goods or services or solicit charitable contributions, will have to register with the Attorney General at least 30 days before operating in Pennsylvania. The biannual registrations will require a \$500 fee and a \$50,000 surety bond.

With certain exceptions, telemarketing sales would have to be consummated with a written contract, signed by the consumer.

An amended version was given a unanimous House vote, followed by similar Senate concurrence. The measure became Act 147 on Dec. 4, 1996.

* **Car Repairs** -- Auto repair shops that replace car and truck parts would be required to give the old parts back to customers who ask for them under a bill (SB 433) passed unanimously by the Senate.

Car repair shops that refuse the request would be subject to a \$100 fine. The bill went to the House Consumer Affairs Committee where it died.

* **Butane Abuse** -- Selling or furnishing butane to anyone under 18 would be illegal and punishable by a minimum fine of \$250 under a bill (SB 283) passed unanimously by the Senate.

The measure is designed to prevent youths from abusing butane, which can be fatal if inhaled. The bill died in the House.

** **New Electrical Board** -- Legislation that would create the State Board of Electrical Contractors and regulate licensing of electrical contractors was approved by the Senate, 35-14, and sent to the House.

Senate Bill 150 would license qualified contractors for two years at a time. Municipalities could not require an additional local license, although they could regulate electrical work. Reciprocal agreements are permitted with other states. The new Board could determine exemptions to the licensure requirements and may add to those already provided.

After both House and Senate approval of amended versions, the bill went back to the House Rules Committee on Nov. 26, 1996 without further action.

* **Stuffed Toy Restrictions Lifted** -- By unanimous vote, the Senate approved legislation that would exempt the manufacture and sale of stuffed toys by nonprofit groups from state registration requirements. Current law requires anyone making stuffed toys for sale within the commonwealth to register with the Department of Labor and Industry.

Senate Bill 1163 would exempt from this registration requirement anyone making a stuffed toy at home for sale by a nonprofit organization. However, the use of unsafe or unsanitary materials in the manufacture of stuffed toys would still be prohibited.

The bill went to the House Consumer Affairs Committee without further action.

Law and Justice

*** **More Beer & Liquor Licenses** -- Legislation (HB 1098) that will permit the transfer of beer and liquor licenses from one municipality to another within the same county, regardless of quota limitations, was signed into law as Act 35 on July 7, 1995.

The proposed new location must be within a deteriorated area whose boundaries are set under the "Local Economic Revitalization Tax Assistance Act," an area known as a "LERTA" zone.

*** **Children's Health Fund** -- Legislation that transfers \$5 million from the State Stores Fund to the Children's Health Fund was signed into law as Act 111 on July 11, 1996.

The money appropriated under House Bill 1334 will be used to provide health care for indigent children in accordance with the provisions of the Children's Health Care Act for the 1996-97 fiscal year. The funds will not be subject to the limitations set forth under the Act with respect to the total amount of grants awarded. The \$5 million is meant to augment funds from the cigarette tax and other funding sources.

*** **Jen and Dave's Law** -- Senate Bill 1431, known as "Jen and Dave's Law," was passed unanimously in the Senate.

This bill, which became Act 119 on Oct. 7, 1996, allows one parent to seek a temporary custody order, or change in an existing custody or visitation order, when the parent obtains information the other parent has been charged under any of 19 criminal offenses.

A system would be established to provide such information to parents without cost.

*** **Beer Price Regulations** -- Legislation (HB 2257) requiring beer distributors to maintain price reductions for at least 120 days within a distributor's area was signed into law as Act 196 on Dec. 20, 1996. Under prior law, price reductions had to be maintained for 180 days.

Opponents of the legislation claimed a mandated period for price reductions would prevent price competition among wholesalers.

Under the new law, the Liquor Control Board is to establish a price monitoring board to enforce its provisions. Cost of the board is estimated at \$300,000 annually.

The new law also permits delivery of malt beverages on Sunday for prepaid orders of at least \$250.

*** **Liquor Price Advertising** -- Legislation (HB 2292) that sets requirements for advertising liquor prices on television, radio, newspapers or other publications was signed into law as Act 199 on Dec. 20, 1996. The bill includes prohibitions against distributing circulars near churches and schools.

The measure was a response to a recent court decision that found blanket prohibitions against liquor advertising to be unconstitutional. The bill also allows liquor store or bar employees to use a so-called swipe machine, a new technology to verify the authenticity of age identification cards.

The bill establishes a new category of licenses for a regional history center in Pittsburgh, a performing arts facility in Bloomsburg and a multi-purpose cultural center in Harrisburg.

** **Train Capitol Police** -- The Senate gave unanimous approval to SB 1038, a measure to include the Capitol Police and the Harrisburg International Airport Police in the "Municipal Police Education and Training Law."

Members of the two departments would have to meet the same training requirements as other police officers within one year of enactment. The departments already meet the requirements of the bill on a voluntary basis. The bill was amended and approved in the House and returned to the Senate where it died.

Military and Veterans Affairs

*** **College Aid for Guard** -- Legislation signed into law as Act 56 on June 19, 1996, gives educational aid to qualified members of the Pennsylvania National Guard. The aid program, administered by PHEAA, will offer full and part-time educational grants to national guard members as part of a six-year enlistment obligation.

The aid program created by Senate Bill 698 will target Pennsylvania residents and Pennsylvania colleges, universities, business and trade schools. The amounts of the grants will be based on tuition levels for State System of Higher Education institutions.

Guard officials estimate 1,400 members will qualify for full-time grants in the first year, including 1,000 current members. A first year cost of \$2.7 million is expected to level off at \$8 million annually by the fifth year of the program. First year part-time student costs would be about \$324,000 and level off at \$576,000 per year.

*** **School Gets Transfer and Horse Owners Get Tax Break** -- Scotland School for Veterans' Children was transferred from the Department of Education to the Department of Military Affairs -- and the sale of race horses was exempted from the state sales tax -- under legislation signed into law as Act 105 on July 11, 1996.

Senate Bill 1251, approved 36-13 in the Senate, also provides for the Historical and Museum Commission volunteer program, the Aviation Restricted account, collective bargaining for first class school districts and contributions to the Korea/Vietnam memorial National Educational Center.

The sales tax exemption was added in a last minute amendment offered by a York County Republican who represents the state's only major race horse breeder. It creates an exemption for the sale of race horses and the food and supplies associated with their care. The exemption is expected to cost at least \$4 million per year.

The provision for collective bargaining and binding arbitration applies to school administrators in Philadelphia. Bargaining must begin at least six months before the start of the fiscal year and requests for arbitration must be at least 110 days before the start of the fiscal year. A three-person panel of arbitrators must make a binding decision within 30 days of its selection, with no court appeal permitted.

*** **Military Records** -- The state Department of Military Affairs must forward a copy of each soldier's report of separation or discharge to the county Director of Veteran's Affairs under legislation (SB 712) signed into law as Act 12 on March 21, 1996. The form DD-214 will be sent to the county where the soldier resided at the time of enlistment.

*** **New Name** -- The Department of Military Affairs is now the Department of Military and Veterans Affairs under HB 1582, passed by the Senate unanimously and signed by the governor Dec. 21, 1995 into Act 80.

The bill also extends the expiration date of the Veteran's Memorial Commission from June 30, 1995, to June 30, 1999.

*** **More Pay for National Guard** -- Active duty pay for Pennsylvania National Guardsmen will increase from \$45 to \$75 a day under HB 774, unanimously approved by the Senate.

The bill also permits the Assistant Adjutant General of the Army and Air Force to be major generals.

The bill was signed into law as Act 139 on Dec. 4, 1996.

Community and Economic Development

*** **Pennsylvania Business Resource Center** -- The Senate and House unanimously approved legislation (HB 100, Act 106/1996) that creates the Pennsylvania Business Resource Center together with a 16-member advisory board. The center will establish a partnership between state government, private industry, organized labor and higher education through a statewide database. It may accept contributions to build and operate the facility.

The advisory board will provide a report to the governor and the General Assembly before April 1, 1997, including recommendations regarding whether the board should become a private corporate body.

*** **Infrastructure Development Program** -- Enacted was a bill (HB 2666, Act 116/1996) that will eliminate three programs and consolidate their services into one through an Infrastructure Development program.

The bill eliminates the Site Development Act, the Business Infrastructure Development Act and the Industrial Communities Action Program.

The new Infrastructure Development program will be located in the Department of Community and Economic Development. It will make grants, grants-to-loans and loans for infrastructure improvements to private companies or developers.

*** **Job Creation Tax Credit** -- Businesses in Pennsylvania could get a \$15 million tax break under legislation (HB 2668) signed into law June 29, 1996 as Act 67.

The tax credit for the creation of new jobs is one of four programs in the legislation intended to improve the economy. Though Democrats supported the measure, they were critical of a tax credit provision that would likely favor only large businesses. Small businesses, they said, were unlikely to create enough new jobs to qualify for the credit.

Under the tax credit provision, businesses that create 25 jobs or increase their employment by 20 percent within three years can receive a \$1,000 tax credit per job. To be eligible for credit, a company must demonstrate the ability to create the required number of jobs in three years; leadership in the application, development or deployment of leading technologies; financial stability and viability; the intent to stay in the state for five years; and a statement that the decision to expand or locate in the state was "due in large part" to this tax credit.

Companies that fail to maintain operations or fail to create the jobs must refund the amount of taxes saved by the credit. Here again, some Democrats were skeptical about how the loss of potential jobs could be proven and, therefore, how effectively back taxes could be recovered. It would be better, they said, to give the tax credit after the new jobs were created, not before.

The bill also creates an Opportunity Grant Program that will allow municipalities, developers and private companies to apply for grants for job training, construction or rehabilitation of infrastructure or buildings and land acquisitions. Grant applicants must match \$4 to every \$1 supplied under the program. Applicants that fail to create the number of jobs or provide matching funds will be penalized the full amount of the grant plus 10 percent.

The Small Business First Program will create a revolving business loan fund in the state treasury using appropriations from the legislature, the federal government and money previously in the Capital Loan Fund. The loans will be limited to projects that create or preserve one job for every \$25,000 received from the Small Business First Fund. The Department of Community and Economic Development will create guidelines and regulations for administering the program.

The Small Business Advocacy Council set up by the legislation will counsel troubled small businesses. The 13-member council will assist with the development of policy that may affect the more than 250,000 small businesses in the Commonwealth.

House Bill 2668 repeals the Sunny Day Fund, which provided loans to attract new businesses to Pennsylvania.

*** **Hardwoods Development Council** -- The Hardwoods Development Council was transferred from the Department of Community and Economic Development to the Department of Agriculture under legislation (HB 2380) signed into law as Act 137 on Nov. 27, 1996.

*** **One Call System/ Underground Power Lines** -- Legislation (HB 2627) that clarifies the "one call system" for people whose work may come in contact with an underground power line was signed into law Act 187 on Dec. 19, 1996.

The system lets people call a single phone number to find the location of underground utilities. It is financed by utilities.

* **PEP Program Extension** -- The Senate unanimously approved legislation (SB 294) that would extend the life of the Pennsylvania Export Partnership programs to June 30, 1998.

The PEP programs are intended to stimulate export trade for commonwealth businesses. These programs include support for international marketing efforts, trade show events, and regional export promotional activities.

The bill is in the House Commerce and Economic Development Committee.

* **Community Services Act/ Affordable Housing** -- Legislation that re-authorizes and extends the Community Services Act to Dec. 31, 2001, was signed into law as Act 166 on Dec. 18, 1996

Senate Bill 1397 provides for the use of federal block grants to support 42 state community action programs aimed at reducing the effects of poverty. Senate Bill 1397 adds language to the Act to provide housing assistance to those in need.

Urban Affairs and Housing

*** **Philly Disability Payments** -- Police officers and firefighters in Philadelphia will receive full wage compensation while on temporary disability under House Bill 276, which passed the Senate 47-3 and was signed into law as Act 5 on June 1, 1995.

Previously, Philadelphia police officers and firefighters, unlike police and firefighters elsewhere in the state, received a percentage of their pay while on disability, as negotiated in their contract with the city.

The law amends the First Class City Home Rule Act and prohibits Philadelphia from providing less than full compensation to police officers and firefighters.

*** **Tenant Appeals** -- Tenants will have to put up the money to file appeals against their landlords under House Bill 929, which passed the Senate, 41-9, and was signed into law as Act 33 on July 7, 1995.

The bill requires a tenant who is filing an appeal of a lower court ruling to deposit with the prothonotary a sum equal to the amount of rent due, to be held in an escrow account. Victims of domestic violence are exempt from this requirement.

An appeal must be taken within 10 days regarding a residential lease and within 30 days for a non-residential lease. The landlord may apply to the court to have the money taken out of escrow to pay bills while the appeal is pending.

*** **Basketball Arena for Temple** -- A bill to enable Temple University to bypass Philadelphia's zoning requirements to build a basketball arena was approved by the Senate, 29-21, and signed into law as Act 24 on June 30, 1995.

House Bill 1032 exempts state related universities in Philadelphia from local zoning and land-use ordinances. The intent is to let Temple move ahead with its \$85 million Apollo project, despite city objections that the university first create a \$5 million housing fund to benefit community residents.

The Senate vote was along party lines, with Democrats siding with city officials who maintain that zoning is a local prerogative.

*** **Third Class City Code** -- Third class cities may waive the competitive bidding process when a mayor or chief executive declares a state of emergency under legislation (HB 1130, Act 109/1996) signed into law.

In the past, when a third class city sold personal property valued less than \$200, it had to be posted for ten days at city hall and advertised in a newspaper. This legislation raises that amount to \$1,000.

The bill also provides for limited vested pension benefits under the third class city code. If a member of the pension fund terminates employment before reaching his/her earliest retirement date or minimum age, but has worked for 12 continuous years full-time, retirement benefits may be vested.

*** **Quick Eviction** -- Tenants will have less time to vacate premises following a breach of contract under legislation passed by the Senate, 41-9, and signed into law as Act 36 on July 7, 1995.

Under House Bill 1154, tenants with lease agreements for one year or less will have 15 days to vacate, and those with agreements longer than one year will have up to 30 days. Mobile home park tenants will be subject to seasonal time frames for determining deadlines to leave for failure to pay rent.

*** **Eviction of Drug Dealers** -- Tenants involved in illegal drug trafficking could be swiftly evicted under legislation signed into law as Act 23 on Oct. 11, 1995.

Special Session Senate Bill 103 also enables a landlord to evict people other than a tenant if they are found to be taking drugs on the premises and the tenant can prove he knew nothing of the activity. Under the law, a hearing on an eviction notice must be held within 15 days of its filing date. The landlord can continue to collect rent from the tenant during the civil action.

Anyone removed by court order would be barred from reentering the leased premises.

*** **Mobile Home Parks** -- Legislation that would limit the ability of landlords to recover space in mobile home parks was signed into law as Act 74 on July 2, 1996.

Under Senate Bill 1181, landlords may not recover space when a lease terminates if a resident is complying with mobile home park rules, paying the rent due and wants to continue living at the park. Landlords may recover space if they mutually agree to a lease termination with a resident or if a resident wants to leave when a lease expires. Residents could still be legally evicted under the provisions of the Mobile Home Park Rights Act.

The bill also defines an "abandoned mobile home" as a mobile home that has been vacated without notice, hasn't paid rent, hasn't been used, has canceled insurance and/or terminated utility services. If a mobile home is abandoned for 30 days or more, the owner of the mobile park may enter the home to secure personal items and disconnect utilities, move the home to another storage area and assess removal charges and storage charges against the former resident.

The park owner is not liable for damages to mobile homes that have been moved into storage, unless it can be proven that the home was not abandoned.

*** **Innkeeper's Bill of Rights** -- Pennsylvania lodging establishment owners would be allowed to refuse room rental under certain circumstances under legislation unanimously approved by the Senate and signed into law by the governor as Act 131 on Oct. 30, 1996.

House Bill 2024, the Innkeeper's Bill of Rights, would allow an owner to turn patrons away if they are seeking a room for unlawful purposes, if they are unable or willing to pay or if the number of guests exceeds the posted capacity.

*** **Uniformed Planned Community Act** -- Legislation (HB 1757) that provides a comprehensive procedural framework for creating a planned community passed the Senate unanimously and was signed into law as Act 180 on Dec. 19, 1996..

The Pennsylvania Uniformed Planned Community Act creates a standard for operating planned communities. Prior law provided a framework for condominiums and cooperatives only.

* **City Council Vacancies** -- Vacancies in Third Class City councils could be filled at the next regular scheduled election that falls at least 60 days after the vacancy occurs under legislation unanimously approved by the Senate.

Senate Bill 776 amends the "Optional Third Class City Charter Law." If all five members of the council were to vacate their office, the court of Common Pleas would appoint a city council.

The bill was referred to the House Urban Affairs Committee.

* **Building Standards** -- Senate Bill 1028, passed unanimously by the Senate , would adopt building standards for the manufacture of pre-fabricated housing.

The bill would require the BOCA National Building Code to be adopted as a standard for pre-fabricated housing, although manufacturers could opt to comply with standards set by the Council of American Building Officials (CABO) One and Two Family Dwelling Code.

The Industrialized Housing Advisory Commission would work with the Department of Community Affairs to develop energy conservation standards.

The bill is in the House Urban Affairs Committee.

Agriculture and Rural Affairs

*** **Dog Law** -- In hopes of strengthening the enforcement of dog laws in the Commonwealth, the governor signed House Bill 397 into law as Act 151 on Dec. 11, 1996.

The bill increases license fees and dog kennel fees, thereby creating more revenue for enforcement. However, amendments were added to the legislation that exempted the state's 53 third-class cities. Groups against the amendment claim the discrimination between localities defeats the whole purpose of the bill, which was to raise revenue for statewide enforcement.

The fees are the only funding source for the enforcement of the Commonwealth's dog laws. Pennsylvania has between 1.5 million and 2 million license-eligible dogs, although only a one-third to one-half of them are licensed.

The increase under this legislation for neutered or sprayed dogs is from \$2.50 to \$5.00 annually. The license increase for all other dogs would be from \$4.50 to \$7.00. Individuals with a disability or senior citizens may purchase a dog license for a neutered or sprayed dog for \$3.00 annually. All other dog licenses may be sold to the disabled and senior citizens for \$5.00.

A lifetime license for a neutered or sprayed dog would increase from \$10.00 to \$30.00 and from \$20.00 to \$50.00 for all other dogs. A disabled person or senior citizen may purchase a lifetime dog license for a neutered or sprayed dog for \$20.00. All other dog licenses purchased by a disabled person or senior citizen are \$30.00.

Finally, this legislation changes the term "guide dog" to "service dog".

*** **Agricultural Areas Security Law** -- The Senate has unanimously approved legislation (HB 1886) that would amend the Agricultural Areas Security Law to ensure that land enrolled in a farmland preservation program continues to receive the protection of being in an agricultural security area even if the area is modified or terminated in the future.

The bill was signed into law as Act 121 on Oct. 16, 1996.

*** **Domestic Animal Act** -- Serious outbreaks of rabies and a highly pathogenic avian influenza in the poultry industry during the past five years prompted the Senate's unanimous passage of Senate Bill 1432, which was signed into law as Act 100 on July 11, 1996.

The measure creates the Domestic Animal Act by codifying existing laws into one, giving the Department of Agriculture the authority to protect animal health and human health related to the animal food supply. It creates a repository of authority to address disease problems in animals held in captivity. Fees in the bill will generate approximately \$10,000 to cover operating costs.

*** **Agriculture Nuisance Suits** -- In order to protect agricultural operations from nuisance suits, Senate Bill 1371 was signed into law as Act 52 on June 12, 1996.

The bill includes protection to equipment used in the production and preparation of animal products and the harvesting of crops under the "normal agricultural operation" definition.

*** **Sale of Potatoes** -- Consumers will be able to purchase potatoes in amounts weighing less than 3 pounds under House Bill 2008, which passed the Senate unanimously and was signed into law on May 16, 1996 as Act 37.

Previous law allowed for the sale of potatoes in packages weighing three, five, ten, 15, 20, 25, 50 and 100 pounds.

*** **Cellular Telecommunication Towers** -- The Senate approved a two-bill package

(47-1) that permits open land to be leased to wireless or cellular telecommunications providers.

Under House Bills 1868 (Act 50/ 1996) and 1869 (Act 51/1996), a land owner would be able to lease a tract of land to a wireless or telecommunications provider as long as the land does not exceed one-half of an acre, does not have more than one communication tower on it, isn't sold or subdivided, and is accessible. Taxes not paid because of existing land preservation agreements would be reimposed on the land leased for telecommunications use.

*** **Food Act** -- Legislation intended to reduce the risk of food borne illnesses caused by contaminated egg products was signed into law on May 22, 1996 as Act 45.

Under House Bill 2140, food will be considered adulterated if it contains eggs processed with their shells.

*** **Charitable Organization's Limited Immunity** -- Charitable and religious organizations that donate wildlife for food were given limited immunity under legislation (HB 664) unanimously approved by the Senate and signed into law as Act 129 on Oct. 30, 1996. The legislation protects charitable or religious organizations from criminal or civil liability if they reasonably inspect, process, prepare and distribute the food.

*** **Mushroom Farming/ Small Business Ombudsman** -- Mushroom producers will no longer have to comply with the Air Pollution Control Act when making compost for production purposes under legislation signed into law as Act 174 on Dec. 18, 1996.

House Bill 873, which applies to the production of agricultural products in general, still requires farm operations to meet the standards of the broader Clean Air Act. Production includes harvesting, drying and related operations. Commodities themselves -- apples, corn, etc. -- will still be subject to air pollution control.

The bill also transfers the Small Business Ombudsman from the old Commerce Department to the Department of Environmental Protection.

* **Weights and Measures** -- In an attempt to bring Pennsylvania's weights and measures code into conformity with the rest of the country, the Senate unanimously passed Senate Bill 509.

The bill would consolidate five existing state laws on weights and measures into one. It would also require those who deliver light fuel oils to a domestic customer to furnish a printed delivery ticket with the vendor's name and address, date and time of delivery, purchaser's name and address, product identification, the driver's signature, company truck number and price and volume .

The legislation was amended in the House to require all universal product code scanning systems to be inspected.

The bill was signed in both the House and the Senate and is now in the governor's hands to be signed into law.

* **Dog Purchaser Protection** -- Dog buyers would be assured of the health and breeding of dogs they purchase under Senate Bill 831, unanimously approved by the Senate.

Aimed at discouraging so-called puppy mills, the legislation would require kennels, pet shops and individuals who sell dogs to supply health records and a guarantee to buyers that the dog is in good health. The buyer would have the right to a complete refund if the dog dies or becomes ill within ten days of being purchased.

The bill is in the House Appropriations Committee.

* **Aquacultural Development Law** -- Legislation that would create the Aquacultural Development Law passed the Senate unanimously and was sent to the House.

Under Senate Bill 1638, the Department of Agriculture would be oversee aquaculture (fish farming) development in the Commonwealth. Fishing at regulated fishing lakes would remain the responsibility of the Fish Commission.

Game and Fisheries

*** **Migratory Bird Hunting Licenses** -- Legislation (SB 944) that establishes a migratory game bird hunting license, controlled goose hunting areas and habitat improvement objectives was signed into law as Act 19 on April 4, 1996.

The migratory game bird hunting license will cost 75 cents, payable to the issuing agent. The licenses will be issued to residents serving on active duty without regard to quota limitations or application deadlines.

The bill also authorizes the establishment of controlled goose hunting areas and controlled goose hunts. A valid migratory game bird hunting license is required to apply for reservations on the controlled goose hunting areas.

Under this measure, \$2 from each antlerless deer license fee will be reserved for habitat restoration costs. All money derived from the migratory bird license fee will be used for habitat acquisition and improvement.

*** **Safety Zones for Archery Hunting** -- In an attempt to reduce the overpopulation of deer in urban and suburban areas, the Senate unanimously passed SB 399, signed March 29, 1996 as Act 13.

The bill would change the safety zone provisions for archery deer hunters in certain areas, decreasing the size from 150 yards to 50 yards within areas specifically designated by the Game Commission as metro deer hunting areas. The 150 yard safety zone would not change in areas near a school playground, nursery school or day care center.

*** **Fishing License Fees Increased** -- Fishermen began paying higher license fees, effective Dec. 1, 1995, under a bill (SB 775) signed by the governor into law July 6, 1995 as Act 47.

The new law increased the resident fishing license from \$12 to \$16.25. The senior resident fee was increased from \$2 to \$3.25 and the senior resident lifetime fee from \$10 to \$15.25. The 7-day tourist fee rose from \$20 to \$29.25 and the 3-day tourist fee was set at \$14.25. Replacement license fees increased from \$1 to \$4.25.

*** **Junior Hunter Projects** -- Legislation (HB 1711) signed into law as Act 114 on July 11, 1996, will require the Game Commission to implement at least two junior hunter projects to increase and sustain interest in hunting among young people.

One of the projects must consist of at least two free hunting days for people qualified to receive a junior hunting license and who have successfully completed hunter education requirements.

*** **Interest of Sportsmen** -- In order to protect the interest of hunters and trappers in the Commonwealth, the Senate unanimously passed House Bill 1823, which was signed into law on June 28, 1996 as Act 64.

Under this legislation, the Game Commission will be required to provide adequate opportunity to hunt and trap wildlife in the state.

*** **Out-of-State Motor Boats** -- Legislation providing for the registration and titling of out-of-state motor boats was passed unanimously by the Senate and signed into law as Act 73 on July 2, 1996.

Senate Bill 847 gives out-of-state boat owners a 60-day registration window when moving their boat to the Commonwealth. People who do not register their boat with the state within 60 days will face a \$25 fine.

Out-of-state boat owners who register their boats in their home state through a system approved by the Secretary of the federal Department of Transportation will be considered in compliance with the Commonwealth. Boats with a model year prior to 1997 and outboard motor boats less than 14 feet long will be exempt from titling. The cost to the Fish Commission of titling and registering boats should be offset by the fees collected.

*** **Hunters With Disabilities** -- People with disabilities will be able to hunt from a stationary vehicle, under legislation signed into law as Act 48 on May 22, 1996.

House Bill 1944 will create a new temporary \$5 permit for people with disabilities. The individual must have qualified for a hunting license in the past and have an affidavit from a doctor stating that he/she is unable to walk 25 yards off the roadway. The permit will only be valid for the year in which it is issued.

A permit to hunt from a stationary vehicle may be issued to a person with permanent disabilities who qualifies for a hunting license. An affidavit and a doctor's certificate stating that the applicant is physically unable to walk 25 yards off the roadway is also needed for this permit.

*** **Credit and Debit Cards** -- Two bills facilitating the use of credit and debit cards for hunting and fishing licenses and related permits cleared the Senate unanimously.

House Bill 2022 allows the Fish and Boat Commission to set procedures for the use of credit and debit cards for purchases and payment of fines. This legislation is in the Senate Rules and Executive Nominations Committee.

House Bill 1924 allows the Game Commission to set procedures for the use of credit and debit cards for purchases and payment of fines. This legislation was signed into law on May 16, 1996 as Act 36.

*** **Credit and Debit Cards to Purchase Licenses** -- The Senate has unanimously approved legislation that will let people use credit and debit cards to purchase fishing licenses and other items sold by the Fish Commission and grant qualifying disabled veterans free lifetime resident fishing licenses. House Bill 2585 was signed into law as Act 185 on Dec. 19, 1996.

The bill also makes intentional impediment of another person engaged in fishing or boating illegal. Such action will be a summary offense of the first degree and punishable by a fine of \$100 or possible imprisonment not to exceed 90 days. People who fish without a permit will commit a summary offense of the first degree and those who violate regulations established under a permit will commit a summary offense of the third degree.

Finally, the bill creates a single eight-year term for Fish and Boat Commissioners and denies the commission jurisdiction over the Department of Environmental Protection's program to spray state waterways for the control of blackfly.

*** **"Zero Tolerance" for Minors Hunting Under Influence** -- Legislation signed into law as Act 184 on Dec. 19, 1996, makes hunting under the influence of alcohol a crime. The bill mirrors language in the Vehicle Code for driving under the influence. Language was also included in the bill that allows "zero tolerance" for alcohol use by minors while hunting.

Under House Bill 2463 the game commission will be able to require mandatory hunter drug and alcohol education programs or a vision examination before restoring a license to an individual whose license was suspended or revoked. The bill also allows county treasurers to issue a fee-exempt lifetime hunting license to qualified veterans who are permanently disabled.

Game commission officers will be permitted to use decoys in enforcement efforts under this measure. Decoys may not be used by deputy game commission officers.

The bill provides for additional fines for the offense of poaching. Proceeds from these fines will be used to support a toll-free telephone line for the reporting of poaching and to provide compensation to individuals who report poaching activity.

Finally, commissioners will be able to serve up to six months after their term expires when a replacement has not been appointed.

* **Conservation Officers** -- On duty wildlife conservation officers would be required to wear the same amount of protective clothing as hunters during hunting season under Senate Bill 1553, approved unanimously by the Senate and sent to the House.

The legislation would also increase the penalty for hunters who are convicted of shooting from a vehicle. It would permit wildlife facsimiles to be used as a law enforcement tool only at night. Wildlife facsimiles are decoys used to catch hunters who are breaking the law.

* **No Employees as Commissioners** -- The Senate unanimously passed two bills which would prevent current or past employees of the Pennsylvania Fish Commission (SB 942) or the Pennsylvania Game Commission (SB 943) from serving as commissioners. Both commissions' officers serve an eight year term and would be allowed to extend that term up to six months until a successor is appointed. The bills are in the House for concurrence.

* **Nuisance Actions** -- Owners of shooting ranges would be granted further immunity from nuisance actions under Senate Bill 1294, unanimously approved by the Senate and sent to the House for concurrence.

A 1988 law exempts shooting range operators from civil and criminal actions relating to noise pollution if they were in compliance with noise control ordinances in place when their ranges were constructed. The bill extends the exemption to owners where noise ordinances were not in place at the time their ranges were established.

* **Game Donation For Food** -- More donations of game may be forthcoming to help feed the needy under Senate Bill 511, approved unanimously in the Senate.

The bill would limit liability for charitable organizations that donate game for food.

Charitable organizations processing and distributing game food would have to be registered with the Department of Agriculture.

The bill was sent to the House for concurrence.

* **Boating Under the Influence** -- People who operate a watercraft under the influence of alcohol or a controlled substance would face tougher penalties under legislation unanimously approved by the Senate and sent to the House.

Under Senate Bill 1444, adults operating a watercraft with a blood alcohol level of .10% would be considered legally drunk and people under age 21 would be considered legally drunk at .02%. Operating a watercraft while under the influence would be a second degree misdemeanor. After three convictions, the offense would rise to a first degree misdemeanor.

* **Free Licenses For POWs** -- All former prisoners of war would receive free resident hunting and fishing licenses under legislation passed unanimously by the Senate.

The two measures (SB 452 and SB 453) would allow any of the 1,335 former POWs who reside in Pennsylvania to receive either license at no cost. The Fish and Game Commissions expect a maximum cost of \$16,000 each if every POW applied.

The bills have been laid on the table in the House.

* **Increased Hunting Fees** -- Non-state residents would be able to hunt antlered deer in the Commonwealth for five consecutive days if Senate Bill 844 is signed into law.

The measure would also combine the Junior Resident Hunter License and the Resident Furtaker License into one with a fee of \$5.00. Youngsters could obtain a junior resident hunting, furtaker, muzzle loader deer, archery deer and bear hunting license combination for \$8.00.

The bill unanimously passed the Senate and was sent to the House.

* **Sportsmens Clubs** -- Sportsmens clubs which utilize Class A lakes would not have to require their members to have a fishing license under House Bill 2186. However, the club would be required to operate a cooperative nursery, as recognized by the commission, and raise fish to be stocked in Commonwealth waters.

The legislation would also provide clarification regarding unpaid employees acting in an official manner and their automotive and general liability and Worker's Compensation.

The bill unanimously passed the Senate and was sent to the House.

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