

## Senate of Pennsylvania

### SENATE DEMOCRATIC WRAP-UP FOR THE 2003- 2004 LEGISLATIVE SESSION

With a Democrat in the Governor's office for leverage, Senate Democrats were able to finally enact substantive new laws that majority Republicans had doggedly resisted and stalled for many years.

The result generated far-reaching and long overdue reforms that will cut taxes, provide unprecedented investment in business and job growth and improve the quality of life for generations of Pennsylvanians to come. Despite the relentless political sparring that stretched many session nights into the wee hours, the 2003-2004 legislative session may well be remembered as one of the most productive and meaningful in many years.

Through the legalization of slots (*see House Bill 2330, Law and Justice*) at 14 locations statewide, Democrats were able to deliver on Gov. Rendell's promise to cut property taxes — by \$1 billion annually (*see Senate Bill 100, Finance*). Proceeds from slots will also generate billions in economic development funding and provide volunteer fire departments and emergency medical services with a dependable annual state-funding source.

Stoking an economy that is emerging from recession, Democrats spearheaded Gov. Ed Rendell's "Plan for a New Pennsylvania" to invest \$1.3 billion in new businesses and technologies across the state (*See Senate Bill 1026, Appropriations*). Another measure garnered voter approval on a referendum that will borrow \$250 million for statewide water and wastewater projects (*See House Bill 2332, Appropriations*).

Responding to skyrocketing prescription drug costs, lawmakers passed a 2003 law that was modeled after the Senate Democrat's FAIRx plan. The measure was aimed at expanding Lottery-funded PACE benefits to 100,000 more senior citizens (*see House Bill 888, Aging and Youth*). The following year, lawmakers acted to protect 2,500 seniors from losing their PACENET eligibility due to a small annual Social Security cost-of-living increase (*See Senate Bill 1167, Aging and Youth*).

The successful and relentless fight for investing in Pennsylvania's children continued as Senate Democrats helped muscle through a major part of Gov. Rendell's education agenda. The focus was on new targeted investment in schools that became part of the state's \$23.3 billion General Fund Budget for 2004-05 (*See House Bill 2579, Appropriations*). The initiative includes \$200 million in state Accountability Block Grants that can be used by local schools to invest in preschool initiatives, fund full-day kindergarten and reduce class sizes, among other proactive and proven student achievement programs.

The spending plan also renewed the state's commitment to public schools by hiking basic education subsidies by more than \$150 million (3.5 percent) over the 2003-04 total. The budget also includes \$15 million to supplement Head Start and \$47 million for tutoring programs.

Recognizing the need to embrace alternative energy sources like wind and solar-generated power to protect the environment and diversify our energy reserves, the legislature passed a bill mandating that 18 percent of Pennsylvania's energy supply come from alternative energy sources by 2020 (*See Senate Bill 1030, Environmental Resources and Energy*).

Two other significant new laws lowered the maximum blood-alcohol level at which a person can be charged with drunk driving, from .10 percent to .08 percent (*see Senate Bill 8, Judiciary*); and provided approximately \$250 million to help physicians with their medical malpractice insurance costs (*see House Bill 1211, Public Health and Welfare*).



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***Legislation is coded as follows:***

- \* *Senate Passage*
- \*\* *Senate and House Passage*
- \*\*\* *Became Law*
- V *Vetoed by the Governor*

### Aging and Youth

\*\*\* **Nursing Home Assessments** – By a 45-3 vote, the Senate approved **House Bill 297**, which imposes nursing facility assessment fees on long-term nursing care facilities. The fees are necessary for the state to qualify for maximum federal funding. The measure authorizes the Department of Public Welfare to use the revenue collected from the fees to increase program payments, in the aggregate, to Medical Assistance nursing facility providers to the extent permissible under federal law. The new law also establishes the Kinship Care Program. This bill was signed into law as **Act 25 of 2003**.

\*\*\* **PACE Expansion** – The Senate unanimously approved **House Bill 888**, which was projected to make 100,000 more senior citizens eligible for Lottery-funded PACE and PACENET prescription drug benefits.

Under the measure, the income limits for PACE and PACENET are raised to the following:

- PACE Single – from \$14,000 to \$14,500
- PACE Couple – from \$17,200 to \$17,700
- PACENET Single – from \$17,000 to \$23,500
- PACENET Couple – from \$22,200 to \$31,500.

The law, **Act 37 of 2003**, also changed the \$500 PACENET deductible to \$40 per month to encourage more senior citizens to participate. The expansion was made possible through increased lottery sales and money received by the state through the Tobacco Settlement Fund.

Many elements of the bill were modeled from the Senate Democrat's FAIRx proposal.

\*\*\* **State Lottery Law** – The Senate unanimously concurred in House amendments to **Senate Bill 1167**, which amends the State Lottery Law to protect 2,500 PACENET recipients from losing their eligibility in 2005 due to a small Social Security cost of living increase.

The bill also removed language that would set the manufacturer rebate for generic products at 14 percent. The new rebate is 11 percent retroactive to Jan. 1, 2004. The rebate rollback for generic drugs is intended to increase the use of generic drugs but would cost the program approximately \$3 million per fiscal year. The bill was enacted as **Act 219 of 2004**.

## **Agriculture and Rural Affairs**

\*\*\* **Rabies Prevention Standards** – By a 48-0 vote, the Senate approved **House Bill 318**, legislation that repeals an obsolete act dealing with the prevention and spread of rabies. Updated standards are contained in several other sections of state law, such as the Rabies Prevention and Control in Domestic Animals and Wildlife Act; Title 3 PACS (Agriculture), Chapter 23 (Domestic Animals); and the Dog Law. The Governor signed the bill into law as **Act 27 of 2003**.

\*\*\* **Amendments to “Clean and Green” Law** – By a 47-0 vote, the Senate approved **House Bill 657**, which amends the Pennsylvania Farmland and Forest Land Assessment Act of 1974 (“Clean and Green”) to define “agritainment,” “recreational activity,” and “forest reserve.” The bill also removes from preferential assessment farmstead land designated as agricultural reserve and forest reserve. County commissioners are permitted to adopt an ordinance including farmstead land in the total use value for land in agricultural reserve and for land in forest reserve.

House Bill 657 also requires county assessors to report the number of acres in each land use category, in addition to the reporting already required by law. No rollback taxes will be due and no breach of preferential assessment will occur if a landowner authorizes a recreational activity on agricultural or forest reserve land, regardless of whether or not the landowner imposed a fee to perform the activity. The bill was enacted as **Act 235 of 2004**.

\*\*\* **Manure Hauling and Broker Certification** – By a 49-0 vote, the Senate approved **House Bill 1809**. This legislation requires the Department of Agriculture to establish a commercial manure hauler and broker certification program that includes training and education requirements. The Governor approved the bill as **Act 49 of 2004**.

\*\*\* **Repeal of Grain Measuring Fees** – By a 46-0 vote, the Senate approved **House Bill 1867**, which

repeals Section 19 of Act 91 of 1842, which set fees for the measuring of grain in the port and city of Philadelphia. The fee was set at 40 cents for every 100 bushels of grain measured. The Governor signed the bill into law as **Act 156 of 2004**.

\*\*\* **Farm Market Stall Rental** – By a 46-0 vote, the Senate approved **House Bill 1868**, legislation authorizing a farmer to rent his stall in any market in Philadelphia to another farmer. The Governor signed the bill into law as **Act 157 of 2004**.

\*\*\* **Seed Distribution** – By a 46-0 vote, the Senate approved **House Bill 2387**. This legislation amends Title 3 (Agriculture) of the Pennsylvania Consolidated Statutes, adding a chapter relating to the labeling, sale and distribution of seeds. New provisions in the bill create a licensing requirement for all seed distributors, add civil penalty provisions, and specify the appeal process. Seed revenues will be deposited into the Agronomic Regulatory Account, a restricted account within the General Fund. The Governor signed the bill into law as **Act 164 of 2004**.

\*\*\* **Milk Production and Licensing** – The Senate unanimously approved **House Bill 2512**, which will further enhance protections to Pennsylvania's milk producers. This new law amends the Pennsylvania Milk Producers' Security Act, requiring that new milk dealers obtain licenses to file a bond with the Milk Marketing Board. The bond must equal a minimum 75 percent of the highest aggregate amount owed by the milk dealer to all producers over a 40-day period during the preceding 12 months. New dealers will not be permitted to participate in the 30-percent bond/security fund option available under current law.

The board may require a larger bond from a milk dealer if it is determined that the financial condition of the dealer will not adequately ensure payment to milk producers or if the value of the milk purchased or received by the dealer has increased, or is reasonably anticipated to increase. The bill sets forth conditions for contributing to the security fund, as well as payments to producers. The measure also defines a "vested dealer" as one who participates in the security fund option. The Governor signed the bill into law as **Act 66 of 2004**.

\*\*\* **Importation Standards for Live Turtles** – The Senate unanimously passed **House Bill 2589**, legislation that repeals the permit required by the Department of Health for the importation of live turtles. This bill allows a person to sell any live turtle that is not prohibited by federal regulation. Pennsylvania law previously required the department to certify that the turtles are free from salmonellae, which is virtually impossible to ascertain for certain species of turtle. The Governor signed the bill into law as **Act 107 of 2004**.

\*\*\* **Samuel E. Hayes, Jr., Livestock Evaluation Center** – By a 49-0 vote, the Senate approved **Senate Bill 340**, legislation naming the new Animal Livestock Evaluation Center at Pennsylvania State University the Samuel E. Hayes, Jr., Livestock Evaluation Center. Hayes served as Pennsylvania Secretary of Agriculture from 1997 to 2003. He was also in the state House of Representatives for 22 years. The Governor signed the bill into law as **Act 9 of 2003**.

\* **Center for Rural Pennsylvania Grant Authorization** – By a 47-0 vote, the Senate approved **Senate Bill 564**, which would have amended the Rural Pennsylvania Revitalization Act to add the regional campuses of the University of Pittsburgh to the list of colleges and universities whose faculty members are eligible for grants from the Center for Rural Pennsylvania.

The bill would have changed the definition of "quorum" from six members to a simple majority of the 11-member Center for Rural Pennsylvania Board. In addition, the bill would have amended references to the Pennsylvania Farmers' Association to reflect its current name, the Pennsylvania Farm Bureau, and would have deleted references to the now-defunct Pennsylvania Rural Coalition. The bill died in the House.

\*\*\* **Agricultural Loan Forgiveness Program Extension** – By a 46-0 vote, the Senate concurred in House amendments to **Senate Bill 673**, which extends the Agriculture Loan Forgiveness program to agriculture teachers.

Loan applicants are required to hold a degree related to the production of agricultural products from a Pennsylvania college or university approved by the Pennsylvania Higher Education Assistance Agency (PHEAA). Other applicant guidelines include: current certification under Department of Education Certification and Staffing

Policies and Guidelines and first-year employment status teaching an agriculture curriculum at the elementary or secondary level in a public or private school. The Governor signed the bill into law as **Act 181 of 2004**.

\* **“Clean and Green” Rollback Taxes** – By a 47-0 vote, the Senate approved **Senate Bill 834**, which would have added a section on rollback taxes to Pennsylvania’s “Clean and Green” farmland/open space preservation law. Under this measure, lands categorized as agricultural or forest reserve would not have been subject to rollback taxes if the land were leased for passive, non-motorized recreational use. The bill died in the House.

\*\*\* **Humane Society Police Officer Advisory Board** – The Senate voted 47-0 in concurrence of House amendments to **Senate Bill 871**. This legislation creates a Humane Society Police Officer Advisory Board to advise the Secretary of Agriculture in the administration of the approximately 100 active humane society police officers in Pennsylvania.

The Advisory Board, appointed by the Secretary of Agriculture as chairperson, will consist of: a representative of a society or association for the prevention of cruelty to animals; a humane society police officer; a representative of a statewide veterinary medical association; a representative of a farm organization; a district attorney or designee; a district justice; a representative of the police; a Court of Common Pleas judge; and a clerk of courts.

Humane society police officers are appointed by the county courts of common pleas. Under the bill, a society or organization for the prevention of cruelty to animals will be permitted to petition the county court for the appointment of particular individuals as humane society police officers.

The following requirements are designated for appointees: Pennsylvania residency for at least one year; successful completion of the training program; a clean criminal history report from the State Police; no prior convictions for offenses graded a felony or serious misdemeanor; and no prior convictions for offenses related to cruelty to animals. In addition, the bill establishes the Humane Officer Account in the General Fund to cover the cost of processing appointments and renewals, as well as Board operations, training programs and other expenses. All fines, penalties and surcharges collected by humane society police officers will be deposited into the fund.

Violations of the Humane Society Police Officers Enforcement Act of 1994 constitute a third-degree misdemeanor and carry a fine of up to \$1,000 and/or imprisonment for not more than 90 days. The Board also is permitted to impose a \$100 surcharge on certain offenses relating to cruelty to animals. The Governor signed the bill into law as **Act 205 of 2004**.

\*\*\* **Pennsylvania Crop Insurance Law** – By a 47-0 vote, the Senate concurred in House amendments to **Senate Bill 912**. This legislation establishes the Pennsylvania Crop Insurance Law, aimed at educating Pennsylvania’s farm producers on the benefits of federal crop insurance and risk management. All fines, penalties and surcharges collected by humane society police officers will be deposited into the fund.

Under the new law, the state will continue to pay up to 10 percent of the cost of insurance premiums, but will no longer be required to pay for associated administrative fees and costs. The savings of approximately \$750,000 will be applied to the premium subsidy. If funds are not sufficient to provide up to 10 percent of insurance premium costs, the Department of Agriculture will prorate available funds among all recipients of federal crop insurance for that year.

The 2004-2005 state budget subsidy for the crop insurance program is \$2 million. The legislative changes will result in an approximately 6.7 percent discount on premiums. The Governor signed the bill into law as **Act 208 of 2004**.

## Appropriations

\*\*\* **Rushed 2003-04 Budget** – For the first time, the General Assembly passed a state budget with absolutely no public input or debate. The Republican majority, in express defiance of the governor’s earnest

request, rushed to approval at the earliest possible date precisely to avoid interference from their own constituents.

Drafted in response to the Schweiker Administration's deficit, the \$21 billion budget for 2003-2004 was merely the first step in the Gov. Ed Rendell's fiscal plan. Later in March, he unveiled his "Plan for a New Pennsylvania," which called for historic levels of education funding, property tax reform, and the leveraging of a \$5 billion impact for economic development and job creation through the use of \$2 billion in bonds.

Regardless, **House Bill 648** passed the Senate in March by a party-line vote of 27-21. The governor signed the bill as **Act 1A of 2003**, but line-item vetoed the Education portion of the budget. Many of the budget cuts included in Act 1A were later restored by **House Bill 1589 (Act 9A of 2003)**, and the education budget was restored and passed as **Senate Bill 80 (Act 48 of 2003)**.

The rushed budget approved in March of 2003 included \$1.6 billion in cuts from almost every department and agency. The March budget utilized more than \$750 million in either increased revenues or shifted funds to close fiscal holes left by the outgoing Republican administration. These included:

- \$330 million from the state's tobacco-settlement fund;
- \$250 million from the "rainy day" fund;
- \$90 million from changes in the escheats program;
- \$13.5 million from increased enforcement of tax collections;
- \$2.3 million from reductions in the interest paid on tax refunds;
- \$52.6 million from a slowdown in the Capital Stock and Franchise Tax reduction;
- \$29.3 million from increases in fees and licenses.

Some of the spending cuts were:

- \$57 million from aid to the 14 state-owned universities four state-related universities;
- \$77 million from school performance-incentive grants, school-improvement grants and education-support services;
- \$37.6 million from improvements library services;
- \$83 million from support for inpatient services provided under the medical-assistance program and behavioral services in the Department of Public Welfare;
- \$63.1 million from a safe-water program and from sewage treatment plant operations grants;
- \$15.1 million from support to parks and forest management;
- \$79.5 million from community revitalization and urban development grants.

\*\*\* **Fixing the 2003-04 Budget** – By a vote of 42-7, the Senate passed **House Bill 1589**, which amended the 2003-2004 state budget to restore some of the funding that was cut when Republican lawmakers rushed the budget through in March. Including federal monies, the bill contains about \$5.5 billion in supplemental spending. Some of the key restorations include:

- Libraries - \$10 million
- Drug and Alcohol Programs - \$43 million
- Drug and Alcohol Programs in Prisons - \$5.2 million
- Medical Assistance - \$132 million
- Human Services Development Fund - \$33 million
- Mass Transit - \$16 million

The bill was signed into law as **Act 9A of 2003**.

**The Senate unanimously passed the following 2003-04 appropriations bills, all of which were signed into law:**

\*\*\* **Senate Bill 582 (Act 2 of 2003)**, authorizing \$15 million for Construction and improvements of the DuPont Company's Imaging Technologies project in Bradford County.

\*\*\* **Senate Bill 629 (Act 8A of 2003)** appropriating \$22.162 million from the State Employees' Retirement Fund to provide for expenses of the State Employees' Retirement Board for the 2003-04 fiscal year and for the payment of unpaid bills at the close of the 2002-03 fiscal year.

\*\*\* **Senate Bill 630 (Act 2A of 2003)** appropriating \$42.947 million from the Public School Employees' Retirement Fund to provide for expenses of the Public School Employees' Retirement Board for the 2003-04 fiscal year and for the payment of unpaid bills at the close of the 2002-03 fiscal year.

\*\*\* **Senate Bill 631 (Act 3A)**, appropriating \$21.183 million from the Professional Licensure Augmentation Account within the General Fund for the 2003-04 state fiscal year to the Bureau of Professional and Occupational Affairs. It also makes appropriations from various restricted revenue accounts within the General Fund to various boards within the Bureau for their operation in the 2003-04 fiscal year.

\*\*\* **Senate Bill 632 (Act 4A)**, transferring funds from the Workmen's Compensation Administration Fund to the Department of Labor and Industry to provide \$55.006 million for administrative expenses for the 2003-04 fiscal year. The bill also appropriates \$184,000 to the Department of Community and Economic Development to fund workers' compensation activities by the Small Business Advocate.

\*\*\* **Senate Bill 633 (Act 5A)**, appropriating \$44.256 million from the restricted revenue account in the General Fund for the operation of the Pennsylvania Public Utility Commission for the 2003-04 fiscal year

\*\*\* **Senate Bill 634 (Act 6A)**, appropriating \$4.594 million from the restricted revenue account in the General Fund to the Office of Consumer Advocate within the Office of Attorney General for the 2003-04 fiscal year.

\*\*\* **Senate Bill 635 (Act 7A)**, appropriating \$973,000 from the restricted revenue account in the General Fund to the Office of Small Business Advocate in the Department of Community and Economic Development for the 2003-04 fiscal year.

The Senate failed to pass by the required two-thirds majority **Senate Bill 636**, appropriating \$306,465,000 to the Pennsylvania State University, and **Senate Bill 637**, and appropriating \$163,336,000 to the University of Pittsburgh. Both bills failed on a 27-21 party-line vote. The Senate later approved the appropriations as **House Bills 1374 and 1375**, respectively.

The Senate approved a package of non-preferred appropriations bills, making allocations to educational and medical institutions. The bills, which require a two-thirds vote to pass, were defeated in July on a party-line vote. The votes were reconsidered, and the bills remained on the table until December. The following bills were approved unanimously. The House concurred and the Governor signed all of the measures.

\*\*\* **House Bill 1374 (Act 10A of 2003)**, \$307,844,000 to the Pennsylvania State University for the 2003-04 fiscal year. The bill was amended in the Senate to increase the appropriation for rural education outreach.

\*\*\* **House Bill 1375 (Act 11A of 2003)**, \$163,386,000 to the University of Pittsburgh for the 2003-04 fiscal year. The bill was amended in the Senate to increase the appropriation for rural education outreach by \$50,000.

\*\*\* **House Bill 1376 (Act 12A of 2003)**, \$164,941,000 to Temple University. The Senate amended the bill to remove a provision requiring that 75% of the students receiving money through the act must be Pennsylvania residents.

\*\*\* **House Bill 1377 (Act 13A) of 2003)**, \$12,155,000 to Lincoln University. A Senate amendment removed language specifying how much money would go to various programs.

\*\*\* **House Bill 1378 (Act 14A of 2003)**, \$6,470,000 to Drexel University. The Senate amended the bill to remove a provision requiring 75 percent of the students receiving money appropriated through the act must be Pennsylvania residents.

\*\*\* **House Bill 1379 (Act 15A of 2003)**, \$42,946,000 to the University of Pennsylvania. The Senate amended the bill to remove a provision requiring 75 percent of the students receiving money appropriated through the act must be Pennsylvania residents.

\*\*\* **House Bill 1380 (Act 16A of 2003)**, \$12,003,000 to the Philadelphia Health and Education Corporation. A Senate amendment removed a requirement that the medical school set aside 5 percent of the admissions for students who agree to practice at least four years in a medically underserved area of the Commonwealth.

\*\*\* **House Bill 1381 (Act 17A of 2003)**, \$9,178,000 to Thomas Jefferson University. A Senate amendment removed a requirement that the medical school set aside 5 percent of the admissions for students who agree to practice at least four years in a medically underserved area of the Commonwealth.

\*\*\* **House Bill 1382 (Act 18A of 2003)**, \$4,650,000 to the Philadelphia College of Osteopathy. The Senate amended the bill to remove a provision requiring 75 percent of the students receiving money appropriated through the act must be Pennsylvania residents.

\*\*\* **House Bill 1383 (Act 19A of 2003)**, \$1,391,000 to the Philadelphia College of Optometry. The Senate amended the bill to remove a provision requiring 75 percent of the students receiving money appropriated through the act must be Pennsylvania residents.

\*\*\* **House Bill 1384 (Act 20A of 2003)**, \$1,122,000 to the Pennsylvania University of the Arts. The Senate amended the bill to remove a provision requiring 75 percent of the students receiving money appropriated through the act must be Pennsylvania residents.

\*\*\* **House Bill 1385 (Act 21A of 2003)**, \$1,477,000 to the Bureau Training School. The Senate amended the bill to remove a provision requiring 75 percent of the students receiving money appropriated through the act must be Pennsylvania residents.

\*\*\* **House Bill 1386 (Act 22A of 2003)**, \$182,000 to the Johnson Technical Institute. The Senate amended the bill to remove a provision requiring 75 percent of the students receiving money appropriated through the act must be Pennsylvania residents.

\*\*\* **House Bill 1387 (Act 23A of 2003)**, \$65,000 to the Williamson Free School. The Senate amended the bill to remove a provision requiring 75 percent of the students receiving money appropriated through the act must be Pennsylvania residents.

\*\*\* **House Bill 1388 (Act 24A of 2003)**, \$776,000 to the Fox Chase Institute for Cancer Research.

\*\*\* **House Bill 1389 (Act 25A of 2003)**, \$306,000 to the Wistar Institute.

\*\*\* **House Bill 1390 (Act 26A of 2003)**, \$130,000 to the Central Penn Oncology Group.

\*\*\* **House Bill 1391 (Act 27A of 2003)**, \$49,000 to the Lancaster Cleft Palate Clinic.

\*\*\* **House Bill 1392 (Act 28A of 2003)**, \$49,000 to the Pittsburgh Cleft Palate Clinic.

\*\*\* **House Bill 1393 (Act 29A of 2003)**, \$418,000 to the Burn Foundation.

\*\*\* **House Bill 1394 (Act 30A of 2003)**, \$781,000 to the Children's Institute of Pittsburgh.

\*\*\* **House Bill 1395 (Act 31A of 2003)**, \$451,000 to the Children's Hospital of Philadelphia.

\*\*\* **House Bill 1396 (Act 32A of 2003)**, \$117,000 to the Beacon Lodge Blind Services.

\*\*\* **House Bill 1397 (Act 33A of 2003)**, \$143,000 to the Arsenal Family and Children's Center.

\*\*\* **Capital Budget for 2003-2004** – The Senate unanimously concurred in House amendments to **House Bill 1634**, which provided for the Capital Budget Project Itemization Act for fiscal 2003-2004. The amended bill provided \$13.1 billion in project authorizations. The bill was signed into law as **Act 40 of 2004**.

\*\*\* **Pittsburgh Financial Crisis** – The Senate unanimously passed **House Bill 2006**, the Intergovernmental Cooperation Authority Act. The act provided for the creation of an intergovernmental authority to help Pittsburgh solve its fiscal problems.

The authority is comprised of a five-member board, with one member each appointed by the Governor, the Senate President Pro Tempore, the Speaker of the House, the Senate Minority Leader and the House Minority Leader. Pittsburgh's Budget Secretary and Director of Finance serve as *ex-officio* members.

Duties of the authority include negotiating intergovernmental cooperation agreements and making assessment reports on the city's financial status. The authority is also responsible for approving the city's five-year financial plan, which would consist of a balanced projection of revenues and expenditures that eliminates any projected deficits and enhances the ability of the city to access credit markets.

The state has the ability to withhold funding from the city if it does not comply with the financial plan.

During the final week of the legislative session, lawmakers approved a bill (*See House Bill 197, Finance*) that will enable the city to make numerous changes to its tax system to erase a looming \$34 million debt.

The legislation was approved in the House and enacted as **Act 11 of 2004**.

\*\*\* **Water and Sewer Projects Investment** – The Senate unanimously approved **House Bill 2332**, which placed a question on the 2004 primary election ballot asking voters whether they favored incurring \$250 million of indebtedness for water and wastewater projects. The measure was aimed at providing funding for grants and loans for construction, expansion and improvement of water and wastewater infrastructure (including water supply and sewage treatment systems). The bill was signed into law as **Act 10 of 2004**.

\*\*\* **PUC Appropriation for 2004-05** – By a unanimous vote, the Senate approved **House Bill 2521**, which appropriates \$44.9 million from the General Fund's restricted revenue account to the Public Utility Commission for general government operations for fiscal 2004-2005. The bill was enacted as **Act 8A of 2004**.

\*\*\* **Consumer Advocate** – The Senate unanimously approved **House Bill 2522**, which appropriates \$4.6 million from the General Fund to the Office of Consumer Advocate in the Attorney General's Office for fiscal 2004-2005. The bill was signed into law as **Act 1A of 2004**.

\*\*\* **Small Business Advocate** – The Senate unanimously passed **House Bill 2523**, which appropriates \$967,000 to the state's Small Business Advocate. The bill was signed into law as **Act 2A of 2004**.

\*\*\* **SERS Appropriation** – The Senate unanimously approved **House Bill 2524**, which appropriates \$23.49 million from the State Employees' Retirement Fund to the State Employees' Retirement Board for salaries, wages and travel expenses of the employees and 13 members of the State Employees' Retirement Board. The bill was signed into law as **Act 3A of 2004**.

\*\*\* **Public School Retirees** – By a unanimous vote, the Senate approved **House Bill 2525**, which appropriates \$41.7 million from the Public School Employees' Retirement Fund to the Public School Employees Retirement Board for its administrative and operational expenses for fiscal 2004-05. The bill was enacted as **Act 4A of 2004**.

\*\*\* **Professional Licensure** – The Senate unanimously approved **House Bill 2526**, which appropriates \$22.9 million from the General Fund's Professional Licensure Augmentation Account to the Department of State for the operation of the Bureau of Professional and Occupational Affairs. The bill was enacted as **Act 5A of 2004**.

\*\*\* **Workmen's Comp** – By a unanimous vote, the Senate approved **House Bill 2527**, which transfers funds from the Workmen's Compensation Administration Fund to the Department of Labor and Industry to provide \$55 million for administrative expenses for the 2003-04 fiscal year. The bill also appropriates \$184,000 to the Department of Community and Economic Development to fund workers' compensation activities by the Small Business Advocate. The bill was signed into law as **Act 6A of 2004**.

\*\*\* **Capital Budget** – The Senate unanimously approved **House Bill 2528**, which provides for the Capital Budget Debt Authorization Act of 2004-2005. The bill specifies the maximum principal amount of additional debt to be incurred during this fiscal year for capital projects previously itemized in a capital projects itemization bill. The Governor signed the bill into law as **Act 182 of 2004**.

**The Senate unanimously approved a number of non-preferred appropriations for 2004-05 totaling \$748.66 million. They include:**

\*\*\* **House Bill 2529 (Act 9A of 2004)**, which appropriates \$317,179,000 to Penn State University for the 2004-05 fiscal year;

\*\*\* **House Bill 2531 (Act 10A of 2004)**, which appropriates \$168,768,000 to the University of Pittsburgh for the 2004-05 fiscal year;

\*\*\* **House Bill 2532 (Act 11A of 2004)**, which appropriates \$169,989,000 to Temple University for the 2004-05 fiscal year;

\*\*\* **House Bill 2533 (Act 12A of 2004)**, which appropriates \$12,619,000 to Lincoln University for the 2004-05 fiscal year;

\*\*\* **House Bill 2534 (Act 37A of 2004)**, which appropriates \$6,632,000 to Drexel University for the 2004-05 fiscal year;

\*\*\* **House Bill 2535 (Act 13A of 2004)**, which appropriates \$43,791,000 to the University of Pennsylvania for the 2004-05 fiscal year. The bill also appropriates \$231,000 to the Trustees of the University for the University of Pennsylvania Museum;

\*\*\* **House Bill 2536 (Act 14A of 2004)**, which appropriates \$12,086,000 to the Philadelphia Health and Education Corporation for the Colleges of Medicine, Public Health, Nursing and Health Professions for the 2004-05 fiscal year;

\*\*\* **House Bill 2537 (Act 15A of 2004)**, which appropriates \$9,406,000 to Thomas Jefferson University for fiscal 2004-05;

\*\*\* **House Bill 2538 (Act 16A of 2004)**, which appropriates \$4,766,000 to the Philadelphia College for Osteopathic Medicine for the 2004-05 fiscal year;

\*\*\* **House Bill 2539 (Act 17A of 2004)**, which appropriates \$1,415,000 to the Philadelphia College of Optometry for the 2004-05 fiscal year;

\*\*\* **House Bill 2540 (Act 18A of 2004)**, which appropriates \$1,150,000 to the Pennsylvania University of the Arts for the 2004-05 fiscal year;

\*\*\* **House Bill 2541 (Act 19A of 2004)**, which appropriates \$1,511,000 to the Berean Training and Industrial School for the 2004-05 fiscal year;

\*\*\* **House Bill 2542 (Act 20A of 2004)**, which appropriates \$183,000 to the Johnson Technical Institute for the 2004-05 fiscal year;

\*\*\* **House Bill 2543 (Act 21A of 2004)**, which appropriates \$67,000 to the Williamson Free School of Mechanical Trades for the 2004-05 fiscal year;

\*\*\* **House Bill 2544 (Act 22A of 2004)**, which appropriates \$776,000 to the Fox Chase Institute for Cancer Research for the 2004-05 fiscal year;

\*\*\* **House Bill 2545 (Act 23A of 2004)**, which appropriates \$306,000 to the Wistar Institute for the 2004-05 fiscal year;

\*\*\* **House Bill 2546 (Act 24A of 2004)**, which appropriates \$130,000 to the Central Penn Oncology Group for the 2004-05 fiscal year;

\*\*\* **House Bill 2547 (Act 25A of 2004)**, which appropriates \$49,000 to the Lancaster Cleft Palate Clinic for the 2004-05 fiscal year;

\*\*\* **House Bill 2548 (Act 26A of 2004)**, which appropriates \$49,000 to the Pittsburgh Cleft Palate Institute for the 2004-05 fiscal year;

\*\*\* **House Bill 2549 (Act 27A of 2004)**, which appropriates \$418,000 to the Burn Foundation of Greater Delaware Valley for the 2004-05 fiscal year;

\*\*\* **House Bill 2550 (Act 28A of 2004)**, which appropriates \$970,000 to the Children's Institute of Pittsburgh for the 2004-05 fiscal year;

\*\*\* **House Bill 2551 (Act 29A of 2004)**, which appropriates \$451,000 to the Children's Hospital of Philadelphia for the 2004-05 fiscal year;

\*\*\* **House Bill 2552 (Act 30A of 2004)**, which appropriates \$117,000 to the Beacon Lodge Camp for the 2004-05 fiscal year;

\*\*\* **House Bill 2553 (Act 31A of 2004)**, which appropriates \$462,000 to the Carnegie Museums of Pittsburgh for the 2004-05 fiscal year; and

\*\*\* **House Bill 2590 (Act 39A of 2004)**, which appropriates \$1,763,000 to the Lake Erie College of Osteopathic Medicine for the 2004-05 fiscal year.

**The Senate voted 46 to 4 in favor of the following non-preferred appropriations bills for 2004-05:**

\*\*\* **House Bill 2554 (Act 38A of 2004)**, which appropriates \$699,000 to the Franklin Institute for the 2004-05 fiscal year;

\*\*\* **House Bill 2555 (Act 32A of 2004)**, which appropriates \$428,000 to the Philadelphia Academy of Natural Sciences for the 2004-05 fiscal year;

\*\*\* **House Bill 2556 (Act 33A of 2004)**, which appropriates \$326,000 to the African-American Museum in Philadelphia for the 2004-05 fiscal year;

\*\*\* **House Bill 2557 (Act 34A of 2004)**, which appropriates \$42,000 to the Everhart Museum for the 2004-05 fiscal year;

\*\*\* **House Bill 2558 (Act 35A of 2004)**, which appropriates \$178,000 to the Mercer Museum for the 2004-05 fiscal year; and

\*\*\* **House Bill 2559 (act 36A of 2004)**, which appropriates \$128,000 to the Whitaker Center for Science and the Arts for the 2004-05 fiscal year.

\*\*\* **General Fund Budget for 2004-05** – By a unanimous vote, the Senate approved **House Bill 2579**, the state's \$23.3 billion General Fund Budget for 2004-05.

The spending plan renews the state's commitment to public schools by hiking basic education subsidies by more than \$150 million (3.5 percent) over the 2003-04 total. The budget also includes \$15 million to supplement Head Start, \$47 million for tutoring programs, and \$200 million for the state's Accountability Block Grant program that focuses on math and reading skills.

The budget also provided a 21 percent increase for libraries, a 4.3 percent increase for higher education, and a 2 percent cost-of-living boost for direct care workers who work with the handicapped and mentally retarded. Democrats credited Gov. Rendell for his "responsible and efficient" use of state tax dollars. After being left with a deficit by the former Administration, Rendell had built a \$636 million revenue surplus. Heeding the governor's advice, the legislature placed most of the surplus funds in reserve accounts in anticipation of higher federal Medicaid costs next year. The Governor signed the conference committee report on House Bill 2579 as **Act 7A of 2004**.

\* **Water Projects Investment** – The Senate unanimously passed **Senate Bill 1012**, which would have placed a question on the 2004 primary election ballot asking voters whether they favored the incurrence of \$250 million of indebtedness for water and wastewater projects. The bill died in the House, but its provisions were included in House Bill 2332 (Act 10 of 2004).

\*\*\* **Economic Stimulus** – In response to a lagging growth and record job loss, the Senate unanimously passed a multifaceted, comprehensive stimulus plan intended to jumpstart Pennsylvania's economy. As part of Gov. Ed Rendell's "Plan for a New Pennsylvania," **Senate Bill 1026** establishes the Commonwealth Financing Authority, which will distribute \$1.135 billion in funds and maintain the authority to issue bonds for:

- Making loans, grants or guarantees for costs of projects;
- Purchasing loans, mortgages, security interests or loan participations;
- Paying incidental expenses, including administrative costs of the Authority and/or the Department of Community and Economic Development;
- Paying the expenses of authorizing and issuing the bonds;
- Paying principal interest on the bonds;
- Funding reserves.

The components of the plan are:

- **Business in Our Sites**, \$300 million to assist municipalities in preparation of sites for future business development. Municipalities, municipal authorities, redevelopment authorities, or industrial development authorities are eligible for planning grants for specific projects and for project financing.
- **First Industries**, \$150 million for projects related to tourism and agriculture.
- **Second Stage**, \$50 million to guarantee loans for Commonwealth businesses in the sectors of life sciences, advanced technology or manufacturing.
- **New Pennsylvania Venture Guarantee Program**, \$250 million to guarantee venture capital partnerships for investments in Pennsylvania-related companies in the early- to mid-stage of development.
- **Building Pennsylvania**, \$150 million to provide loans to fund managers for investment in real estate projects in Pennsylvania.
- **Tax Increment Financing (TIF)**, \$100 million to provide guarantees for tax increment financing bonds or other indebtedness.
- **New Pennsylvania Venture Capital Investment Program**, \$60 million to provide loans to venture capital partnerships for investment in Pennsylvania-related companies.

- **Base Retention and Conversion** of the Commonwealth's Department of Defense military bases through the development of a statewide strategy, grants for economic impact studies, assessment of infrastructure needs and identification of job training needs.

The bill was enacted as **Act 22 of 2004**.

\* **Appropriations Bills** – The Senate unanimously approved **Senate Bills 1123, 1124, 1125, 1126, 1127, 1128 and 1130**. While all of these the appropriations bills died in the House, the House version of each measure was enacted.

## **Banking and Insurance**

**Securities Fraud Legislation** – The Senate unanimously approved a package of bills aimed at cracking down on securities fraud and further defining the powers of the Commonwealth's Securities Commission:

\*\*\* **House Bill 547** toughens the penalties for those found guilty of violating the Pennsylvania Securities Act. Under the bill, the maximum penalty will rise from \$50,000 to \$100,000 for most violations. The Governor signed the bill into law as **Act 125 of 2004**.

\*\*\* **House Bill 552** amends the Pennsylvania Securities Act of 1972 to add the use of the Internet to the list of covered methods for advertising the sale of securities. The bill also sets fees for the filing of items such as securities registrations and exemptions. The Governor signed the bill into law as **Act 126 of 2004**.

\*\*\* **House Bill 553** amends the Pennsylvania Securities Act of 1972, establishing the legal procedure for the escrow of payments by corporations that are in violation of the state's securities law. The Governor signed the bill into law as **Act 127 of 2004**.

\*\*\* **House Bill 561** amends the Pennsylvania Securities Act of 1972 to further define "institutional investor" and require securities advisers who receive financial consideration for their services, to disclose details of the compensation to a pension plan or system. The Governor signed the bill into law as **Act 128 of 2004**.

\*\*\* **House Bill 595** amends the Pennsylvania Securities Act of 1972 to provide a means for the Securities Commission to be reimbursed for services rendered to a receiver, trustee or conservator if significant state funds are expended to assist injured parties. The reimbursement will not exceed 10 percent of the funds held. The Governor signed the bill into law as **Act 129 of 2004**.

\*\*\* **House Bill 599** increases the statute of limitations for civil securities fraud actions from 4 to 5 years, consistent with the federal Sarbanes-Oxley Act. This change applies to all legal proceedings begun after the effective date of the act. The Governor signed the bill into law as **Act 130 of 2004**.

\*\*\* **House Bill 600** adds language to the Pennsylvania Securities Act, allowing the Securities Commission to deny a registration statement if an issuer has loaned money to company insiders and the loan has not been repaid prior to the effective date of the registration statement. The Governor signed the bill into law as **Act 131 of 2004**.

\*\*\* **House Bill 604** amends the Pennsylvania Securities Act of 1972, allowing the Securities Commission to suspend the registration of a broker-dealer, investment adviser, agent or investment adviser representative if he or she is delinquent on payments of compensation to securities purchasers. The bill also sets punishment charges for violators of selected sections of the Securities Act. The Governor signed the bill into law as **Act 132 of 2004**.

\*\*\* **Employee Life Insurance Benefits** – By a 49-0 vote, the Senate approved **Senate Bill 483**, which amends the Pennsylvania Insurance Company Law to require employers who are providing life insurance benefits to their employees to notify them and obtain written consent of any intent to purchase a life insurance policy on

the employee. The bill also extends the sunset date for the Health Insurance Portability and Accessibility Act (HIPAA) for an additional three years, until December 31, 2006. The Governor signed the bill into law as **Act 50 of 2003**.

\*\*\* **Large Deductible Insurance Policies** – The Senate unanimously concurred in House amendments to **Senate Bill 815**. This legislation amends the Insurance Department Act of 1921 as it relates to large deductible insurance policies (above \$250,000) and exempts certain collateral from qualifying as an asset of the estate of an insolvent insurer. The Governor signed the bill into law as **Act 46 of 2004**.

\*\*\* **Advances by Domestic Insurers** – By a 46-0 vote, the Senate concurred in House amendments to **Senate Bill 1096**. This legislation amends the Insurance Company Law to outline the circumstances under which advances can be made from a director, officer, person, corporation or other entity to a domestic insurer in exchange for a surplus note. Any advance will require a 30-day notice to the Insurance Commissioner.

The new law also requires any entity that solicits or provides prepaid home health or personal care services and claims to be exempt from securities requirements, to turn over all necessary books and records to the Pennsylvania Insurance Commissioner for final determination. No long-term care insurance policy will be marketed, offered or designed to provide coverage for less than 12 consecutive months. The Governor signed the bill into law as **Act 216 of 2004**.

## Communications and Technology

\*\*\* **911 Centers** – The Senate adopted a conference committee report on **House Bill 1018**, the Public Safety Emergency Telephone Act. The measure established a system by which county 911 centers can accurately trace the location and phone number of someone calling for emergency assistance from a wireless phone. The system is funded by a monthly \$1 surcharge on wireless telephones that are registered in Pennsylvania. The new law also:

- creates the Wireless E-911 Emergency Services Advisory Board, which would make recommendations to PEMA regarding the system;
- provides for state police training for dispatchers;
- allows the Pennsylvania State Police to request wireless phone number database information from county 911 centers;
- clarifies the interaction between the state police, emergency call centers and counties in regard to access to 911 data; and
- requires emergency call centers and wireless providers to submit to PEMA the expected eligible costs of providing wireless E-911 service.

The Governor signed the bill as **Act 56 of 2003**.

\*\*\* **Access for the Blind** – The Senate unanimously passed **Senate Bill 79**, which amended the Dual Party Relay Service and Telecommunications Device Distribution Program Act. The legislation allows blind individuals to participate in the Print Media Access System Program, a telephone service that provides access to national and local newspapers via the telephone. The Governor signed the bill as **Act 174 of 2004**.

\*\*\* **Wireless Emergency Tracing** – By a 48-1 vote, the Senate approved **Senate Bill 432**, which amended the Public Safety Emergency Telephone Act to establish an enhanced wireless E-911 emergency telephone system to allow county 911 centers to pinpoint accurately the location and number of a person who is calling 911 for emergency assistance from a wireless phone. The Governor signed the bill as **Act 179 of 2004**.

\*\*\* **Internet Privacy Policies** – The Senate unanimously concurred in House amendments to **Senate Bill 705**, which amended the Crimes Code to further provide for the offense of deceptive or fraudulent business practices. Specifically, this legislation prohibits knowingly making a false or misleading statement in a privacy policy regarding the use of personal information submitted by the public. The penalty for this offense is a fine of

\$50 to \$500. The bill was enacted as **Act 202 of 2004**.

\* **Confidentiality of Social Security Numbers** – The Senate unanimously passed **Senate Bill 703**, which would have tightened privacy restrictions on posting or requesting Social Security numbers. The bill would have prevented a person, entity, state agency or political subdivision from: publicly posting or displaying an individual's social security number; printing a person's social security number on a document so that person can use or access a product or service; requiring a person to transmit his or her social security number over the Internet, unless that connection is secure or the message is encrypted; requiring a person to use his or her social security number to access the World Wide Web; printing a person's social security number on any material that is mailed to the individual unless required by federal or state law; and requiring someone to use his or her social security number to access products or services. The bill died in the House.

### **Community and Economic Development**

\*\*\* **Economic Enhancement Act** – **Senate Bill 10**, the Republican version of an economic stimulus package that was introduced as a counter to Gov. Rendell's jobs package contained in the "Plan for a New Pennsylvania"—unanimously passed the Senate. Under the act, the Governor designates deteriorated properties as tax incentive districts for a period of not more than 20 years. Persons owning property located within the district are eligible to receive grants and loans for projects that increase and diversify the manufacturing base, aid in the expansion of existing private companies, attract new industries and products, and promote environmental abatement, remediation and disposal of pollutants. The Governor signed the bill as **Act 23 of 2004**.

\* **Deputy Secretary for Local Government Services** – By a 47-1 vote, the Senate approved **Senate Bill 230**, which would have created the Deputy Secretary for Local Government Services within the Department of Community and Economic Development. The new office would have been responsible for the administration of the Center for Local Government Services, as well as other functions and duties authorized by the governor. The bill died in the House.

### **Consumer Protection**

\*\*\* **Verizon Rates** – Over Democratic objections, the Republican majority pushed through **House Bill 30**, amending Chapter 30 to allow Verizon to charge ratepayers another \$3 billion to develop statewide high-speed internet access, but not putting in place any oversight to protect consumers and make sure progress is made. The bill passed 27-20.

Democratic amendments to the bill, which would have required the Public Utility Commission to audit the progress of broadband development, were defeated largely along party lines. Democrats argued that the Legislature had already granted Verizon a \$10 billion rate increase for the same purpose, but after more than a decade the work was never done. The bill was signed into law as **Act 183 of 2004**.

\*\*\* **Utility Service Cut-Offs** – As the weather was beginning to turn cold, the Senate approved a bill intended to strike a balance between concerns over making sure low-income families keep their heat turned on while addressing the rising number of delinquent gas accounts in Philadelphia.

By a vote of 39 to 8, the Senate approved **Senate Bill 677**, which allows utility companies, even in the winter, to disconnect customers in certain income brackets without first receiving approval directly from the Public Utility Commission. The bill also allows utility providers to require deposits of problematic customers. Each year, the Philadelphia Gas Works writes off about 8 percent of bills as uncollectible. The House passed the measure 163-33, and the Governor signed it into law as **Act 201 of 2004**.

\*\*\* **Fraudulent Business Practices** – By a unanimous vote, the Senate approved House amendments to **House Bill 623**, the bill that sets up slot machine gaming in Pennsylvania. The amendments dealt chiefly with

new definitions of fraudulent business practices, toughening the standards to prevent Enron-type fraud in Pennsylvania. The House approved additional amendments and the bill was signed into law as **Act 234 of 2004**.

\*\*\* **Credit Fraud** – The Senate unanimously passed **House Bill 506**, adding language to the Crimes Code clarifying that a person commits the offense of deceptive or fraudulent business practice if the person intentionally, knowingly or recklessly engages in certain acts. Such acts include inducing others to rely on a false or misleading written statement for the purpose of obtaining property or credit, promoting the sale of securities, or to induce an investor to invest in a business venture. The bill was signed into law as **Act 26 of 2004**.

\*\*\* **Assessor Certification** – The Senate unanimously passed **House Bill 2022**, which subjects assessors in second-class counties to the requirements of the Assessor Certification Act. Before the law, all assessors must comply with the act with the exception of Philadelphia and Allegheny counties. Assessors from Allegheny County will have three years to comply. The bill was signed by the Governor as **Act 100 of 2004**.

\*\*\* **Emergency Repairs** – **House Bill 2090** amends the Unfair Trade Practices and Consumer Protection Law, clarifying the procedure for the contracting of goods or services exceeding \$25 when the goods and services are necessary to remedy an emergency on the buyer's property. The bill was also approved unanimously in the House and signed by the Governor as **Act 196 of 2004**.

\*\*\* **Denture Identification** – The Senate unanimously passed **House Bill 2298**, mandating identification on dentures and removable orthodontic appliances. The bill was enacted as **Act 101 of 2004**.

\*\*\* **Underground Utility Lines** – The Senate unanimously passed **House Bill 2384**, amending the Underground Utility Line Protection Law to require a facility owner to submit an incident report to the Department of Labor and Industry within 10 days of learning that facility owner's lines were damaged by excavation or demolition. The bill was signed into law as **Act 199 of 2004**.

\*\*\* **Occupational Therapy** – The Senate unanimously approved **House Bill 1438**, which amends the "Occupational Therapy Practice Act" of 1982, and extends the law's provisions to licensed optometrists. Currently, an occupational therapist needs the referral of a licensed physician or licensed podiatrist before providing occupational therapy. The amended bill allows occupational therapists to receive authorization from a licensed optometrist's referral as well. The bill was signed into law as **Act 30 of 2004**.

\*\*\* **River Pilots** – The Senate unanimously approved **Senate Bill 1059**, which raises the current rate for river pilots guiding vessels within 80 miles of the Port of Philadelphia from \$9.58 to \$10.88 by 2007. The bill also increases the maximum number of units that can be charged. The bill passed the House by a vote of 184-14, and was signed into law as **Act 47 of 2004**.

\*\*\* **Home Health Care** – The Senate unanimously passed **Senate Bill 304**, amending the Medical Practice Act to authorize home healthcare services ordered by physicians from another state. Some Pennsylvanians have been denied access to home healthcare services because their out-of-state physicians are not authorized to write orders for the delivery of home healthcare services within Pennsylvania. The bill passed the House unanimously as well, and was signed into law as **Act 44 of 2004**.

\* **Musical Groups** – A bill intended to crack down on musical groups who might not be who they say they are died through inaction in the House. Approved unanimously in the Senate, **Senate Bill 859** would have made it a violation of the Unfair Trade Practices and Consumer Protection Law to advertise a live musical performance or production through a false or misleading association between the performing person or group and a recording person or group.

## Education

\*\* **Budget Battle** – In an attempt to strip power from the governor, Senate Republicans pushed through a measure that would have automatically continued education funding, even if the Legislature fails to adopt a

budget by the deadline. **House Bill 2128** passed the Senate on a 29-21 party-line vote after the House had approved it 138-56. As promised, Gov. Rendell **vetoed** it, forcing Republicans to negotiate a fair solution to the 2003-04 state budget.

\* **School Budget Surplus** – The Senate unanimously passed **Senate Bill 680**, which would have regulated the amount of money school districts can keep in reserve while adopting a tax increase. The bill was amended by Democrats to ease the restrictions on smaller school districts. Most school districts would have been limited to budget surpluses of 8 percent. The Democratic amendment would have allowed higher percentages on a sliding scale for districts with budgets of less than \$19 million. The bill was sent to the House where it died in the Education Committee.

\* **Assistance for Schools** – The Senate unanimously passed a pair of bills designed to help school districts meet the standards of the “No Child Left Behind” Act. **Senate Bill 1107** was intended to amend the Public School Code to require that certain school districts revise their professional education plans and to require the Department of Education to create a clearinghouse of continuing professional education programs. **Senate Bill 1108** would have required the Department of Education to provide technical assistance to schools that have not met state academic performance targets or that have been identified for school improvement or corrective action. Both bills died in the House.

\* **Character Education** – By a vote of 42-7, the Senate passed **Senate Bill 596**, which was aimed at helping school districts across the state develop programs to reduce truancy, violence and delinquency by teaching children not just to be better students, but better citizens as well. Authored by a Democrat, the bill would have established a grant program in the Department of Education to help districts implement character education. It was sent to the House, where it died.

\* **Parental Involvement** – The Senate unanimously passed **Senate Bill 498** in an attempt to create a framework for parent involvement in Pennsylvania schools. The federal No Child Left Behind Act requires schools and school districts to adopt parent involvement policies to integrate certain parental involvement strategies and resources in school activities. The bill died in the House.

\* **Academic Improvement** – **Senate Bill 503** would have directed intermediate units to provide support and to coordinate academic improvement programs for certain school districts. The bill passed unanimously in the Senate, but died in the House.

\* **Head Start** – Senate Democrats fought to prevent passage of a weak Republican-backed Head Start initiative. While support among Democrats for Head Start has not wavered, the watered-down Republican bill did not go far enough to provide early childhood education opportunities and represented a pale imitation of Gov. Rendell’s sweeping reforms. Under **Senate Bill 60**, which passed 37-12, more than 30,000 children eligible for Head Start would still have not had the opportunity to participate. The bill would not have made Head Start available to any child not already enrolled, and did not guarantee full-day Head Start even for those who *are* enrolled. The bill would have paid only day care for the half-day those students are not in Head Start. Democrats also argued that Republicans did not disclose a revenue source, even for the anemic \$15 million they called for in the bill. The bill died in the House.

\* **School Funding** – Over the objections of Democratic leaders, Senate Republicans adjourned in July 2003 without a spending plan for schools and without any new ideas for education and tax reform.

Despite a warning from Gov. Rendell that their weak and watered down proposal would be vetoed if it reached his desk, the majority passed **House Bill 564** before saying “our work is done,” and heading home.

House Bill 564 was a summer re-run of previous Republican education proposals that carried a nominal increase in education funding and ignored the reform measures endorsed by Pennsylvanians when they voted for governor. The measure contained no provisions for early childhood education, full-day kindergarten, and ignored the public’s cry for tax reform. The bill stalled in the House as Democrats fought for improved education funding. A compromise was reached just before Thanksgiving.

\*\*\* **Asthma Inhaler Guidelines** – By a vote of 44-2, the Senate passed **House Bill 1113**, which requires

school districts to develop a written policy to allow students to possess and self-administer asthma inhalers and asthma medicine in school. The bill was signed into law as **Act 187 of 2004**.

\*\*\* **Sheriff Death Benefit** – By a unanimous vote, the Senate approved House amendments to **Senate Bill 931**, extending the Police Officer, Firefighter, Corrections Employee and National Guard Member Child Beneficiary Education to the children of sheriffs or deputies killed in the line of duty. In 2003, eighteen students received the benefit. The bill was signed into law as **Act 210 of 2004**.

\* **Reporting Process** – The Senate unanimously passed **Senate Bill 1024**, which would have required more specific information in the reporting process set up under the No Child Left Behind Act. The bill would have required schools to provide detailed information on students who were enrolled in a school for less than two years, students who are classified as Limited English Proficient and students with disabilities. The bill died in the House.

\*\*\* **Library Staffing** – The Senate unanimously passed **House Bill 2726**, extending the waiver for libraries on minimum staffing requirements. Libraries were relieved of the minimum staffing requirements for one year in 2003 after budget cuts. The bill extends the waiver for another year. It was approved unanimously in the House and signed by the Governor as **Act 68 of 2004**.

\*\*\* **Library Funding** – The Senate concurred in House amendments to **Senate Bill 748**, allowing state money to flow to local libraries. The new law sets a funding formula for libraries and allows them to apply for a waiver of certain regulations that were tied to funding, such as hours of operation and training requirements. The bill was signed into law as **Act 6 of 2004**.

## **Environmental Resources and Energy**

\*\*\* **Local Tax Withholding for State Employees** – By a 35-14 vote, the Senate passed **House Bill 172**, which amended the Administrative Code of 1929 to add a section permitting the state to withhold local tax fees for state employees.

In addition, the new law provides for fees chargeable by the Departments of Agriculture, Health, Insurance and Labor & Industry and allows Pennsylvania's school administrators in Philadelphia to use collective bargaining to designate the terms and conditions of their employment contracts. The bill also requires the Department of General Services to establish energy profiles for certain state buildings, listing the source and type and amount of fuel used, as well as other key building information, to monitor energy use. The Governor signed the bill into law as **Act 47 of 2003**.

\* **Hybrid Fuel Vehicle Reimbursement** – **Senate Bill 255**, passed unanimously in the Senate, would have increased the reimbursement rates for maintaining or purchasing alternative fuel vehicles used by schools, municipal authorities, political subdivisions and nonprofits. Reimbursement rates would range from 20 to 50 percent.

The measure would also have created a rebate program for state residents who purchase a hybrid vehicle and would allow for more renewable energy projects to receive state grants. This program would have been funded through an existing gross receipts tax on utilities. The House never acted on the bill.

\*\*\* **Illegal Waste Dumping** – The Senate unanimously passed **House Bill 2029**, which permits Philadelphia, which has adopted a home rule charter, to enforce ordinances, rules and regulations pertaining to the illegal dumping or disposal of waste, trash or debris. This bill creates a freestanding act, which authorizes the city to impose new penalties for the violation of ordinances relating to so-called "short dumping". The bill was enacted as **Act 227 of 2004**.

\*\*\* **Forest Lands Beautification** – **House Bill 2227** unanimously passed the Senate. The bill amends the Forest Lands Beautification Act by allowing an additional 10-year

period during which the Forest Lands Beautification Restricted Account may receive funding, up to \$300,000 annually, from the Keystone Recreation, Park and Conservation Fund. The bill was enacted as **Act 139 of 2004**.

\*\*\* **Department of Education Grants** – The Senate unanimously passed **House Bill 2775**, which permits the Department of Education to provide grants to schools, provide for professional development workshops, and evaluate curricula material and make it available to schools. Starting in 2005, the department will also have to submit annual reports to the chairs of the Education committees in the House and Senate. No grant can exceed \$5,000. The bill was enacted as **Act 231 of 2004**.

\*\*\* **Coal and Gas Resource Coordination** – By unanimous vote, the Senate passed **House Bill 2804**, which amends the Coal and Gas Resource Coordination Act by changing the requirements for minimum distance between gas wells and by eliminating provisions for voluntary agreements and the validity of such agreements. The bill was enacted as **Act 171 of 2004**.

\*\*\* **Sale and Use of Fireworks** – The Senate unanimously concurred in House amendments to **Senate Bill 856**, which amends the state's "Fireworks Law" (Act 65 of 1939) to further regulate the sale and use of fireworks in Pennsylvania. The bill defined "consumer fireworks" to include those that are intended to produce visible and audible effects by combustion. The term does not include hand-held or ground-based sparklers. A licensed facility may sell consumer fireworks year-round if they are transported directly out of state. Local governments would retain the right to permit fireworks displays and no Pennsylvania resident can buy consumer fireworks from a licensed facility without such a permit. Consumer fireworks will be sold only from a facility that is licensed by the Department of Agriculture. The bill was enacted as **Act 204 of 2004**.

\* **Funding to the Forest Lands Beautification Program** – The Senate voted 49-0 in favor of **Senate Bill 977**, which would have extended additional funding to the Forest Lands Beautification Program.

The Forest Lands Beautification Program was enacted in 1998 to oversee the removal of illegally deposited waste on state forest and parklands. Until 2003, the Forest Lands Beautification Account received \$1.5 million annually from the Commonwealth Recycling Fund to distribute waste removal grants to local government agencies and nonprofit groups, as well as to the Department of Conservation and Natural Resources.

This legislation would have amended the Forest Lands Beautification act to extend a \$500,000 annual allotment to the Forest Lands Beautification Program until 2008. Funding would have been provided through the Commonwealth Recycling Fund, the Keystone Recreation, Park and Conservation Fund and/or the Solid Waste Abatement Fund. The bill died in the House.

\*\*\* **Alternative Energy Portfolio Standards** – Recognizing that the state's energy choices have many implications for economic growth, environmental protection and national security, the Senate unanimously approved **Senate Bill 1030**, which take a momentous step in fostering the use of renewable and alternative energy sources through the "Alternative Energy Portfolio Standards Act" (**Act 213 of 2004**). This new law will advance the use of renewable and alternative sources of energy by requiring that 18 percent of Pennsylvania's energy supply come from alternative energy sources by 2020.

The new law divides the alternative energy sources into two tiers. Tier I features sources such as solar energy, wind power, fuel cells, biomass energy (plant materials and animal waste used as fuel), low-impact hydropower, and coal mine methane. In Tier II, various alternatives are available, including: waste coal, distributed generation systems, demand-side management, large-scale hydropower, municipal solid waste, the generation of electricity using wood waste, and coal gasification technology.

The measure mandates that within the next two years, at least 1.5 percent of the electric energy sold by an electric distribution company or generation supplier to retail customers must be produced by Tier I alternative energy sources. This percentage will increase gradually each year until 2019, when at least 8 percent of the electric energy sold in Pennsylvania is generated by Tier I sources. Within the next 15 years, at least 10 percent of electric energy must be made by Tier II energy sources.

\* **Pennsylvania Center for Environmental Education** – The Senate unanimously passed **Senate Bill 1040**, which would have created the Pennsylvania Center for Environmental Education (PCEE) and a

corresponding Board as an amendment to the state's Environmental Education Act of 1993. The Center would have been established within the State System of Higher Education.

PCEE would have been expected to promote partnerships with educators, businesses and environmental organizations, as well as cataloguing and distributing environmental education materials and evaluating the effectiveness of Pennsylvania's existing environmental education programs. The bill died in House

\*\*\* **Pennsylvania Senior Environment Corps** – The Senate passed **Senate Bill 1041** by a unanimous vote. This bill provides for the continuation of the Pennsylvania Senior Environment Corps under the Pennsylvania Department of Environmental Protection and the Department of Aging. The bill directs the departments to continue funding and support for the Pennsylvania Senior Environment Corps and its network of chapters throughout the state. The corps is defined in the bill as a statewide network of county-based host organizations for older Pennsylvanians who do environmental, educational, social, and health programs benefiting their communities. The bill was enacted as **Act 215 of 2004**.

\* **Pollution Reduction and Prevention** – The Senate unanimously approved **Senate Bill 1042**, which would have established the Office of Pollution Reduction and Prevention within the state Department of Environmental Protection.

The office would have been headed by a deputy secretary and responsible for overseeing programs that reduce and prevent pollution, as well as energy efficiency and green sources of energy. In addition, the office would have been required to establish a "Pollution Reduction Index" to track the permanent pollution reductions and energy conservation results achieved by Pennsylvania businesses, residents and local governments. The bill died in the House.

\*\*\* **Water Supply and Wastewater Infrastructure Program** – The Senate unanimously concurred in House amendments to **Senate Bill 1102**, which implements the \$250 - million bond Water Supply and Wastewater Infrastructure Program that was approved by the voters via referendum in April 2004.

Under the bill, \$200 million will be allocated for economic development projects through the Water Supply and Wastewater Infrastructure Capitalization Program; and \$50 million will be allocated to the Pennsylvania Infrastructure Investment Authority to finance projects for the repair, rehabilitation or modernization of existing, or the construction of new water and wastewater systems. The bill was enacted as **Act 218 of 2004**.

\* **Edward W. Helfrick Tract** – The Senate unanimously approved **Senate Bill 1160**, which would have designated 9,000 acres of the Roaring Creek Tract of the Wyoming State Forest as the "Edward W. Helfrick Tract" in honor of the former Pennsylvania senator from Northumberland County. The bill died in the House.

## Finance

\*\*\* **State/School District Employee Pension Fund Extension** – By a 49-0 vote the Senate approved **House Bill 85**. This legislation extends the time period from 10 to 30 years for state and school district employer payments to Pennsylvania's two biggest pension funds: State Employees and Public School Employees. Over the next three years, the measure is expected to save school districts \$1.7 billion and state government \$2.3 billion.

In addition, the bill amends Title 24 (Education) to designate an actuarial cost method to calculate the total amount employers must contribute to the retirement funds of Pennsylvania's education system employees. The measure also allows state employees appointed to the position of bail commissioner of the Philadelphia Municipal Court to elect a Class E-2 service credit. The Governor signed the bill into law as **Act 40 of 2003**.

\*\*\* **Film Production Tax Credit** – By a 49-1 vote, the Senate approved **House Bill 147**, which establishes a film production tax credit for feature films and television shows produced in Pennsylvania and intended for a national audience.

Eligible productions will receive a tax credit of 15 percent for the first \$10 million of production costs and 20 percent for total aggregate production expenses exceeding \$10 million. The tax credit applies to the following: sales and use tax, personal income tax, corporate net income tax or capital stock and franchise tax on expenses incurred after December 31, 2003. Eligible productions will be permitted to carry forward the tax credit for three taxable years. The Governor signed the bill into law as **Act 95 of 2004**.

**V Delinquent Local Realty Taxes** – By a 46-0 vote, the Senate approved **House Bill 176**. This legislation would have allowed the Department of Revenue to collect delinquent local realty taxes, penalties and interest using the same administrative rules and regulations currently in effect for collection of the state's realty transfer tax.

The bill would have eliminated the one-year limitation on the Pennsylvania Sales and Use Tax imposed on new and used vehicle dealers when they elect an alternative basis for determining tax owed by the dealer prior to the resale of the vehicle. The legislation also would have refined the conditions of the Research and Development Tax Credit, with a proposed limit on any credit transfer to those purchased by non-affiliates for at least 75 percent of the value of such credit.

The bill also would have placed restrictions on The Film Production Tax Credit, established as Act 95 of 2004, through the following actions: limiting credits for production of a feature film or television series, clarifying the determination of qualified film production expenses, providing for a front-end process by which a taxpayer can apply for the tax credit, and providing for the taxpayer refunding any tax credit based when anticipated expenses are not incurred. The Governor vetoed the bill.

\*\*\* **Pittsburgh Fiscal Reform** - On the final night of legislative action before the close of the 2003-2004 Session, the Senate approved **House Bill 197** by a vote of 27-20, with a vast majority of Republicans approving. This Republican-authored bill was a last-minute attempt to reform Pittsburgh's tax structure and address the city's fiscal crisis. Pittsburgh would face a \$34 million budget deficit in 2005 and could incur higher debt in subsequent years without state intervention.

Republican lawmakers let the issue of fiscal reform for Pittsburgh linger throughout 2004, while Senate Democrats fought for several alternatives to increase revenues and bring the city out of debt without placing such a heavy burden on working Pennsylvanians. The Republican plan authorizes municipalities statewide to increase the Occupational Privilege Tax by 400 percent, from \$10 up to a maximum of \$52 annually. Workers with yearly incomes of \$12,000 or less will be exempt from the tax.

The following initiatives are included in the Pittsburgh relief package:

- Creating a Payroll Expense Tax set at 0.55 percent on for-profit businesses; A phase-out of the Business Privilege Tax to 2 mills over the first two years, 1 mill in the second and third years, and an elimination thereafter;
- Eliminating the city's Mercantile Tax, currently imposed at 2 mills retail and 1 mill wholesale for the school district and city;
- Reducing the Parking Tax in 2007 and each year thereafter by 5 percent, taking the rate from 50 percent to a final 37.5 percent;
- Transferring 0.1 percent of Earned Income Tax from the Pittsburgh School District to the city in 2005, 0.2 percent in 2006 and 0.25 percent on 2007 and thereafter;
- Eliminating the city's annual Regional Asset District (RAD) payment to the Pittsburgh School District, for an anticipated annual savings of \$4 million; and
- Imposing a 2.5 percent Sports Facility Usage Fee on visiting athletes.

The House concurred in Senate amendments, and the Governor signed the bill into law as **Act 222 of**

**2004.** Earlier in the session, the legislature approved legislation (*see House Bill 2006, Appropriations*) that created an intergovernmental authority to advise the city on solving its fiscal problems.

\*\*\* **Personal Income Tax Increase** – Raising the state personal income tax from 2.8 to 3.07 percent, Pennsylvania generated \$301 million in additional revenue in 2003 and an estimated \$729 million in 2004 with the passage of **House Bill 200**.

Additionally, the bill raises the state cigarette tax from \$1 a pack to \$1.35. The increase has generated an additional \$255.7 million, which is used to abate physicians' payments to the state's MCare liability insurance fund. The tax package also places a new 6-percent levy on cell phone and long-distance bills to modernize Pennsylvania's telecommunications tax structure. The Governor signed the bill into law as **Act 46 of 2003**.

\*\*\* **Keystone Opportunity Zone Amendments** – By a 48-1 vote, the Senate approved **House Bill 521**. This legislation outlines criteria for the application, review and authorization of lands designated under the Keystone Opportunity Zone and Keystone Opportunity and Expansion Zone Act in Title 12 of the Pennsylvania Consolidated Statutes.

Other amendments include: an extension of the application and designation deadlines for enhancing existing subzones and expansion subzones, as well as a listing of requirements for tax exemption, business relocation and the apportionment of taxable income to subzones. The Governor signed the bill into law as **Act 51 of 2003**.

\*\*\* **Enhanced Vesting Rights for County Employees** – By a 48-1 vote, the Senate approved **House Bill 545**, amending the County Pension Law to change vesting rights and provide additional class options for county employees.

House Bill 545 allows county employees to become "vested" in a county's retirement fund after 5 years of service instead of 8 years, as mandated in the current law. The legislation also authorizes county retirement boards to establish a one-fiftieth employment class or a one-fortieth employment class. Each new class of members is required to contribute 9 percent of their gross income to the retirement fund. The Governor signed the bill into law as **Act 43 of 2003**.

\*\*\* **Police Employee/Family Retirement Benefits** – By a 47-0 vote, the Senate approved **House Bill 798**, which prohibits any municipal pension or retirement system in Philadelphia from denying certain benefits to surviving spouses of police officers or police employees if the surviving spouse chooses to remarry. The Governor signed the bill into law as **Act 184 of 2004**.

\*\*\* **Crime Victims Compensation Fund Enhancement** – By a 49-0 vote, the Senate approved **House Bill 1133**. This legislation amends the Fiscal Code to require that unclaimed restitution collected from Pennsylvania counties be submitted annually to the Crime Victims Compensation Fund, administered by the Pennsylvania Commission on Crime and Delinquency. The Governor signed the bill into law as **Act 45 of 2003**.

\*\*\* **Tax Check-Off for Juvenile Diabetes Cure** – The Senate unanimously approved **House Bill 1152**, which amends the Tax Reform Code to create a check-off on the state income tax form for contributions to Juvenile Diabetes Cure. This cause will now be included with the other five funds currently listed on the tax form. The Governor signed the bill into law as **Act 133 of 2004**.

\*\*\* **Local Tax Enabling Act Exclusions** – The Senate unanimously approved **House Bill 1206**. This legislation requires that the 2002 amendment of the definitions of "earned income" and "net profits" in the Local Tax Enabling Act now exclude wages or compensation paid to individuals on active military service, and apply to taxable years beginning after December 31, 2002. The Governor signed the bill into law as **Act 24 of 2004**.

\*\*\* **First-Class Cities Economic Development Act** – By a 47-0 vote, the Senate concurred in House amendments to **House Bill 1321**, legislation that creates the First-Class Cities Economic Development Act. The bill encourages development of deteriorated property by providing tax exemptions, deductions, abatements or credits to persons who own interests in qualified "pass-through entities" and to eligible businesses located in economic development districts.

The original legislation, backed by Gov. Ed Rendell, was intended to create an economic development district site at 17th and JFK streets in Philadelphia, providing a multipurpose skyscraper for the city that would serve as the world headquarters for Comcast Communications. The House Rules Committee removed Comcast from the legislation.

Both chambers passed the amended bill offering an Economic Development District and a reduced package of incentives for a proposed new Food Distribution Terminal for Philadelphia. As an alternative for Comcast, Gov. Rendell allotted \$30 million in capital improvement funds for the Philadelphia tower, in addition to a \$12.75 million package that includes job creation and tax credits for Pennsylvania businesses. The Governor signed the amended bill into law as **Act 226 of 2004**.

\*\*\* **Local Tax Enabling Act Fund Transfers** – By a 47-0 vote, the Senate approved **House Bill 1535**. This legislation amends the Local Tax Enabling Act to stipulate that a political subdivision collecting earned income taxes (EIT) for an employee residing in another jurisdiction must transfer those funds to the jurisdiction of residence within 60 days of the conclusion of each deadline or receipt of payment. The recipient jurisdiction is not required to pay a collection fee for transferring EIT moneys.

The bill also allows each taxing district, or those persons or private agencies designated by the district, to collect unpaid taxes via lawsuit or another appropriate remedy. The Governor signed the bill into law as **Act 192 of 2004**.

\*\*\* **General County Assessment Law Amendments** – By a 48-0 vote, the Senate approved **House Bill 1854**, which amends the General County Assessment Law. The legislation requires property assessors to consider the following factors when calculating the actual value of real property: rent restrictions, affordability requirements and any other related federal or state program controls. Federal and state income tax credits are not considered “real property” under the amendment. The Governor signed the bill into law as **Act 39 of 2003**.

\*\*\* **County Combined Judicial Sales** – By a 47-0 vote, the Senate approved **House Bill 2315**, which amends Pennsylvania’s Real Estate Tax Law by providing for the combined judicial sale of multiple properties in counties of the second, third, fourth, fifth, sixth, seventh or eighth class. Prior law required a county to file a separate petition for each property. Under the new law, counties are allowed to submit one filing with the court concerning multiple properties for the purposes of judicial enforcement and satisfaction. The Governor signed the bill into law as **Act 161 of 2004**.

\*\*\* **Allegheny County and Philadelphia Combined Judicial Sales** – By a 47-0 vote, the Senate approved **House Bill 2336**, which amends Pennsylvania’s Municipal Claim and Tax Lien Law by providing for combined judicial sales of multiple properties in the city of Philadelphia, Allegheny County and other municipalities. Under the bill, a municipality is permitted to submit one filing with the court concerning the sale of multiple properties. This single filing will satisfy judicial tax enforcement guidelines. The Governor signed the bill into law as **Act 163 of 2004**.

\*\*\* **Retirement System for Borough Wastewater Authorities** – The Senate unanimously approved **House Bill 2351**, which would amend the Borough Code to provide former borough wastewater authority employees the option of retaining membership in the borough retirement system. The bill was designed to address a situation in Milton (Northumberland County) involving eight borough employees who now work for a regional wastewater authority. The Governor signed the bill into law as **Act 79 of 2004**.

\*\*\* **Municipal Pension Amortization** – The Senate unanimously approved **House Bill 2467**, an amendment of the state’s Municipal Pension Plan Funding Standard and Recovery Act to further provide for the contents of an actuarial valuation report. The new law permits a municipality to change the amortization period from 15 to 30 years for an outstanding balance of the increment of unfounded actuarial accrued liability attributable to the net investment losses. The amortization change began in calendar year 2003 for losses incurred in 2001 and 2002.

The bill also requires that any municipality choosing to extend the amortization period must have filed a revised actuarial valuation report with the Public Employees’ Retirement Commission by no later than Sept. 30, 2004. The Governor signed the bill into law as **Act 81 of 2004**.

\*\*\* **Capital Facilities Debt Enabling Act Clarifications** – The Senate unanimously approved **House Bill 2472**, legislation amending the definitions section of the Capital Facilities Debt Enabling Act. The bill adds the definition of “hospital” and expands the definition of “public improvement projects” to include community colleges. Other new definitions clarify the list of eligible facilities and applicants under the term “redevelopment assistance capital project.” The legislation also increases the limitation on the state’s maximum amount of redevelopment assistance capital projects. The Governor signed the bill into law as **Act 67 of 2004**.

\*\*\* **Real Estate Tax Collection Alternatives** – By a 44-3 vote, the Senate approved **House Bill 2638**. This legislation amends Pennsylvania’s Real Estate Tax Sale Law to allow counties and taxing districts to collect real estate taxes through the alternative means of an existing department or private sector entity, in addition to collection by the county tax claim bureau. If a jurisdiction can save money by assigning tax claims to a third party, that third party will now be treated as the taxing district. The Governor signed the bill into law as **Act 168 of 2004**.

\*\*\* **Alternative Municipal Pension Amortization** – By a 46-0 vote, the Senate approved **House Bill 2865**. This legislation authorizes a municipality to use an alternative pension amortization schedule if the following conditions are met: the municipality is responding to an additional increment of unfounded actuarial liability that exceeds \$9 million; the additional liability causes at least a 30-percent increase in the aggregate actuarial accrued liability of the pension plan; and the schedule is attributable to a single benefit enhancement which is being recorded in the actuarial report for the first time. The Governor signed the bill into law as **Act 200 of 2004**.

\*\*\* **Historic Property Tax Relief** – The Senate unanimously concurred in House amendments to **Senate Bill 100**, which provides Pennsylvania residents with \$1 billion in anticipated property and wage tax relief. Spearheaded by Senate Democrats, this historic tax reduction will be funded by revenue from slot machines at 14 venues across Pennsylvania.

When a minimum \$750 million in gaming revenues is available for property tax relief, school districts will have the opportunity to cut property taxes by no less than 10 percent —

and 23 percent on average. In Philadelphia, the wage tax will be significantly reduced for resident and non-resident taxpayers working in the city.

The tax relief legislation was a big win for Senate Democrats and Gov. Ed Rendell, who have relentlessly pushed for the legalization of gaming as a means to provide a tax break for working Pennsylvanians. The Governor signed the bill into law as **Act 72 of 2004**.

\*\*\* **Filling Teacher Shortages** – The Senate unanimously approved **Senate Bill 200**, which permits retired teachers, certified instructors, and administrators covered under the Pennsylvania Public School Employees’ Retirement System to return to service without retirement penalty—and without additional retirement credits—for one school year, in the event of a teacher shortage. The Governor signed the bill into law as **Act 63 of 2004**.

\*\*\* **Keystone Innovation Zones** – By a 49-0 vote, the Senate approved **Senate Bill 778**, part of Gov. Ed Rendell’s economic stimulus package. The bill creates the Keystone Innovation Zone (KIZ) program, providing assistance to companies for the purpose of improving and encouraging research and development efforts. The legislation is targeted to help technology commercialization, which is expected to spur employment growth and community revitalization.

In addition, the measure creates KIZ partnerships, comprised of institutions of higher education and a combination of private businesses, business support organizations, commercial lending institutions, venture capital companies and angel investor networks or foundations. The new law also expands the cap on the Machinery Equipment Loan Fund from \$500,000 to \$5 million. The Governor signed the bill into law as **Act 12 of 2004**.

\*\*\* **Cigarette Sale Restrictions** – By a 49-1 vote, the Senate approved **Senate Bill 921**, aimed at protecting minors from illegal cigarette sales and safeguarding legitimate retailers who sell cigarettes over the Internet. The bill prohibits the delivery sales of cigarettes through the mail or any other means of telecommunication to a purchaser who is not a licensed dealer. Among other regulations, the legislation requires

sellers of cigarettes to register with the state Department of Revenue prior to product delivery and to provide the department with a monthly report listing buyer information and items sold.

Additional Revenue Department costs are estimated at \$250,000 for the licensing and enforcement provisions of this bill. However, the Department is expected to recover nearly \$41 million in cigarette and sales taxes from out-of-state and Internet sales. The Governor signed the bill into law as **Act 150 of 2004**.

\*\*\* **Tobacco Product Manufacturer Certification** – By a 47-1 vote, the Senate approved **Senate Bill 924**, the Tobacco Product Manufacturers Directory Act. This legislation requires tobacco product manufacturers to file certification with the Office of the Attorney General and set up escrow accounts before selling cigarettes in Pennsylvania.

The measure also authorizes the Attorney General to establish a directory of cigarette brands and manufacturers approved for sale in Pennsylvania. Any person found guilty of selling, distributing, possessing or transporting tobacco products not listed on the directory could be charged with a third-degree misdemeanor. The Governor signed the bill into law as **Act 64 of 2003**.

**V Fiscal Relief for Pittsburgh** – The Senate voted 41-8 in favor of **Senate Bill 940**. The legislation, which was ultimately vetoed by the Governor, would have established an intergovernmental cooperation authority (ICA) to assist Pittsburgh with its fiscal problems.

This measure was modeled after the PICA legislation that assisted Philadelphia in 1993. The ICA would have consisted of a five-member governing board; one appointed by each of the state legislative caucuses and one appointed by the Governor. The ICA would have been authorized to review Pittsburgh's annual budgets and five-year financial plans and, afterward, recommend actions such as consolidation or merger of services, agreements with other governmental entities, sale of assets and other budgetary practices. By suspending the use of Act 47 of 1987, a law for financially distressed municipalities, the measure would have restricted the ICA from recommending spending cuts and new revenue sources.

Another piece of legislation, enacted as Act 11 of 2004 (*See House Bill 2006, Appropriations*), created the Intergovernmental Cooperation Authority Act for Pittsburgh.

\*\*\* **School District Pension Forfeiture** – By a 49-0 vote, the Senate approved **Senate Bill 971**. This legislation amends the state's Public Employee Pension Forfeiture Act to require that a school district employee forfeit his or her pension when convicted of certain sexual offenses against a student. The current statute requires pension forfeiture for a list of crimes including theft by extortion, records tampering, retaliation against a witness and perjury. The Governor signed the bill into law as **Act 86 of 2004**.

\*\*\* **Voting Requirements for Local Taxing Authorities** – The Senate unanimously approved **Senate Bill 1100**, which sets additional voting requirements for local taxing authorities of Second Class A and Third Class counties following a countywide assessment. The new law mandates that local taxing authorities lower real property taxes at a rate calculated to generate the same revenue as the preceding year, creating a revenue-neutral switch between tax rates before and after an assessment. Following this shift in tax rates, taxing authorities are required to conduct a separate tax vote in order to raise the property tax rate. The Governor signed the bill into law as **Act 91 of 2004**.

\*\*\* **Tobacco Settlement Escrow Funds** – The Senate unanimously approved **Senate Bill 1149**, which amends the Tobacco Settlement Agreement Act to require that non-participating manufacturers (NPMs) continue to place certain moneys into an escrow account to satisfy state claims in the event of a future legal judgment against a NPM. The amended bill entitles an NPM to a release of certain escrow funds as long as the NPM can establish that the amount paid into escrow exceeded the required Tobacco Master Settlement Agreement payment. The Governor signed the bill into law as **Act 114 of 2004**.

\* **Capitol Stock and Franchise Tax Phase-Out** – By a 48-2 vote, the Senate approved **Senate Bill 1155**, which would have provided for a phase-out of the Pennsylvania Capitol Stock and Franchise Tax. The bill would have accelerated the phase-out period of this tax on business assets for the next five years, until the taxable rate of zero mills would go into effect on Jan. 1, 2010. The phase-out is currently two years behind the

schedule originally proposed. The bill died in the House.

\*\*\* **Employment Incentive Payment Eligibility Extension** – The Senate unanimously passed **Senate Bill 1190**, which amends the Pennsylvania Tax Code to extend the hiring date of eligibility for employment incentive payments from Dec. 31, 2004, to Dec. 31, 2009. The legislation also changes the date on which the Secretary of Public Welfare must report to the General Assembly on the effectiveness of incentive payments to Dec. 31, 2008. The Governor signed the bill into law as **Act 116 of 2004**.

\*\*\* **Treasury Department Investments** – By a 47-0 vote, the Senate concurred in House amendments to **Senate Bill 1192**. This legislation amends the Fiscal Code to permit the Pennsylvania Treasury Department to invest and reinvest the moneys of any state fund, including equity securities and mutual funds consisting, in whole or in part, of equity securities. The bill also terminates the Treasury Department's authority to invest or reinvest moneys by Dec. 31, 2006. The Treasury Department is, then, allowed to maintain investments held on the expiration date for no more than two years. The Governor signed the bill into law as **Act 220 of 2004**.

### Game and Fisheries

\*\*\* **New Hunting License Provisions** – The Senate unanimously concurred in House amendments to **Senate Bill 586**, which creates a Resident Military Personnel hunting license. The measure also adds the negligent or careless killing of whitetail deer to the list of "unlawful killings." Another provision narrows the list of offenses that can result in the revocation or denial of a license. The bill was signed into law as **Act 63 of 2003**.

\*\*\* **Hunting Permits** – The Senate unanimously adopted **House Bill 235**, which allows Pennsylvanians who are 16 or older to hold falconry permits. The bill also expands the eligibility requirements for obtaining a disabled-person hunting permit. The measure was enacted as **Act 5 of 2003**.

\*\*\* **Crossbow Use** – The Senate unanimously approved **House Bill 331**, which allows disabled hunters to use a crossbow through issuance of a temporary or lifetime permit. The bill was signed into law as **Act 6 of 2003**.

\*\*\* **Fishing and Boating** – By a vote of 46-1, the Senate passed **House Bill 2155**. This new law increases fishing licenses and permits as well as boating fees. It also lowers the age for fishing permits and eliminates junior fishing licenses. The bill was enacted as **Act 159 of 2004**.

\*\*\* **Big Game Hunting** – The Senate unanimously approved **House Bill 2326**, which allows the Game Commission to modernize the process by which hunters report their big game kills. It also gives the Game Commission more flexibility in managing the reporting of big game- hunting success and allows the commission to set up a reporting system that takes advantage of new technologies, such as Internet and touch-tone telephone reporting. The bill was enacted as **Act 162 of 2004**.

### Judiciary

\*\*\* **Desecrating Burial Places** – By a 47-2 vote, the Senate approved **House Bill 46**, which toughened penalties against those who desecrate historical burial places. Under the new law, **Act 41 of 2003**, the crime has been upgraded from a second-degree misdemeanor (up to two years in jail and \$5,000 fine) to a first-degree misdemeanor (up to five years in jail and a \$10,000 fine).

\*\*\* **9-11 Terrorist Attacks** – By a unanimous vote, the Senate approved **House Bill 89**, which amends Pennsylvania's estate law to give a special inheritance privilege for people whose spouses died in the Sept. 11, 2001, terrorist attacks. Under the new law, **Act 26 of 2003**, the surviving spouse will receive the full amount of compensation, rather than the first \$30,000 plus one-half the balance of the estate stipulated in the existing law.

\*\*\* **Mechanics' Lien Law** – The Senate unanimously approved **House Bill 237**, which amends the

Mechanics' Lien Law of 1963 to provide for the electronic indexing of waivers of mechanics' liens. The bill was enacted as **Act 96 of 2004**.

\*\*\* **Ecstasy Dealing** – By a unanimous vote, the Senate approved **House Bill 266**, which makes the maximum penalty (15 years in prison and a \$250,000 fine) for dealing the designer drug “Ecstasy” consistent between the Crimes Code and the Controlled Substance, Drug, Device and Cosmetic Act. The measure was enacted as **Act 3 of 2003**.

\*\*\* **Ecstasy Variations** – The Senate unanimously approved **House Bill 267**, which amends the Crimes Code to add several compounds that are chemically similar and have similar effects to Ecstasy to the list of illegal drugs. The bill was signed into law as **Act 4 of 2003**.

\*\*\* **Liability Protection** – By a 42-5 vote, the Senate approved **House Bill 447**, which amends the Judicial Code to limit liability for damages from donated vehicles or equipment to volunteer fire companies. A section was also added that mandates a five-year prison sentence for possessing a firearm while dealing drugs. Following House concurrence, the bill was enacted as **Act 225 of 2004**.

\*\*\* **Summary Harassment Fines** – The Senate unanimously approved **House Bill 485**, which amends the Judicial Code to restore a municipality's authority to retain the municipal portion of fines imposed for summary harassment offenses that occur in the municipality. The measure, enacted as **Act 61 of 2003**, also gives parole officers certain immunity when assisting federal law enforcement officers.

\*\*\* **Power of Attorney** – The Senate unanimously approved **House Bill 786**, which amends the Probate Code to provide an exemption from the notice provisions for power of attorney. The new subsection exempts dealers licensed under the Board of Vehicles Act when they use a power-of-attorney to sell, purchase, or transfer a vehicle in accordance with Section 1119 of the Vehicle Code. The bill was signed into law as **Act 36 of 2003**.

\*\*\* **Body Piercing and Tattoos** – By a 49-1 vote, the Senate this week approved **House Bill 832**, which amends the Crimes Code to require that a parent or guardian provide consent and be present when a minor gets his/her body pierced or tattooed. The measure was amended to make greyhound racing a first-degree misdemeanor punishable by a maximum \$10,000 fine, five years in prison or both. The bill was enacted as **Act 36 of 2004**.

\*\*\* **DNA Data on Felons** – The Senate unanimously approved **House Bill 835**, which requires all felony convicts to submit a DNA sample to the State Police Data Bank for genetic identification evidence. Previously, only felons convicted of sexual or violent felonies were required to submit a DNA sample. The measure also extends the period of time for prosecuting sexual misdemeanor cases to at least a year following the discovery of DNA evidence. The bill was enacted as **Act 185 of 2004**.

\*\*\* **Railroad Trespassers** – By a 42-8 vote, the Senate approved **House Bill 1117**, which toughens penalties for those who damage or trespass on railroad property; and gives railroads civil liability in cases where someone deliberately trespasses. Under the measure, which was largely promoted as a homeland security issue, it is now a third degree misdemeanor to illegally hop a train or vandalize railroad property. Following House concurrence, the bill was enacted as **Act 74 of 2004**.

**V Law Enforcement Records** – By a 46-3 vote, the Senate approved **House Bill 1222**, which would amend the Judicial Code to revise processes resulting when a judgment debtor is incorrectly identified; to amend multiple summary offenses involving vehicles; to require that a DNA sample be taken from a person convicted of stalking for inclusion in the state DNA Data Base; to stipulate when law enforcement records of juveniles can be released; to create a new civil cause of action for a person who is aggrieved by the enactment or enforcement of an unauthorized local ordinance governing normal agricultural operations.

Objecting to a so-called “factory farm” agricultural provision that was tacked on to the bill, the Governor vetoed the measure.

\*\*\* **Address Confidentiality for Domestic Violence Victims** – By a 46-0 vote, the Senate approved **House Bill 1262**, which creates an “Address Confidentiality Program” in the Office of Victim Advocate. The new

law allows victims of domestic or sexual violence or stalking to obtain a confidential, substitute address to protect them or a member of their household. They may also use the substitute address in a marriage license application, motor vehicle registration, and driver's license application. Also under **Act 188 of 2004**, providing false information to qualify for a confidential address can result in disqualification and criminal prosecution.

\*\*\* **Tobacco Settlement** – The Senate unanimously approved **House Bill 1718**, which amends the Tobacco Settlement Act to place limits on “supersedes” bond requirements. The new law, enacted as **Act 55 of 2003**, imposes limits on the amount of an appeal bond involving tobacco litigation in order to secure and protect the monies received by the Master Settlement Agreement. The law's intent is to protect the state's share of the tobacco settlement to ensure that the Commonwealth will continue to receive funds in the event that a tobacco company that is a party to the Master Settlement Agreement becomes involved in litigation that results in a large judgment-verdict.

\*\*\* **Child Custody Jurisdiction** – The Senate unanimously approved **House Bill 2083**, which replaces the state's Uniform Child Custody Jurisdiction Act (UCCJA) with the national model Uniform Child Custody Jurisdiction and Enforcement Act. Giving priority to a child's home state, the law establishes rules for courts assuming jurisdiction over child custody actions. **Act 39 of 2004** was designed to discourage non-custodial parents from taking a child to another state and seeking to have that state negate the home state's custody order.

\*\*\* **Protecting Kids from Internet Porn** – By a 43-3 vote, the Senate approved **House Bill 2262**, which establishes the Child Internet Protection Act aimed at requiring public schools and libraries to adopt Internet use and screening procedures to protect children from obscene materials or child pornography.

Under **Act 197 of 2004**, school boards are required to adopt an acceptable-use policy for the Internet within 180 days. The policy may be implemented and enforced through the use of software programs or an online server block.

Public libraries are granted immunity against any civil liability claims as a result of the failure of any approved software program or server block. Failure to implement and enforce an acceptable policy can result in a school or library losing state funding. Internet service providers are also granted immunity.

\*\*\* **Foster Parent Background Checks** – The Senate unanimously approved **House Bill 2308**, which requires more stringent background checks on potential foster families. Under **Act 160 of 2004**, children and youth agencies are now required to weed out foster parent applicants who were convicted of certain crimes, subject to protection-from-abuse orders or have dire financial problems. The law also requires criminal background checks on foster parents and other adults who live in the home. In addition, the measure establishes a limited-access statewide registry on foster families.

\*\*\* **Crime Victims Compensation** – The Senate unanimously approved **House Bill 2396**, which amends the Crime Victims Act to assess additional costs to convicted drunk and drugged drivers for the Crime Victims Compensation Fund and the Victim Witness Services Fund. The new law also allows compensation claims to be filed two years after a crime is discovered rather than two years after the crime is committed. The bill was enacted as **Act 103 of 2004**.

\*\*\* **DNA for Body Identification** – By a unanimous vote, the Senate approved **House Bill 2430**, which amends the Vital Statistics Law to require DNA samples prior to the issuance of a death certificate for unidentified body or fetal remains. The State Police will maintain the DNA samples. The bill was enacted as **Act 141 of 2004**.

\*\*\* **Change to Maiden Name** – The Senate unanimously approved **House Bill 2441**, which enables a widow to resume her prior name more quickly and easily. The measure allows widows to use the same legal process for resuming their maiden name that someone seeking a divorce would use. **Act 105 of 2004** requires that a surviving spouse file a written notice with the clerk of courts in their home county and include a death certificate for the decedent with the filing. The old process required that widows petition a court for approval.

\*\*\* **Summary Proceedings on Fatalities** – The Senate unanimously approved **House Bill 2572**, which allows summary proceedings involving motor vehicles to begin within 365 days after the crime was committed if the offense involved an accident resulting in injury or death. **Act 166 of 2004** also amends Title 42 to extend the

summary offense disposition time period to three years.

\*\*\* **Theft for Meth** – The Senate unanimously passed **House Bill 2655**, which increases the penalty for stealing anhydrous ammonia to a second-degree felony punishable by a fine of up to \$25,000 and up to 10 years in jail. Anhydrous ammonia is used to make methamphetamine. The bill was enacted as **Act 143 of 2004**.

\*\*\* **Common Law Marriage** – By a unanimous vote, the Senate approved **House Bill 2719**, which enabled courts to no longer recognize “common-law” marriages after January 1, 2005. **Act 144 of 2004** also waives the three-day marriage license waiting period for National Guard or reserve personnel called to active duty.

\*\*\* **Tougher Penalties for Minors in Meth Labs** – By a unanimous vote, the Senate approved **House Bill 2724**, which amends the Controlled Substance, Drug, Device and Cosmetic Act to make it a third degree felony to manufacture methamphetamine in a structure where a minor is present. The bill was enacted as **Act 108 of 2004**.

\*\*\* **Illegal Drug Lab Clean-up** – The Senate unanimously approved **House Bill 2739**, which allows criminal sentences to include restitution for cleaning up clandestine drug laboratories. Under the bill, costs could include labor, equipment, and supplies. The measure was signed into law as **Act 109 of 2004**.

\*\*\* **Lower Drunk Driving Blood-Alcohol Level** – By a 47-1 vote, the state Senate adopted the conference committee report on **Senate Bill 8**, which established a tougher blood-alcohol standard for determining drunk driving. Under the new law, **Act 24 of 2003**, the maximum blood-alcohol level at which a person can be charged with drunk driving has been lowered from .10 percent to .08 percent. This comprehensive approach, which also expands treatment programs, uses a three-tiered penalty system that imposes tougher penalties on motorists with higher blood-alcohol levels.

Enactment enabled Pennsylvania to comply with a federal requirement that the state enact the tougher drunk driving standard by October 1, 2003, or forfeit about 2 percent of federal highway dollars. More than 40 percent of Pennsylvania’s highway deaths are alcohol-related.

\* **Doctor Liability Limits** – Following a lengthy battle that stretched into the middle of the night, the Senate voted 30-20 in favor of **Senate Bill 9**, which would have limited lawsuit awards for pain and suffering in medical malpractice cases.

The bill would have amended a section of the state’s constitution that has stood for more than a century. The vote for the amendment that restricted the legislation to medical malpractice cases was 28 to 22. A Democratic proposal that would have provided certain exceptions to the cap was defeated 29 to 21.

Earlier that night, a Republican amendment that would have permitted non-economic damage awards to be capped in all civil liability suits was defeated 27 to 23. An attempted compromise that would have provided non-economic damage limitations with a cost escalator with certain exceptions was also defeated, 26-24.

Opponents to tort limits blasted the legislation for protecting negligent doctors at the expense of poor families and senior citizens. Supporters claimed the measure would help reduce doctor’s medical malpractice insurance rates.

The House later voted 107-93 against a resolution to discharge the bill from its Judiciary Committee. No further action was taken on the measure.

\* **Death Penalty** – By a 48 to 1 vote, the Senate approved **Senate Bill 26**, which would bar prosecutors from seeking the death penalty against mentally retarded suspects. Under the legislation, judges would be required to decide if a suspect is retarded prior to trial by considering criteria ranging from the suspect’s IQ (less

than 70) to adaptive skills and the age that the retardation became evident. A U.S. Supreme Court ruling last year prompted the bill.

The justices concluded that executing mentally retarded murderers was unconstitutional and akin to “cruel and unusual punishment.” The bill was never acted upon in the House.

\*\*\* **Child Video Testimony** – The Senate unanimously approved **Senate Bill 55**, a joint resolution that would change the state’s constitution to allow traumatized children to testify in court by closed-circuit television or videotape. Following legislative approval in two consecutive legislative sessions, the voters overwhelmingly approved the two ballot questions that allowed for the change to the state’s constitution.

Under the measure, **Pamphlet Law Resolution Number 1**, a judge could allow a child to testify by television or videotape if the judge believes that testifying in open court could traumatize the child. A 1986 law and a 1995 Constitutional amendment allowing the television testimony, were both overturned by the Supreme Court on Constitutional grounds.

\* **Aggravating Circumstances for Death Penalty** – A bill that would expand the list of aggravating circumstances under which a prosecutor may seek the death penalty passed the Senate by a vote of 38-10. **Senate Bill 57** would allow a prosecutor to seek the death penalty in case where the defendant committed first-degree murder in order to collect life insurance proceeds. Currently, the maximum penalty for such a murder is life imprisonment. Under state law, in order to impose the death penalty, a jury must unanimously find at least one aggravating circumstance and no mitigating circumstances, or determine that the aggravating circumstances outweigh the mitigating circumstances. The bill died in the House.

\*\*\* **Tougher Penalty** – By a unanimous vote, the Senate approved an amended version of **Senate Bill 72**, which amended the Crimes Code to make it a first degree felony (up to 20 years in prison and a fine of up to \$25,000) to cause serious bodily injury to a utility worker or employee of a county Children and Youth agency. There are 27 other categories of workers who are already listed under the increased penalty grading status. The new law also allows county courts to expunge underage drinking convictions once the individual turns 21 and meets all the terms and conditions of their sentence. The bill was enacted as **Act 173 of 2004**.

\*\*\* **Megan’s Law** – The Senate unanimously amended and approved **Senate Bill 92**, which expands public access to information on sexual offenders under Megan’s Law.

Under the new law, information on 7,000 registered “sexual offenders” – including their photographs – will be available on a State Police Web site. Currently, only information on the more serious “sexually violent predators” is available. **Act 152 of 2004** also requires sex offenders from other states or countries to register if they move to Pennsylvania.

In addition, the measure institutes a petition for re-determination of the fair market value of property sold in connection with execution proceedings in a deficiency judgment action where the real property collateral lies in multiple counties. Under the law, the judgment creditor may file the valuation petition in one county if the property is located in more than one county.

\*\* **Greyhound Racing** – The Senate unanimously approved **Senate Bill 93**, which would have specifically outlawed greyhound racing in Pennsylvania. Currently, no provision in state law regulates the activity, other than “cruelty to animals” statutes. The bill would have established the offense of greyhound racing and made it a third-degree felony to hold, conduct or operate a greyhound race for public exhibition or money. The House amended and unanimously approved the bill. The bill died when it returned to the Senate on concurrence.

\*\*\* **Divorce Law** – The Senate unanimously approved **Senate Bill 95**, which makes numerous amendments to the Domestic Relations Code concerning divorce actions. Among many changes, the bill would define legal separation; stipulate how prenuptial agreements can be overturned; clarify property distribution rights when a spouse dies during a divorce action; and dictate how retirement plans are valued in divorce actions. The bill was enacted as **Act 175 of 2004**.

\*\* **Juror Notes** – By a 48-1 vote, the Senate approved **Senate Bill 97**, which would have allowed jurors

to take notes if the judge approves or if the court contestants agree. The measure would have enabled jurors to take notes during criminal or civil trials and use the notes during deliberation. The bill was amended and approved in the House, but received no further Senate action.

\*\*\* **Juvenile Records** – The Senate unanimously approved **Senate Bill 109**, which amends the state's Juvenile Act to specify when law enforcement records on children can be disclosed to the public. Under the law, a record could be made public if a minor (14 or older) has been adjudicated delinquent for a felony offense; or if the child (12 or older) is being charged for rape, involuntary deviate sexual intercourse, kidnapping, murder, robbery, arson, burglary, drug dealing, or attempting/conspiring to commit any of these offenses. The measure also permits a police officer to file a citation for a summary offense under Title 75 within 30 days after the offense was committed or within 30 days after the crime was discovered or the offender identified, whichever is later. The bill was enacted as **Act 176 of 2004**.

\*\*\* **Habitual Drunk Drivers** – The Senate unanimously approved **Senate Bill 133**, which clarifies several issues in the state's drunk driving (DUI) law. The measure creates grading enhancements for DUI accidents and refusal offenses that correspond with penalty enhancements. This will ensure that the enhanced statutory maximum matches the appropriate grading of the offense. The law also makes all ignition interlock offenses misdemeanors. The bill was enacted as **Act 177 of 2004**.

\*\*\* **Trade Secrets** – The Senate unanimously concurred in House amendments to **Senate Bill 152**, which established the "Uniform Trade Secrets Act" to provide civil penalties for the misappropriation of trade secrets. Previously, there was no statute directly governing this issue. The bill was enacted as **Act 14 of 2004**.

\* **Corporate Board Members** – The Senate voted 47-2 in favor of **Senate Bill 153**, which would have allowed 16- and 17-year-olds to serve on the board of directors for a nonprofit corporation under certain conditions. The bill died in the House.

\*\*\* **Good Samaritans** – By a 47-1 vote, the Senate concurred in House amendments to **Senate Bill 164**, which would give civil immunity to anyone who assists a victim at the scene of a personal injury crime. The new law, **Act 31 of 2003**, also authorizes county children and youth services to petition courts for removal of a child from foster care if one of the foster parents has been convicted of an offense that would otherwise disqualify them from serving as a foster parent.

\*\*\* **Name Change** – The Senate unanimously approved **Senate Bill 296**, which does away with the requirement for a court order before name change information can be forwarded to the State Police when an adult adoptee is assuming the name of his/her adoptive parent or parents. The bill was enacted as **Act 148 of 2004**.

**V Debt Priority** – By a 44-2 vote, the Senate approved an amended version of **Senate Bill 304**, which would have given state and local governments more of a priority status when the assets of an estate are insufficient to pay all of its debts. Following House concurrence, the bill was vetoed.

\*\*\* **Interstate Juvenile Compact** – By a unanimous vote, the Senate concurred in House amendments to **Senate Bill 319**, which authorized Pennsylvania to join the Interstate Compact for Juveniles. The measure also established the State Council for Interstate Juvenile Supervision. The compact manages the interstate movement of adjudicated youth, the return of non-adjudicated runaway youth, and the return of youth to states where they were charged with delinquent acts. The bill was signed into law as **Act 54 of 2004**.

**V Free Background Checks for Little League Volunteers** – The Senate unanimously approved an amended **Senate Bill 356**, which would have exempted persons who seek to volunteer with Little League Baseball, Inc., volunteer fire and ambulance, Boy Scouts and Girl Scouts, YMCA religious affiliates, and certain block parent programs from paying the state's \$10 criminal background check fee. The measure would also have exempted little league volunteers from the Department of Public Welfare's child abuse clearance fee. Citing prohibitive costs and potential administrative problems, the governor vetoed the bill.

\*\*\* **Officiating Marriages** – By a unanimous vote, the Senate approved **Senate Bill 441**, which would authorize U.S. bankruptcy judges, various administrative judges and former mayors who are state residents, to officiate marriages. Following House concurrence, the bill was enacted as **Act 232 of 2004**.

\*\*\* **Violent Juvenile Sexual Offenders** – In a unanimous concurrence vote, the Senate approved **Senate Bill 521**, which permits courts to commit sexually violent juvenile offenders for up to 10 years. An interim Department of Welfare facility has been designated for the commitment and treatment of sexually violent youth. There had been no provision for the civil commitment of juvenile sex offenders after they reach the age of 21. The new law, **Act 21 of 2003**, determines how these offenders would be assessed and committed for one-year terms. The bill was introduced after the proposed release of a juvenile who expressed a desire to commit additional sexual crimes.

\* **Court Language Interpreters** – The Senate unanimously approved **Senate Bill 669**, which would have standardized qualifications for those who provide interpretation services in Pennsylvania courtrooms. Under the bill, the Administrative Office of Pennsylvania Courts would have established a statewide program for identifying and uniformly certifying qualified language interpreters to help litigants who speak little English as well as those who are deaf. The bill died in the House.

\*\*\* **Curbing Illegal Drug Labs** – By a unanimous vote, the Senate approved **Senate Bill 679**, which makes it a misdemeanor (up to 5 years in prison and/or \$10,000 fine) to possess or transport liquefied ammonia gas for any purpose other than a legitimate agricultural or industrial use. **Act 84 of 2004** also makes it illegal to possess or transport numerous elements ranging from sodium to iodine, if there is intent to use them to manufacture a controlled substance. The law requires the State Police to maintain a statewide database on the clandestine drug labs, dump sites and equipment/materials.

\*\* **Megan's Law** – By a unanimous vote, the Senate approved **Senate Bill 903**, which would have amended Megan's Law to add the offense of "institutional sexual assault" to the list of crimes for which an offender must register his or her whereabouts. The House amended and unanimously approved the bill. The bill died when it returned to the Senate.

\*\*\* **Constable Training** – The Senate unanimously approved **Senate Bill 959**, which provides that when there is more than enough money in the Constables' Training and Education Account to meet expenses, the surplus may be allocated to help constables and their deputies pay for required continuing education programs. The bill was enacted as **Act 233 of 2004**.

\*\*\* **Child Video Testimony** – The Senate unanimously concurred in House amendments to **Senate Bill 979**, which enables victimized or traumatized children to testify by an alternative means in criminal cases.

Under the new law, a child under the age of 13 may testify by closed circuit television or video tape if the court determines that testifying in a face-to-face confrontation with the accused or certain witnesses would cause the child to suffer serious emotional trauma that would substantially impair his/her ability to communicate. The measure came on the heels of overwhelming voter support that changed the state's Constitution to allow for alternative forms of providing testimony in criminal cases. The bill was enacted as **Act 87 of 2004**.

\* **Common Law Marriage** – By a 49-1 vote, the Senate passed **Senate Bill 985**, which would have ended the legal recognition of "common law" marriages after January 1, 2005. The century-old ambiguous practice had often led to court disputes on issues ranging from spousal benefits to survivor assets. Only a few states still recognize such marriages where people present themselves as married without legal certification. The legislation would also have added the legal basis to a 2003 Commonwealth Court declaration to no longer recognize such marriages. While Senate Bill 985 died in the House, its key provisions were included in House Bill 2719 (Act 144 of 2004).

\*\* **Mileage for District Justices** – By a 45-2 vote, the Senate approved **Senate Bill 997**, which would essentially eliminate the old mileage rate of seventeen cents per mile for District Justices and enable the Administrative Office of Pennsylvania Courts to establish mileage rates. The bill was amended and approved in the House, and returned to the Senate where it died.

\*\*\* **Name Changes** – The Senate unanimously approved **Senate Bill 1032**, which codifies the procedure used when requesting a court to approve a name change. Under the new law, the person must petition a court in

their home county, stating the reason for changing his or her name and listing past residences over the past five years. The court may then set a hearing date, advertise the name change request and notify any child's parent not involved in the petitioning process. If notification of the name change places someone's safety in jeopardy, the court may waive the notice and seal the file. At the hearing, the person requesting the name change needs to prove that there are no pending judgments or decrees against him. The bill was enacted as **Act 214 of 2004**.

\*\*\* **Sixteen More Judges** – The Senate unanimously approved **Senate Bill 1099**, which added 16 common pleas judges to county courts around the state. The bill was enacted as **Act 217 of 2004**.

## Labor and Industry

\*\*\* **Workers' Compensation** – Along party lines, the Senate passed **House Bill 88**, which creates a list of “vocational experts” who decide how much an injured worker can collect on Worker's Compensation. Democrats opposed the bill because it provides no assurance to workers that the expert is not connected with insurance companies. One Democratic amendment took some of the sting out of the bill by requiring that the experts abide by a code of conduct. The bill was signed into law as **Act 53 of 2003**

\*\*\* **“Hold Open” Nozzles** – The Senate unanimously passed **House Bill 1238**, which will allow diesel fuel to be dispensed using hold-open nozzles at self-service stations and requires that containers for diesel fuel shall be color-coded yellow. This new law also requires that persons using hold-open nozzles remain within ten feet and within plain sight of the refueling point. It was signed into law as **Act 134 of 2004**.

\*\*\* **Ski Lifts** – By a unanimous vote, the Senate passed **House Bill 2749**, mandating that the Department of Labor & Industry utilize the latest national standards applicable to the operation of ski lifts. The measure eliminates the requirement that a ski lift be shut down when there is a non-fatal injury. Senate amendments were approved in the House and the bill was signed into law as **Act 230 of 2004**

\*\*\* **State Building Code** – After the Ridge administration created a firestorm of protest by pushing through an onerous state building code in 1999, lawmakers were forced to fix the problems in this session. By a vote of 38 to 12, the Senate concurred in House amendments to **Senate Bill 1139**, relaxing restrictions that were adopted in the 1999 statewide building code. The bill passed with a Democratic amendment that will exempt certain home renovations in order to prevent adding expense and delays to small projects. The amendment excludes all alterations or repairs to residential dwellings unless the repairs result in a structural change. The amendment also excludes recreational cabins along with other ancillary buildings from the code. The bill was enacted as **Act 92 of 2004**.

\*\*\* **Sign-language Interpreters** – The Senate unanimously approved **House Bill 445**, which creates the Sign Language Interpreter and Transliterator State Registration Act, providing that individuals seeking registration as qualified interpreters/transliterator register with the Department of Labor & Industry. The bill was enacted as **Act 57 of 2004**.

## Law and Justice

\*\*\* **Wine Events** – By a 48-0 vote, the Senate approved **House Bill 782**, which makes several amendments to the state Liquor Code. The bill authorizes the Liquor Control Board to participate in or sponsor wine events for the purpose of educating consumers about the wines available in Pennsylvania. The board also will determine which classes, varieties and brands of liquor and alcohol are made available to the public, as well as the locations in which the liquor and alcohol will be sold. The board is permitted to hold wine-tasting events at its headquarters or regional offices. The Governor signed the bill into law as **Act 15 of 2003**.

\*\*\* **Bureau of Wine Abolished** – By a 47-2 vote, the Senate adopted **House Bill 1279**, which amends the state Liquor Code to abolish the Bureau of Wine. The law also expands hours for liquor sales on St. Patrick's Day and permits the Liquor Board to sell corkscrews, wine and liquor accessories, trade publications, and wine

glasses in state liquor stores. The measure enables a restaurant or hotel with a liquor license to allow customers to leave the facility with a partially consumed bottle of wine that has been resealed, if that bottle was purchased in conjunction with a meal consumed on the premises. The Governor signed the bill into law as **Act 59 of 2003**.

\*\*\* **County Park Police Forces** – By a 47-0 vote, the Senate approved **House Bill 1860**, which permits the county commissioners of any third-class county that is contiguous to a second-class county to create or disband, by ordinance, a county park police force within the county.

The commissioners now have the power to employ the number of officers as may be fixed by the county salary board. The third-class county is required to pay the salaries of park police officers. Under the bill, the county park police will generally exercise the same powers as municipal police.

House Bill 1860 was drafted in response to a 2003 theft case involving a Westmoreland County park police officer. The House concurred in Senate amendments, and the Governor signed the bill into law as **Act 155 of 2004**.

\*\*\* **State Store Sunday/Holiday Hours** – By a 41-6 vote, the Senate concurred in House amendments to **House Bill 2105**. This legislation amends the Pennsylvania Liquor Code to specify those holidays for which state stores must be closed and allows state stores to open on election days, Veterans' Day and Columbus Day. The measure also increases the 10-percent cap on Sunday sales at liquor stores to 25 percent of all state stores.

The Senate originally amended the bill to allow beer distributors to be open for limited hours on Sundays. However, the House stripped this provision out of the final legislation. The Governor approved the amended bill as **Act 239 of 2004**.

\*\*\* **Historic Gaming Expansion** – By a 30-20 vote, the Senate approved **House Bill 2330**, which allows for 61,000 slot machines at 14 locations across Pennsylvania.

Gaming expansion is expected to create jobs, spur economic activity, fund important local projects and provide some long-overdue tax relief for homeowners. Slot machine proceeds are projected to eventually generate \$1 billion in funding each year to cut local school district property taxes by an average of 23 percent. The legislation creates a seven-member Gaming Commission that will have jurisdiction over the slots licensees.

Unanimously supported by Senate Democrats, the gaming expansion also is expected to reinvigorate Pennsylvania's struggling horse racing industry and other related-agricultural industries by putting the Commonwealth's racetracks on equal competitive footing with tracks in neighboring states that already offer slot machines. It is estimated that Pennsylvania residents spend in excess of \$3 billion every year at gambling venues in neighboring states. The Governor signed the bill into law as **Act 71 of 2004**.

\*\*\* **Campus Police and School Residency Penalties** – By a 44-5 vote, the Senate approved a final round of amendments to **Senate Bill 80**. The Senate originally adopted the bill months earlier as a vehicle to define powers and duties of campus police who serve State System institutions. The House amendments now assign penalties for falsifying a child's school residency documentation. The Governor signed the bill into law as **Act 48 of 2003**.

\*\*\* **Municipal Police Education** – By a 49-0 vote the Senate concurred in House amendments to **Senate Bill 145**. This legislation amends the definitions of "police department" and "police officer" to include the Capitol Police, the Harrisburg International Airport Police, airport authority police departments, county police departments and first- and second-class city housing authority security officers in training. In addition, the bill makes technical changes to sections of Title 53 related to police training and reimbursement of expenses. The Governor signed the bill into law as **Act 65 of 2003**.

\*\*\* **Liquor Code Updates** – By a 45-4 vote, the Senate approved **Senate Bill 532**, legislation detailing the circumstances under which minors may be permitted inside a facility holding a liquor license. The bill also sets forth conditions for making special orders when a state liquor store does not carry specific items requested by a customer. Another provision permits club licenses, in addition to restaurant licenses, on golf courses. The Governor signed the bill into law as **Act 1 of 2003**.

\* **Political Involvement of Police Officers** – By a 48-1 vote, the Senate approved **Senate Bill 696**, which would have repealed an existing measure prohibiting a police officer subject to civil service from participating in political activity. The bill died in the House.

\* **Horse Racing Background Checks** – The Senate unanimously adopted **Senate Bill 799**, which would have required the State Police to provide criminal history background reports at the request of the State Harness Racing Commission or the State Horse Racing Commission on persons participating in harness or horse racing. The bill died in the House, but a similar measure later became part of **Act 71 of 2004**, the Gaming Act.

\*\*\* **Law Enforcement Felony Convictions** – The Senate unanimously concurred in House amendments to **Senate Bill 877**, legislation prohibiting the employment or continued employment of a law enforcement officer convicted of a felony or serious misdemeanor. The bill also details procedures for dismissing and suspending an officer convicted of a felony or serious misdemeanor. The Governor signed the bill into law as **Act 2 of 2004**.

\*\*\* **Statewide Amber Alert System** – The Senate unanimously approved **Senate Bill 936**, legislation officially establishing the Pennsylvania Amber Alert System. The bill gives the State Police the responsibility and sole authority to activate alerts; provides lawsuit immunity to media carrying the alerts in good faith, and to persons who help rescue children who are the subject of alerts; and imposes a \$25 cost on conviction for relevant specified crimes, such as kidnapping and interfering with custody.

The Amber Alert system was launched in Pennsylvania shortly after the abduction of 13 Berks County school students by their bus driver in January 2002. Alerts are issued by state police upon a determination that a child under 18 has been abducted and may be at imminent risk of death or serious injury.

Amber Alerts are put out through the Pennsylvania Emergency Management Agency's emergency broadcast system to print media and members of the public signed up to receive e-mail notices. The alerts also are posted on electronic highway signboards operated by the Turnpike Commission and PennDOT. Amber Alerts have been activated 20 times in Pennsylvania, and are credited with aiding directly in the recovery of a dozen children. The Governor signed the bill into law as **Act 153 of 2004**.

\*\*\* **State Store Gift Card/Certificate Sales** – By a unanimous vote, the Senate approved **Senate Bill 1233**, which amends the Liquor Code to allow the sale of gift cards and gift certificates at state stores. The Governor signed the bill into law as **Act 221 of 2004**.

## Local Government

\*\*\* **Sewer Flexibility** – By a 48-1 vote, the Senate approved **House Bill 51**, which amends Title 53 (Municipalities Generally) regarding water and sewer connection fees. The new law allows local municipal authorities more flexibility in defining design capacity for water and sewer systems. The bill was enacted as **Act 57 of 2003**.

\*\*\* **Home Rule Legislation** – The Senate unanimously approved **House Bill 77**, which amends existing state municipal government law to provide a new home rule charter option when local voters initiate a consolidation or merger. The bill was signed into law as **Act 29 of 2003**.

\*\*\* **Local Government Debt Act** – The Senate unanimously approved **House Bill 1148**, which amends the Local Government Unit Debt Act to enable local governments to negotiate and enter into qualified interest rate management agreements, or "swaps." Agreements may be arranged only with entities that have high credit ratings. Communities defined as "distressed" by DCED are prohibited from arranging swaps. The bill was enacted as **Act 23 of 2003**.

\*\*\* **Residency Requirement** – The Senate unanimously approved **Senate Bill 277**, which provides for the appointment, promotion, reduction, removal and reinstatement of paid officers, firemen and employees of fire

departments, fire alarm operators and fire box inspectors in the bureaus of electricity in third class cities; defines the powers and duties of civil service commissions for such purposes; and further provides for a residency requirement. This bill was signed into law as **Act 13 of 2003**.

\*\*\* **Reversal of Local Authorities** – By a unanimous vote, the Senate approved **Senate Bill 970**. The measure enables the retroactive revival of an expired authority for a specific term. A municipal statement of revival is created in this legislation. The new law, **Act 67 of 2003**, also dictates that properly executed revival statements must be filed with the Secretary of the Commonwealth within five years of their terms of expiration.

\* **Eminent Domain** – The Senate unanimously approved **Senate Bill 716**, which would have prohibited third-class cities from exercising the right of eminent domain on land situated in another municipality for the purpose of establishing public recreation places without the approval of the municipality in which the land is situated. The measure never left the House.

\* **Non-Profit Bidding** – The Senate unanimously approved **Senate Bill 876**, which would have exempted from bidding requirements all non-profit associations and non-profit corporations created to acquire property for the preservation, conservation and stewardship of open space. The bill died in the House.

\* **Attorney Fees** – The Senate unanimously approved **Senate Bill 892**, which would have allowed for attorney fees to be included when municipalities enact subdivision and land development ordinances for the review and processing of plats by the municipality. Current law provides that review fees may include reasonable and necessary charges by the municipality's professional consultants or engineer for review and reporting to the municipality. The bill would have expanded the language to include fees paid to an attorney for the review of plats or development plans submitted to the municipality. The bill died in the House.

\* **Third-Class County Codes** – By a unanimous vote, the Senate approved **Senate Bill 927**, which would have amended the County Code to further provide for the composition of the governing board of third class county convention center authorities. The bill never left the House.

\*\*\* **Second Class County Code** – The Senate passed **House Bill 850** by a unanimous vote. This bill amends the Second Class County Code by making several updates and repeals to contracting provisions of the code, as well as, further providing for certain benefits for elected officials. The bill was enacted as **Act 186 of 2004**.

\*\*\* **Shade Tree Commission** – The Senate unanimously passed **House Bill 1235**, which gives First Class township commissioners the option of increasing the number of persons on the Shade Tree Commission from three to five. The appointments will be staggered, with one term expiring every year. The bill was enacted as **Act 19 Of 2004**.

\*\*\* **Shade Tree Commission Appointments** – The Senate unanimously approved **House Bill 1236**, which amends the Second Class Township Code to give Second Class townships the option of having a shade tree commission composed of three or five township residents, as determined by the township supervisors. The bill was enacted as **Act 18 of 2004**.

\* **Third Class City Retirees** – The Senate unanimously passed **Senate Bill 1079**, which would have allowed non-uniformed retirees of third class cities to receive their pension while serving in elected office, as long as they do not accept a salary while serving in office. The bill died in the House.

\* **Advertising and Bidding for Borough Property** – The Senate unanimously approved **Senate Bill 1201**, which would have added an exception to the advertising and bidding requirements for real property owned by a borough, which will be sold to a non-profit museum or historical society. This legislation would also have added a ninth exception to the advertising and bidding requirements. The bill never left the House.

\*\*\* **Federal Exemption** – The Senate unanimously passed **House Bill 44**, which amended the Public Welfare Code by exempting individuals who have been convicted of a felony drug offense from the federal ban on cash assistance and food stamps. The bill was signed into law as **Act 44 of 2003**.

\*\*\* **Reflex Sympathetic Dystrophy Syndrome** – The Senate unanimously passed **House Bill 999**, which directed the Department of Health to establish an education program to promote public awareness of Reflex Sympathetic Dystrophy Syndrome (RSDS), its causes, the value of early detection, and available treatments. This bill was signed into law as **Act 62 of 2003**.

\*\*\* **Medicare Payments** – Coaldale Borough and Butler Township in Schuylkill

County have been designated as rural areas for the purpose of receiving increased Medicare inpatient hospital services payments under **House Bill 1406**, passed unanimously by the Senate. This bill was signed into law as **Act 7 of 2003**.

\*\*\* **Licensed Psychologists** – The Senate unanimously passed **Senate Bill 265**, which created the Consumers' Continuity of Care Act. The act provides for treatment of psychological problems in healthcare facilities by allowing hospitals to grant clinical privileges to licensed psychologists. The bill was signed into law as **Act 28 of 2003**.

\*\*\* **Health Care Cost Containment Council** – The sunset date of the Pennsylvania

Health Care Cost Containment Council was extended from June 30, 2003 to June 30, 2008, unless reenacted prior to September 1, 2007, under **Senate Bill 387**, which was passed unanimously by the Senate. The bill was signed into law as **Act 14 of 2003**.

\*\*\* **Medical Consent** – The Senate unanimously passed **Senate Bill 137**, which amended the Allowing Minors to Consent to Medical Care Act of 1970 by clarifying the rights of minors and their parents when consenting to mental health treatment. The measure also provides for a procedure to resolve conflicts. The Governor signed the bill as **Act 147 of 2004**.

\*\*\* **Grants to Trauma Centers** – The Senate unanimously approved **House Bill 100**, the Pennsylvania Trauma Systems Stabilization Act, to provide grants to accredited trauma centers. The measure also requires the Pennsylvania Trauma Systems Foundation to establish accreditation standards for Level III trauma centers. To be accredited, these centers must be located in underserved communities and must be 45 minutes away from Level I and Level II centers. The Governor signed the bill as **Act 15 of 2004**.

\*\*\* **Modernizing Coroners' Labs** – The Senate voted 29-18 in favor of **House Bill 138**, which amended the Vital Statistics Law to raise the fee a local registrar may charge for a death certificate from \$2 to \$6. These funds will be used to modernize coroners' laboratories and training. Many Democrats opposed the bill, saying that it was a substantial increase in fees for people at a difficult time in their life. The bill was signed into law as **Act 122 of 2004**.

\*\*\* **Birth Certificate Update** – The Senate unanimously approved **House Bill 794**, which amends the Vital Statistics Law by changing the listings on birth certificates for foreign-born children and foreign-born children who are adopted in Pennsylvania, who meet the federal guidelines for citizenship and whose parents verify citizenship with the Immigration and Naturalization Service. Previously, all birth certificates of this type contained a notation stating that the birth certificate is not proof of citizenship. This measure removes that notation. The Governor signed the bill as **Act 35 of 2004**.

\*\*\* **Assessments of Medicaid HMOs** – The Senate unanimously approved **House Bill 1039**, which amended the Public Welfare Code to allow for assessments of Medicaid managed care providers and intermediate care facilities for the mentally retarded. The law allows for an assessment of up to 6 percent on all

managed care revenues of the physical health and behavioral health managed care organizations that contract with Medicaid. As part of the governor's budget, the funds raised through the assessments will be used to obtain federal matching funds. The Governor signed the bill as **Act 69 of 2004**.

\*\*\* **Assessments of Medicaid Providers** – The Senate unanimously approved **House Bill 1039**, which amended the Public Welfare Code to allow for assessments of Medicaid managed care providers and intermediate care facilities for the mentally retarded. The Governor signed the bill as **Act 69 of 2004**.

\*\*\* **Health Care Provider Retention Program** – The Senate unanimously passed **House Bill 1211**, which gave doctors additional help with their malpractice insurance costs by extending the MCARE (Medical Care Availability and Reduction of Error) abatement to podiatrists and previously entitled physicians for an additional year. Extending the MCARE abatements for an additional year will cost the state between \$200-230 million. The addition of podiatrists to the list of physicians offered abatement (50 percent of their MCARE payments) will cost approximately \$3 million. Since its inception in 2003, this program, the Health Care Provider Retention Program, has cost over \$440 million. The bill was enacted as **Act 154 of 2004**.

\*\*\* **Mental Health Directives** – The Senate unanimously passed **House Bill 2036**, which provides for “mental health advance directives,” allowing adults to specify their treatments in advance of becoming incapacitated by mental illness. The bill was enacted as **Act 194 of 2004**.

\*\*\* **Helping Families of the Disabled** – The Senate unanimously passed **House Bill 2270**, which directs the Department of Public Welfare to develop and implement pilot projects for supporting families of persons with disabilities. The purpose of these projects will be to keep families together and keep people with disabilities in their communities, rather than institutions. The bill was enacted as **Act 198 of 2004**.

\*\*\* **County Departments of Health** – The Senate unanimously approved **House Bill 2980**, which allows a “split municipality” to join with a county department of health and allows a county department of health to dissolve with the vote of its governing body. The bill was enacted as **Act 172 of 2004**.

\*\*\* **Flu Vaccines for Hospitalized Seniors** – The Senate unanimously voted in favor of **Senate Bill 769**, the Elderly Immunization Act, to provide influenza vaccines to Pennsylvania senior citizens. Influenza vaccinations were available in October and November 2004 to any Pennsylvanian 65 years of age or older who was admitted to a hospital for a period of more than 24 hours for a condition unrelated to the influenza virus. Vaccinations and related educational and informational materials also were offered. The Governor signed the bill as **Act 85 of 2004**.

\*\*\* **Rouse Estate** – The Senate unanimously approved **Senate Bill 1112**, which established a board of directors for the Rouse Estate in Warren County. The Rouse Estate was an almshouse created to benefit the poor. It has evolved into a long-term care facility, assisted living facility and daycare facility. The Governor signed the bill as **Act 151 of 2004**.

**V Health Care Power of Attorney** – By a unanimous vote, the Senate approved **Senate Bill 492**, which would have provided a comprehensive statutory framework for health care powers of attorney. With a health care power of attorney, an individual could appoint a health care agent to make health care decisions on behalf of the principal, in accordance with the patient's preferences, values, and moral beliefs. This legislation also would have amended current provisions regarding living wills and address out-of-hospital do-not-resuscitate orders to bring them into conformity with Act 59 of 2002. The Governor vetoed the bill as **Veto 8 of 2004**.

## State Government

\*\*\* **Grant Program for Emergency Service Volunteers** – The Senate unanimously approved **House Bill 8**, which re-established the \$25 million grant program for volunteer fire departments and ambulance services for 2003. The grant program was originally established in 2000. Despite Democratic calls to make the program permanent, the Ridge Administration cut the grant program from the budget the following year.

Under the measure, which was signed into law as **Act 17 of 2003**, volunteer fire companies can qualify

for state grants ranging from \$2,000 to \$15,000 for training, construction, purchasing or repairing equipment or to pay debts. The ambulance companies can qualify for grants of up to \$10,000. The measure also has financial incentives for fire companies that merge.

\*\*\* **Project 500 Restrictions – House Bill 1620** was passed in the Senate by a unanimous vote. This legislation authorizes the release of Project 500 restrictions on land owned by Wright Township, Luzerne County, in return for the imposition of Project 500 restrictions on other township land. This bill was enacted as **Act 136 of 2004**.

\*\*\* **Pennsylvania Post-War Planning Commission** – The Senate unanimously approved **House Bill 1965**, which repeals an outdated act that authorized the now-defunct Pennsylvania Post-War Planning Commission to enter into agreements with political subdivisions in Pennsylvania to finance plans and specifications of public works. The repeal bill was signed into law as **Act 64 of 2004**.

\*\*\* **Collective Purchasing Contracts** – The Senate unanimously concurred in House amendments to **House Bill 1996**, which amends the Procurement Code to allow the Department of General Services to enter into “collective purchasing contracts.” These contracts will be solely for the use of the local public procurement units or state affiliated entities.

Under the bill, the department will enter into cooperative purchasing contracts if the number of contractors under a previously existing contract for the same supply or service is reduced to a single contractor or reduced by 50 percent of the number that existed on Sept. 30, 2003. The bill was signed into law as **Act 77 of 2004**.

\*\*\* **Memorial Hall in Fairmount Park, Phila.** – By a unanimous vote, the Senate approved **House Bill 2268**, which repeals provisions of two statutes (Act 28 of 1873 and Act 83 of 1874) that govern the use of the centennial exposition building, known as Memorial Hall, located in Fairmount Park, Philadelphia. Memorial Hall was one of many buildings constructed for the Centennial Exhibition of 1876. In fact, it is the only remaining major structure from the exhibition. The building, once an art museum, now houses the Fairmount Park Commission headquarters and public recreational facilities. The bill was enacted as **Act 60 of 2004**.

\*\*\* **Grant Program for Volunteer Fire and Ambulance Companies** – The Senate unanimously approved **House Bill 2433**, which reinstates the \$25 million grant program for volunteer fire and ambulance companies for 2004. The bill also includes incentives for volunteer emergency service companies that wish to consolidate. Following House concurrence in Senate amendments, the bill was enacted as **Act 80 of 2004**.

**V Regulatory Review Act Amendment** – The Senate passed **House Bill 2442** by a unanimous vote. The bill would have amended the Regulatory Review Act to provide for additional legislative intent, definitions, proposed regulations, and review procedures. The bill also would have required review, when requested, of any existing regulation in effect for at least five years. The Governor vetoed the bill because he saw no flaws in the Regulatory Review Commission’s current election process.

\*\*\* **Statewide Election Automatic Recount** – The Senate unanimously approved **Senate Bill 346**, which provides for an automatic recount of statewide election races when the margin of victory is 0.5 percent or less.

The new law requires county election boards to count absentee ballots and provisional ballots within six days, with the final results being issued within 16 days of the election. The state will cover the \$500,000 cost of opening Pennsylvania’s 7,000 voting machines for designated recounts.

One provision of the measure, opposed by Democrats in both chambers, allows poll watchers to move from polling place to polling place within a county, instead of remaining at an assigned location during voting hours. The bill also removes the \$5 fee for persons filing nominating petitions for offices within a borough, town or township of the first class. The Bill was enacted as **Act 97 of 2004**.

\*\*\* **Sunshine Act Amendment** – The Senate unanimously concurred in House amendments to **Senate Bill 1039**, which expands the state’s Sunshine Act by amending Title 65 (Public Officers) to clarify the definition of “agency.” The new definition includes the governing board of any nonprofit corporation, which by a written agreement with a community college or state-aided, state-owned or state-related college, has supervisory or

advisory powers regarding the school's degree programs.

The legislation was prompted by the Dickinson Law School's Board of Governors holding private meetings to discuss relocating its law school from Carlisle to State College. The bill was enacted as **Act 88 of 2004**.

**V Gaming Law "Fix"** – By a largely party-line vote of 28-19, the Senate passed **Senate Bill 1209**, the so-called Republican "fix" to the state's new gaming law (Act 71 of 2004).

Even though GOP lawmakers touted the bill as the solution to preventing public officials from having any financial interest in gaming parlors and racetracks, the legislation would have completely opened up financial interest opportunities for legislators' adult children, siblings and parents while strictly forbidding others from having any financial stake in gaming. The bill would also have removed the law's prohibition against political party officials owning slot venues so long as the venue is not in their home county.

Democrats also criticized the bill for potentially hurting Pennsylvania businesses by removing a provision that required out-of-state slot machine manufacturers to sell and service their products in Pennsylvania using in-state distributors.

In addition, the amended bill would have potentially tapped into the anticipated \$3 billion in statewide property tax cuts by dictating that the slots-funded Property Tax Relief Fund be used to make up for any shortfall in the state Lottery Fund, regardless of its cause.

Stating that the bill "undermines the ability of the newly established Gaming Board to work effectively to implement the provisions of Act 71 and that it removes important economic benefits originally contained in the Act," Gov. Rendell vetoed the measure.

## Transportation

\*\*\* **Casey Tribute** – By a unanimous vote, the Senate approved **House Bill 1549**, which designated the Governor Robert P. Casey Highway as a scenic byway and a certain portion of State Route 120 as a scenic byway. The bill was signed into law as **Act 33 of 2003**.

\*\*\* **Motorcycle Helmet Law** – By a 29-20 vote, the Senate approved **Senate Bill 259**, which repealed Pennsylvania's 35-year-old requirement that motorcyclists and their passengers wear safety helmets. Under the new law, any person who is 21 or older and has been licensed for at least two years, or who is 21 or older and has completed the motorcycle safety course, would not be required to wear a motorcycle helmet. Also, any passenger who is at least 21 years of age would not be mandated to wear a helmet. The bill was signed into law as **Act 10 of 2003**.

\*\*\* **Motorcycle Registration** – The Senate unanimously approved **Senate Bill 279**, which amended the Vehicle Code to provide for a special motorcycle registration plate for veterans. The Governor signed the bill as **Act 8 of 2004**.

\*\*\* **Parking and the Disabled** – The Senate unanimously passed **House Bill 550**, which amended the Vehicle Code to allow municipalities to prohibit vehicles from parking within 30 feet of signs advising that a disabled person resides in the area. The measure also increases fines for parking in restricted areas from \$15 to a maximum of \$50. The Governor signed the bill as **Act 58 of 2004**.

\*\*\* **Speeding in School Zones** – The Senate unanimously passed **House Bill 873**, which increases penalties for speeding in school zones on second and subsequent offenses. This legislation established a new fine of up to \$500 for speeding in a school zone when the driver exceeds the speed limit by more than 11 miles per hour and establishes a 60-day license suspension for a second or subsequent conviction of speeding in a school zone. Also, it establishes an increased fine of \$500 and six-month license suspension for careless driving when there is an unintentional death of another person and a fine of \$250 and a three-month license suspension when there is a "serious bodily injury" to another person. The Governor signed the bill as **Act 237 of 2004**.

\*\*\* **Redevelopment Near Transit Stations** – The Senate unanimously passed **House Bill 994**, which established Transit Revitalization Investment Districts to stimulate redevelopment in communities located near mass transit stations. The Governor signed the bill as **Act 238 of 2004**.

\*\*\* **Booster Seats** – The Senate unanimously passed **House Bill 1130**, which allows for the purchase of booster seats for children in qualified loaner programs. In addition, this new law allows an out-of-state driver age 21 and older to accompany a young driver who has a learner's permit. The measure also provides that before a person may take the examination for a commercial driver's license, he or she must have held a learner's permit for 15 days (reduced from 30 days) for the class of vehicle the person intends to drive. The Governor signed the bill as **Act 75 of 2004**.

\*\*\* **Handicapped Parking** – The Senate unanimously approved **House Bill 1912**, which permits certified registered nurses, nurse practitioners or physician assistants to certify a person's disability in order to receive a handicapped parking license plate or placard from PennDOT. Previously, only physicians could provide such certification. The Governor signed the bill as **Act 76 of 2004**.

\*\*\* **Inspections for Reconstructed Cars** – The Senate unanimously passed **House Bill 2066**, which provides for special inspections for reconstructed, modified, or specially constructed vehicles. The bill was enacted as **Act 228 of 2004**.

\*\*\* **Liquid Fuels Tax** – The Senate unanimously passed **House Bill 2218**, which allows funds from the Liquid Fuels Tax to be used for computer-related hardware, software, and training. The bill was enacted as **Act 138 of 2004**.

\*\*\* **Emergency Medical Services Fund** – By a unanimous vote, the Senate approved **House Bill 2230**. The measure continued the \$25 Emergency Medical Services Fund surcharge assessed against offenders who are accepted into Accelerated Rehabilitative Disposition programs for Driving Under the Influence. The Governor signed the bill as **Act 78 of 2004**.

\*\*\* **Rail Freight Infrastructure** – The Senate unanimously approved **House Bill 2482**, which establishes the State Railroad Infrastructure Bank as an economic development program. Under this legislation, the Department of Transportation will provide low-interest loans to railroads and their customers to improve and construct rail freight infrastructure. The bill was enacted as **Act 165 of 2004**.

\*\*\* **Auto Inspections and Registrations** – The Senate unanimously passed **House Bill 2666**, which removes the provision that vehicle inspections and registrations expire in the same month. The law also allows commercial driver employers and school bus driver employers to obtain unlimited driver records from the Department of Transportation. The bill was enacted as **Act 229 of 2004**.

\*\*\* **Bridge Bill** – The Senate unanimously approved **House Bill 2745**, "Bridge Bill No. 10," to authorize new state and local bridge projects for design and construction. The bill was enacted as **Act 145 of 2004**.

\*\*\* **Highway Spending** – The Senate unanimously concurred in House amendments to **Senate Bill 844**, which authorized projects on state-owned highways across the state. The bill was enacted as **Act 149 of 2004**.

\*\*\* **Unlicensed Commercial Drivers** – The Senate unanimously concurred in House amendments to **Senate Bill 938**, which clarified that a commercial vehicle driver without a commercial license is included in the section of the Vehicle Code that provides criminal penalties for unlicensed drivers causing accidents that result in injury or death. The legislation also makes various technical amendments regarding "special mobile equipment," "multipurpose agricultural vehicles," ignition interlock systems and vehicle size restrictions. The bill was enacted as **Act 211 of 2004**.

\* **I.D. Cards** – The Senate unanimously approved **Senate Bill 264**, which would have allowed persons age 10 or older to obtain a \$10 non-drivers license photo I.D. card for identification purposes. Currently, a person must be at least 16 to obtain such a non-driver ID card. The legislation was aimed at accommodating minors traveling alone on flights who are required to produce photo identification. The bill would also have eliminated the need to purchase a passport for those who wish to take children on visits into Canada and Mexico. The bill died in

the House.

\* **Booster Seats** – Despite accident statistics, medical expert opinion and rigorous opposition from the Senate Democratic leader, the state Senate voted 30-19 in favor of **Senate Bill 274**, which would have delayed enforcing a law that requires all children under age 8 to ride in booster seats. The proposed new enforcement date would have been moved from Feb. 21, 2003 to Aug. 15, 2003. The measure would also have delayed the effective date for requiring drivers to use their headlights while traveling through construction zones and requiring a speed-monitoring device at the entrance of certain construction zones. The bill died in the House.

\* **Funeral Processions** – By a 46-1 vote, the Senate approved **Senate Bill 379**, which would have amended the Vehicle Code as it pertains to funeral processions. It would have authorized the use of flashing or revolving yellow or white lights while traveling to a funeral destination. The bill died in the House.

\* **Driver Records** – The Senate unanimously approved **Senate Bill 584**, which would have allowed commercial driver employers to use a free Internet-based system to obtain electronic driver record checks on their employees. The Senate did not consider a House-amended version of the bill.

\* **Selective Service** – By a 47-3 vote, the Senate approved **Senate Bill 305**, which would have amended the Vehicle Code to comply with Federal Selective Service requirements. The legislation would have required men applying for learner's permits, driver's licenses, or license renewal to register for Selective Service or allow information to be sent to Selective Service. The restriction limiting the age to 26 years would have been lifted. The Senate did not consider the House-amended version that would have allowed school bus companies to access drivers' records by paying an annual fee.

### Urban Affairs and Housing

\*\*\* **City Charter for Boroughs** – The Senate unanimously approved **House Bill 349**. This legislation amends the definition of "city" to include any borough with a population large enough to qualify for a charter as a city—separately from any town, township or other borough—under Pennsylvania's Third Class City Code. The Governor signed the bill into law as **Act 16 of 2004**.

\*\*\* **Elm Street Program** – The Senate unanimously passed **House Bill 500**, which creates the Elm Street Program. This initiative, part of Gov. Ed Rendell's "Plan for a New Pennsylvania," provided \$5 million in residential reinvestment grants during the 2003-2004 fiscal year for municipalities located near commercial and economic development areas to upgrade physical infrastructure such as streetscapes, sidewalks and lighting, as well as to improve individual housing facades and make exterior housing repairs.

The legislation also offers basic grants to eligible municipalities for the hiring of a professional Elm Street Manager, along with planning and development grants for the following initiatives:

- Marketing and promoting urban industrial living;
- Leveraging private and public investment for revitalization projects;
- Promoting home ownership and other housing options;
- Addressing social and economic concerns; and
- Achieving consistency with existing commercial and residential revitalization efforts.

The Elm Street Program builds on Pennsylvania's Main Street Program (Act 39 of 2002), which revitalizes commercial downtown areas. The Governor signed the bill into law as **Act 7 of 2004**.

\*\*\* **Regulations for Planned Communities** – By a 46-0 vote, the Senate approved **House Bill 1329**, which amends prior legislation related to Pennsylvania's planned communities. The bill further defines the powers of executive board members, sets provisions for the repair or reimbursement of an association for damages caused to common elements of the planned community and clarifies the procedures for issuing, amending and terminating declarations.

The bill also designates rules for secured lenders to unit owners or associations and amends guidelines for the

following association issues: arbitrations, mediations, disability accommodations, debt reserves, capital improvement fees, property and comprehensive insurance policies, judicial sale proceeds and outstanding liens. The House concurred in Senate amendments, and the Governor signed the bill into law as **Act 189 of 2004**.

\*\*\* **Real Estate Cooperative Declarations** – By a 46-0 vote, the Senate approved **House Bill 1330**. This legislation amends Pennsylvania's Real Estate Cooperative Act, setting provisions for the amendment and termination of a real estate cooperative declaration. In addition, the bill designates rules for secured lenders to unit owners or associations and amends guidelines for the following cooperative issues: arbitrations and mediations, disability accommodations, debt reserves, securities interests, capital improvement fees, property and comprehensive insurance policies, judicial sale reserves and outstanding liens. The House concurred in Senate amendments, and the Governor signed the bill into law as **Act 190 of 2004**.

\*\*\* **Condominium Association Regulations** – By a 46-0 vote, the Senate approved **House Bill 1331**, which amends Pennsylvania's Uniform Condominium Act, granting the owner of a condominium nonexclusive access easement through common areas as necessary for construction, repair and renovation of the owner's unit. The new law grants associations the power, during spring thaw conditions, to restrict the passage of vehicles weighing more than ten tons. In addition, the bill sets provisions for the amendment and termination of a condominium association declaration and designates rules for secured lenders to unit owners or associations.

The measure also amends guidelines for the following condominium association issues: arbitrations and mediations, disability accommodations, debt reserves, securities interests, capital improvement fees, property and comprehensive insurance policies, judicial sale reserves and outstanding liens. The House concurred in Senate amendments, and the Governor signed the bill into law as **Act 191 of 2004**.

\*\*\* **Land Redevelopment** – By a 48-0 vote, the Senate approved **House Bill 1426**. This legislation amends the 1945 Urban Redevelopment Law to allow redevelopment authorities to reclaim property titles transferred to a land redeveloper if that redeveloper fails to finish a project by the designated deadline.

The amendment also requires redevelopers to provide proof of financial security to redevelopment authorities, as well as to obtain a project cost certification from an independent certified public accountant at the completion of projects with construction cost estimates exceeding \$1 million. The Governor signed the bill into law as **Act 1 of 2004**.

\*\*\* **Updating First-Class City Government Law** – The Senate unanimously approved two pieces of legislation that became obsolete when the City of Philadelphia adopted its Home Rule Charter.

**House Bill 1487** amends the First-Class City Government Law to repeal outdated provisions relating to Philadelphia's Department of Public Works and the Department of Supplies and Purchases. The Governor signed the bill into law as **Act 135 of 2004**.

**House Bill 1488** repeals an outdated law (Act 378 of 1919) that fixed the salaries and compensation of officers, clerks and employees of the Philadelphia County Recorder of Deeds office. New salary schedules were adopted in the Home Rule Charter. The Governor signed the bill into law as **Act 52 of 2004**.

\*\*\* **Pennsylvania Convention Center Authority Re-Establishment** – The Senate unanimously approved **House Bill 1733**, which amends Title 53 (Municipalities Generally) and Title 64 (Public Authorities and Quasi-Public Corporations) of the Pennsylvania Consolidated Statutes. The amendments re-enact enabling legislation for the Pennsylvania Convention Center Authority, crafted in response to the recent Pennsylvania Supreme Court decision overturning Act 230 of 2002 (Senate Bill 1100 of 2003).

The bill repeals Title 53, Chapter 59, and adds a new chapter to Title 64, which permits the continued operation of the Convention Center Authority. Additionally, the bill modernizes the financial and bond management powers of the Authority and changes the procedures for board member appointments and transitions, as well as defines the terms of labor provisions, performance audits and performance reports.

The measure also establishes an Assistance Fund for future revenues or grants that the Convention Center might receive and maximizes competition by allowing the Authority to break up certain single-bid

construction projects into several smaller projects at a lower cost. The Governor signed the bill into law as Act 3 of 2004.

\*\*\* **Uniform Construction Code Oversight** – By a 47-0 vote, the Senate approved **House Bill 1929**, which clarifies issues regarding oversight of the Uniform Construction Code. The bill transfers oversight powers over manufactured homes from the Department of Labor and Industry back to the Department of Community and Economic Development (DCED). Under the legislation, DCED must invite comments from entities involved in the manufactured housing industry, from owners of new manufactured homes and from third-party agencies, when the department prepares to issue regulations governing the installation of new manufactured homes and the training, certification and regulation of home installers. The Governor signed the bill into law as **Act 158 of 2004**.

\*\*\* **Philadelphia Home Rule Violations** – By a 46-0 vote, the Senate approved **House Bill 1954**, which increases the amount of a fine, from \$300 to \$2,300, that Philadelphia can impose for the violation of an ordinance, rule or regulation established in accordance with its Home Rule Charter or the Home Rule Act.

The bill also gives the Philadelphia City Council, in addition to any aggrieved person, standing to appeal any decision of a zoning hearing board or any other board or commission created to regulate development within the city. The term “aggrieved person” does not apply to city taxpayers who are not detrimentally affected by the decision of the board or commission created to regulate development.

Fee increases were requested by the city to provide more of a deterrent to those violating city ordinances, rules and regulations and to cover the city’s costs of providing associated services. The Governor signed the bill into law as **Act 193 of 2004**.

\*\*\* **Third-Class City Authority Membership** – By a 47-0 vote, the Senate concurred in House amendments to the Senate-amended version of **House Bill 2027**. The legislation amends Section 5 of the Urban Redevelopment Law to allow nonresidents of a third-class city, in which a governing authority operates, to be appointed and to serve as members of the authority. The bill also designates that a majority of the five-member board must be city residents. The Governor signed the bill into law as **Act 137 of 2004**.

\*\*\* **Philadelphia Parking Authority Regulations** – In a 30-20 party line vote, the Senate approved **House Bill 2654**. This legislation designates the powers of the Philadelphia Parking Authority, which include: fixing rates, charging for facility use, serving as an impounding agent and authorizing the towing and storage of vehicles, as well as overseeing budgets and contracts. The bill also allows the Philadelphia Parking Authority to regulate taxicab and limousine service through a transfer of regulatory functions from the Pennsylvania Public Utility Commission (PUC).

To cover the transfer cost, \$1.5 million has been appropriated from the First-Class City Taxicab Regulatory Fund in the PUC to the Philadelphia Parking Authority. An additional \$2 million has been transferred from the First-Class City Taxicab Regulatory Fund to the Philadelphia Parking Authority for a hospitality initiative intended to make taxicab service more customer-friendly.

In opposing the bill, Democrats criticized the measure as being little more than a Republican grab for patronage jobs. The Governor signed the bill into law as **Act 94 of 2004**.

**V Philadelphia Fire Company Reduction/Closure Provisions** - By a 49-1 vote, the Senate approved **House Bill 2758**, legislation that would have set fire company reduction and closure provisions for the city of Philadelphia.

The bill, supported by Senate Democrats, would have mandated that the city act to commission and complete an independent impact study of any proposed reduction or closure of an engine or ladder company, released within 90 days, prior to the commission. The bill also would have required the city to hold public hearings on the closure proposal and the impact study results, as well as to provide a written notice to all associated firefighters and paramedics, and to notify any labor organization representing the parties and all citizens served by the company.

In June 2004, Philadelphia Fire Department officials released a plan to close four ladder companies and

four engine companies, replacing them with eight medic units. Senate Democrats stood behind the city's firefighters and several city council members in opposing the closures.

A court ruling eventually blocked the city's closure plan. The Governor vetoed House Bill 2758, stating that the proposed restrictions would impinge on the city's future ability to manage fiscal affairs and handle labor issues.

\*\*\* **Home Inspections** – By a 48-0 vote, the Senate approved **Senate Bill 427**. This legislation amends Title 68 (Real and Personal Property) to allow those not certified by the National Home Inspection Association, such as architects and engineers, to conduct home inspections. The Governor signed the bill into law as **Act 51 of 2004**.

\*\*\* **Municipal/Tax Claim Property Redemption** – By a vote of 47-3, the Senate concurred in House amendments to **Senate Bill 508**, which amends Pennsylvania's Municipal Claim and Tax Lien Law. The bill shortens the time period for the redemption of vacant property from one year to nine months after the date of the acknowledgement of deed by the sheriff. The bill also reduces the time period for parties wishing to challenge a foreclosure sale from six months to three months after the date of the acknowledgement of deed by the sheriff. The Governor signed the bill into law as **Act 83 of 2004**.

\* **Flag Displays** – The Senate unanimously passed **Senate Bill 1147**. This legislation would have authorized the lawful display of the American flag, Pennsylvania flag or military flag (including the POW/MIA flag) by residents of a unit owners' association, homeowners' association or master association. Under this bill, no association would have been permitted to outlaw the outdoor hanging of such flags on a homeowner's property if the display is in accordance with federal, state and local rules and regulations. The bill died in the House.

\* **Pittsburgh Urban Redevelopment Authority Study** – By a 48-2 vote, the Senate approved **Senate Resolution 212**, directing the Legislative Budget and Finance Committee to expand its current examination of the Pittsburgh Urban Redevelopment Authority to address practices and financial policies related to the city's ominous fiscal situation. As a result of this resolution, the Committee prepared a detailed analysis of past and present funds, bond obligations, programs and program requirements, and issued a report on its findings and recommendations to the Senate by June 30, 2004.

### **Veterans Affairs & Emergency Preparedness**

\*\*\* **Veterans Memorial Commission** – The sunset date of the Pennsylvania Veterans Memorial Commission has been extended from June 30, 2003 to June 30, 2005 under **House Bill 1105**, passed unanimously by the Senate. The bill was signed into law as **Act 8 of 2003**.

\*\*\* **Veterans' Civil Service Preference** – The Senate unanimously approved **House Bill 2055**, which clarifies that deactivated military reservists "released from active duty" or "honorably discharged" can qualify for Civil Service state's veterans' preference. The bill was enacted as **Act 195 of 2004**.

\*\*\* **Veterans' Housing** – The Senate unanimously approved **House Bill 2081**, which enabled non-active duty National Guard personnel to terminate a housing rental agreement under certain conditions. In conformity with a new federal law, non-active duty personnel can now terminate lease agreements if they receive: permanent change of station orders; temporary duty orders for of at least three months; an honorable discharge or release from active duty or employment; and orders for base military housing that forfeits their Basic Allowance for Housing pay. The bill was signed into law as **Act 65 of 2004**.

\*\*\* **Education Assistance Program** – The Senate unanimously approved **Senate Bill 981**, which created the Educational Assistance Program Fund within the State Treasury to serve as a depository for all investment income and funds appropriated to the Education Assistance Program for National Guard personnel who serve at least six years. Previously, unspent program funds lapsed back to the General Fund. Under the new law, **Act 212 of 2004**, the funding and investment income would stay with the program.

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