

Senate of Pennsylvania

SENATE DEMOCRATIC WRAP-UP FOR THE 1975- 1976 LEGISLATIVE SESSION

When the 1975-76 legislative session adjourned finally in mid-November, the time had come once again to assess the relative successes or failures of the General Assembly.

One major newspaper, in reviewing the record, gave the legislature a "B+" for its efforts.

Another, analyzing that same record, called it a rather "productive session".

Undoubtedly, there are dissenters with either or both views.

But regardless of its final grade this much can be said: There were some notable measures enacted into law and some notable issues left unresolved.

What follows is an attempt to review both the finished and unfinished business in some depth so that those who render value judgments may do so with the record before them.

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BUDGET AND FEDERAL FUNDS

The State Budgets - The General Assembly passed and sent two no tax increase budgets to the Governor in this legislative session.

The 1975-76 general fund appropriation totaled \$4.5 billion.

The budget was enacted on time when the governor signed **House Bill 1336** on June 30, 1975. A compromise supplemental \$87 million budget bill was signed December 16, 1975. The 1975-76 state spending package included additional funds for county-administered programs to hold down local taxes.

The state budget for fiscal 1976-77 was signed 26 days before the June 30 deadline--this was the earliest budget signing in recent years. The \$4.7 billion budget represented an increase in legislative, judicial and executive branch spending. Governmental operations were cut by the legislature by almost \$90 million in order to fund the budget while avoiding the Governor's proposed five cent increase in the cigarette tax. The legislature also appropriated over \$83 million as a supplement to the 1976-77 budget in last week of the session. About \$58 million of this amount was in federal funds.

Spending Federal Funds - Legislative initiative to assume a stronger, fuller voice in budget making accelerated in the 1975-76 session. The legislative leaders commissioned the Pennsylvania Economy League to conduct a study of the state's budgeting system in 1975. One of the major recommendations emanating from that study was a recommendation for the General Assembly to appropriate federal funds and then approve the use of federal funds by state agencies.

The impetus for this came from past cases where new programs often were initiated by the executive branch with federal funds, and when the funds expired the pressure was squarely on the legislature to continue funding such programs from state tax revenues. Some past examples included the employment of parole agents in the Board of Probation and Parole and the continuation of programs administered by the Governor's Council on Drug and Alcohol Abuse.

There was also a recent example of the executive branch using federal funds to avoid legislative intent in the funding of the special prosecutor's office in Philadelphia. The Legislature repeatedly refused to appropriate funds to pay for their probe of police and political corruption. The Governor's Justice Commission then channeled more than \$1 million in Federal Law Enforcement Assistance Agency funds to the office to pay for its investigation.

The issue came to a head with **Senate Bill 1542** asserting the legislature's constitutional power to make specific appropriations all federal funds. The General Assembly overrode the Governor's veto and **Senate Bill 1542** became **Act 117** on June 29, 1976. This law provides the legislature with the authority to appropriate the \$1.5 billion in federal funds coming into the state each year.

Previously, the General Assembly included in the general appropriations bill a "carte blanche" authorization for the executive branch to spend the \$1.5 billion in Federal monies at its virtual discretion. **Act 117** changes this policy and asserts the legislature's constitutional power to make specific appropriations of all federal funds.

For those who supported passage of **Senate Bill 1542**, it was hailed as a milestone granting the General Assembly its "power of the purse" role in deciding how all tax dollars are spent. Legislative leaders argued that a number of studies support legislative control over all funds.

Critics of the measure attacked the General Assembly for not providing Federal funds for the special prosecutor's office in Philadelphia, which has been 100 per cent Federally funded.

The Shapp Administration contested the law in Commonwealth Court. The Court ruled 6-0 against the Administration December 3, thus upholding the Legislature's position. The Administration thus had to decide whether to appeal to the Supreme Court - a decision not reached at press time.

TAXES

Philadelphia Emergency Taxes Rejected - Philadelphia disclosed an \$80 million deficit in January 1976 which resulted from unrealized revenues that depended on State and Federal action and a shortfall in wage and property tax collection. **Senate Bills 1277, 1278 and 1279** would have allowed the city to raise emergency taxes in the middle of the 1975-76 fiscal year. The bills passed the Senate and a House sub-committee held hearings on the bills and recommended cutting the proposed taxes by about \$14 million and then granting authorization only if the city showed signs of fiscal restraint. Ultimately, the package died in the House and no retroactive increases were authorized for the city.

Occupation Tax Reform - The House and the Senate both passed different bills (**H. B. 848 and S. B. 509**) intended to reform the occupation tax levied by many local governments and school districts. Both measures died in committee.

Senate Bill 509 would have abolished the occupation tax on housewives, unemployed persons and others without income. The bill passed in the Senate, but the House Finance Committee, was successful in their effort to broaden the bill and provide taxing districts with the means of recovering the lost income.

House Bill 848 would have prohibited levying an occupation tax on anyone earning less than \$4,500 a year. The measure passed in the House.

Graduated State Income Tax - The House Finance Committee held statewide hearings focusing on the question of a proposed constitutional amendment authorizing a graduated state income tax as opposed to the flat rate. The results of the hearings showed strong public opposition to the proposed measure. The leadership in the House indicated they would not push for passage of this constitutional amendment and the proposal failed to receive first-round approval.

Earned Income Tax Exemption - **House Bill 1952** would have allowed counties to exempt individuals earning less than \$3,200 a year from the earned income tax. The bill passed the House June 2, 1976 but died in the Senate Finance Committee.

CONSUMER LEGISLATION

There is a wide variety of legislation in this session to protect the consumer and make the PUC more consumer-oriented.

The Senate created a permanent standing committee of Consumer Affairs and **Senate Resolution 33** called for a review of the function and structure of the PUC. The Senate Committee conducted an eight month review of the PUC and made recommendations, most of which were enacted into law.

Consumer Advocate - The Governor signed on July 9, 1976 a bill which created an Office of Consumer Advocate in the Department of Justice to represent consumer interests and only consumer interests before the PUC. Mark Widoff was sworn in November as the state's first Consumer Advocate.

The new office gives the consumer the benefit of a legal and technical staff to challenge proposed utility rate increases under consideration by the PUC. The office has a three year life to carry out its powers and duties--this "sunset" concept is intended to test the effectiveness of the new state program in order to determine if the program merits further funding. It came about as part of the Senate Consumer Affairs study into the PUC.

PUC Reform - The Governor signed an omnibus law this session which is designed to streamline and reform the operations of the PUC. The PUC budget was increased, procedures were streamlined and several new bureaus within the PUC were established. The new law requires a stricter accounting by utilities for fuel adjustment charges, including annual audits and hearings. Retroactive rate increases were barred.

The role of the commissioners was also redefined. Their jobs are full-time instead of part-time; they serve

under a judicial code of conduct; they are required to disclose and divest utility or related holdings; and, barred from outside business activities for the purpose of additional income. In return for these concessions, the full-time commissioners will receive a salary of \$40,000 annually, up from the former \$24,000.

Utility Rates - **Senate Resolution 228** directed the PUC to investigate proposed alternatives and changes in the entire structure of utility rates, and then report its findings and recommendations to the General Assembly. This resolution was adopted by the Senate (Feb. 1976) and the House (June 1976)! thereby ordering the PUC to conduct an exhaustive, one-year study of alternative rate structure.

A report of the Senate Consumer Affairs Committee called this study and its recommendations the best hope for true rate relief to consumers over a long-range period.

The PUC is conducting a thorough investigation of lifeline rates, inverted rates, seasonal peak pricing, block pricing structure and other rate structures of pricing electricity. The investigation includes the consideration of the economic and social consequences of any alternative rate structures.

Meanwhile, the major thrust of a so-called "lifeline" bill (**H. B. 2060**) is to permit the PUC to set lower per unit cost for utility service for the minimum user of electricity, gas or steam heat, and thereby help conserve energy. This concept is a reversal of present rate-setting procedures which award reduced rates to large volume users because of less expensive per unit delivery costs.

The bill narrowly passed the House but languished in the Senate Consumer Affairs Committee, which considered it a piece-meal response to a much bigger puzzle.

Utility Rebates - Final passage of **House Bill 2223** (now **Act 226**) mandated the PUC to require customer rebates from certain electric companies found to have improperly overpaid a contracted coal price in 1974.

The costs of these overpayments were allegedly passed on to customers through an automatic fuel adjustment surcharge tacked on electric bills.

The new law also requires the PUC to adopt regulations prohibiting utilities from paying more for goods, services or fuel than called for in previously contracted coal prices. The bill was approved by the Governor on October 7, 1976.

Restrictions on Fuel Surcharge - The types of costs utilities can pass on to their customers via fuel adjustment surcharges were restrictively defined in **House Bill 1417** (now **Act 76**)

Power companies cannot bill customers for their fuel and delivery costs along with expenses incurred with pollution control devices. The money spent on certain administrative functions, ash disposal and fuel transport within the utility cannot be recovered from consumers. The Governor signed this bill July 30, 1975.

Unfair Trade Practices - The conference report of **H. B. 485** was unanimously adopted by both chambers and signed by the Governor on November 24, 1976. The measure represents a substantial enlargement and expansion on provisions of Pennsylvania's Unfair Trade Practices Act. This bill expanded the list of unfair practices and broadened the legal authority to combat and recover damages for unfair practices. It also spelled out rigid and specific provisions which must be met in terms of the right of the buyer to cancel a transaction. The new law was designed to protect customers from any unscrupulous businesses or fraudulent conduct by salesmen.

Unfair Debt Collection - The intent of **House Bill 167** and **Senate Bill 377** was to curb abusive debt collection. The bills would have prohibited debt collectors from using intimidating, harassing, profane, threatening, violent or deceptive tactics while attempting to recoup a debt from a debtor.

House Bill 167 passed in the House, was amended in the Senate Consumer Affairs Committee, and died in the Senate Business and Commerce Committee.

Senate Bill 377 was more limited in scope and passed in the Senate Chamber and remained in the House Consumer Protection Committee.

Credit Law - House Bill 170 would have modified the "confession of judgment" clause in credit contracts and prohibited a "holder in due course" doctrine in consumer credit transactions. Under the holder in due course doctrine a customer can be forced to complete full payment on a purchase even if the quality of the product is unsatisfactory.

The confession of judgment clause permits a creditor to obtain a legal judgment against a debtor without notice and in some instances the debtor has complied with the contract. This bill modifies the law allowing the debtor to challenge the court action, obtain a hearing and protect his property from seizure and sale.

The bill was approved in the House but remained in the Senate Consumer Affairs Committee.

TRANSPORTATION

Revised Vehicle Code - Pennsylvania's 50-year-old motor vehicle code was overhauled with the passage of **House Bill 1817** (now **Act 81**). The revised vehicle code helped avert a potential loss of \$30 million in federal highway safety funds as well as bringing Pennsylvania's motorist laws into conformity with federal uniform highway standards.

Five phases of the new Uniform Motor Vehicle Code are effective immediately. These provisions are granting of amnesty, with certain exceptions to drivers whose licenses have been suspended; a new schedule of fines and costs; revisions in the point system; changes in records disclosure procedures; and, the provision concerning removal of abandoned vehicles.

Most of the rules of the road changed by the new law are not effective until July 1, 1977. These include permitting a right turn at a red light and allowing a motor vehicle to pass on the right.

The staggered registration system and insertion of color photographs on driver's licenses will become effective no later than July 1, 1978. Drivers' licenses will be renewed every four years instead of every two years.

A total ban on studded tires becomes effective on May 1, 1978.

Studded tires are legal on Pennsylvania highways during the winter months only until this law takes effect.

All points were removed from operators' records in a blanket amnesty. There was no amnesty however, for suspensions and revocations based on misdemeanors and felonies such as drunken driving and hit-and-run accidents. Amnesty does not relieve a convicted driver of paying fines and costs.

The only changes in the fine and cost schedule effective immediately are moving violations fines. New speeding fines are \$35 plus \$2 for each mile over five miles in excess of the posted speed limit, plus \$10 or \$15 prosecution costs. Most other moving violation infractions such as failure to stop at a red light or a stop sign call for fines of \$25 plus costs. These new fines represent a substantial increase over past fines.

All operators' licenses will be classified in one or more of a possible six classifications. The six classifications differ according to weight, size and type of vehicle being driven.

For the first time junior operators will be allowed to drive after midnight beginning July 1, 1977 if they have an affidavit signed by an employer stating they are on the road because of transportation to or from work.

The revised vehicle code resulted from three years of study and much debate over some of the provisions. An amendment to give police forces with 10 or more fulltime officers the authority to use radar on state

highways was rejected. A "bread and butter" amendment was also defeated--this would have allowed suspended drivers to drive in special circumstances.

Registration Fee Increases - To finance highway repair and maintenance work **House Bill 1723** (now **Act 149**) increased car and registration fees. The Governor signed the measure into law on December 16, 1975. Automobile registration fees were \$14 a year for sedans and \$16 a year for station wagons. The new law increased both of these fees to \$24 a year.

Motorcycle registration fees went from \$8 to \$12 a year; drivers' licenses went from \$2 a year to \$5; and the rates for mobile homes jumped from \$12 a year to \$48. All of the 20 weight classes for trucks and tractor trailers were increased by approximately \$50 per weight class per year.

The new trailer fees were scaled differently. The fee for a trailer weighing 3,000 pounds or less is \$6 a year and all heavier trailers are set at \$25 a year. The past schedule for trailers ranged from \$12 a year for 3,000 pound trailers to \$56 a year for 10,000 pound trailers.

These increased fees were expected to have produced from January 1, 1976 to June 30, 1977, approximately \$212 million in extra revenue. PennDOT must report to the Legislature on how all the additional revenue is spent.

Railway Aid - Senate Bill 1154 was aimed at saving rail lines targeted for abandonment under federal rail reorganization. The Governor signed the bill (February 1976) which authorized the development of rural and inter-city common carrier surface transportation. The bill provides state funds to supplement the 70% federal funding available to retain rail systems scheduled for abandonment under the railroad reorganization plan developed by the U. S. Railway Association.

The cost of the measure during 1975-76 was estimated at \$300,000 in state funds and \$700,000 federal. The estimated cost for 1976-77 is \$2,750,000 in state funds and \$6,297,000 federal.

HEALTH AND WELFARE

Welfare Reform - Few would argue that welfare assistance was a worthy government program. But even its strongest advocate would agree Public Assistance, was never intended to be a prime source of income to a family but a last alternative.

Pennsylvania's welfare system now costs taxpayers \$900 million a year. The drive for reform focused on **House Bill 694**.

The bill passed in the General Assembly and was signed by the Governor. Supporters estimated the measure could result in savings in excess of \$10 million per year.

The following is a summary of major changes made by **House Bill 694** (now **Act 202**):

- Removes the 60-day limit on Medicaid benefits for welfare recipients.
- Drops notice for cut-off of benefits from 15 to 10 days. This eliminates one cycle of checks for those who are no longer eligible and will save the State over \$3 million.
- Requires certain welfare recipients to register for training and job placement.
- Places new limits on property holdings for purposes of eligibility.
- Permits access to all state records other than tax records for verification of applicant's income.
- Narrows the definition of legally responsible relative for child support.
- Established rules for determination of eligibility when recipients are temporarily out of the state.
- Provides for protective payments due to the mismanagement of welfare money for the protection of children. The protective payee will be a public child welfare agency where possible.
- Establishes a statutory framework for the existing central registry for the search for absent fathers.
- Provides for recovery of overpayments.
- Sets strict conditions for the replacement of lost, stolen or destroyed checks.

--Automatically terminates benefits for a period of 30 days and until regulations are complied with for recipients who voluntarily terminate or refuse bona fide (reasonable jobs offering minimum wage) employment.
--Requires a re-determination of eligibility at least every six months in all cases and a new certification at that time.

Emergency Medical Services System Act - Each year, Pennsylvanians die from heart attacks, and accidents in the home, at work, at play, or on the highways. The Governor signed two bills (November 30, 1976) which are the groundwork for a program to upgrade the present emergency medical care in the state. The new law was implemented immediately and emergency medical technicians, paramedics, ambulance attendants, policemen and firemen, and the general public are now receiving an improved training background.

Immunization (Swine Flu) - Health care facilities, agencies or clinics, approved by the Department of Health, were exempted from certain liability for mass immunization projects.

House Bill 2354, signed by the Governor on July 9, 1976, covers liability for illness, reaction or adverse effect resulting from use of the drug or vaccine. It does not provide exemption from liability for gross negligence. This law also applies to other mass immunization programs.

Mental Commitment - Recently approved legislation changes procedures for involuntary commitment of the mentally ill. **Senate Bill 1025** was designed to protect the rights of the mentally ill and to comply with recent court decisions which found Pennsylvania's methods for mental commitments to be constitutionally inadequate.

This law makes it easier to secure an involuntary admission for those who need immediate treatment. All that is needed to secure an involuntary admission to a hospital for a mentally ill person for up to a 72 hour period is the certificate of an examining physician showing certain facts that indicate the patient's condition is dangerous to himself and/or others. This involuntary admission guarantees a physician's examination within two hours following admission. The patient must be diagnosed as mentally disabled before being confined any longer.

The law also includes a provision for every person receiving treatment under this act to be examined and have their treatment plan reviewed at least once every 30 days.

This legislation makes it easier to secure admission of those who need treatment, but at the same time has built in procedures starting within 72 hours of admission designed to prevent unnecessary long-term hospitalization or institutionalization.

The changes made by this Act became effective September 8, 1976.

The bill was signed into law July 9, 1976 (**Act 143**).

Child Welfare - **Senate Bill 105** cleared the Aging and Youth Committee and was re-referred to the Senate Appropriations Committee (June 10, 1975).

This bill would have changed the law under which the State presently funds counties for services to children. Essentially, it would reimburse the counties 75% for child welfare and a variety of community based services for deprived and delinquent children.

Currently the State pays 100% of the cost of committing a child to a State-operated institution for delinquent children and 50% of court costs and commitment to privately operated institutions.

County child welfare services are reimbursed by the State at approximately 50%.

Senate Bill 105 would also equalize at 50% payment for both private and public institutional care. The bill stayed in the Senate Appropriations Committee.

Child Care - Senate Bill 121 would have permitted the Department of Health to establish a system of regional intensive care hospitals to provide specialized care not available elsewhere for infants suffering congenital birth defects or abnormalities. The Senate Appropriations Committee fixed a ceiling of eight as the number of such institutions to provide this type of infant care. The committee also cut the proposed appropriation from \$1.5 million the first year to \$800,000.

The measure passed in the Senate but never reached the House floor for consideration.

Comprehensive Health Care - Senate Bill 10, the proposed "Comprehensive Health Care Act" was substantially amended and released from the Senate Public Health and Welfare Committee on June 24, 1975 and was re-referred to the Senate Appropriations Committee, where it remained at the closing of the session.

As released from the Public Health and Welfare Committee, the bill would establish a Health Care Policy Board in the Dept. of Health to advise the Secretary of Health and the department in administering a system of regulation of health care providers.

The bill further provided for a Health Advocate, to be an appointee of the Governor. The Health Advocate would be a consumer spokesman. He would be authorized to initiate litigations and hold public hearings on behalf of consumers of health care.

Certificates of need call for in the bill would have required health care facilities to have a valid certificate of need in order to have a license to operate. Construction or alterations which cost more than \$100,000 or make changes in services or permanent changes in bed complement would have required a new or amended certificate of need.

A system of rate review was to have been established by the Department of Health for the purpose of containing costs for health care to consumers. The bill also called for uniform accounting and reporting methods by health care facilities. The issue of comprehensive health care is likely to be raised in 1977-78.

Uniform Child Custody Act - Senate Bill 136 would have limited the jurisdiction in child custody suits filed by divorced parents or others seeking the custody of children of broken marriages. This would be accomplished by providing for recognition and enforcement of out-of-state custody decrees. The proposal was aimed at preventing jurisdictional conflict between states and thus help deter such conflict that is harmful to the stability of the child's environment.

Current law does not provide certainty that custody decisions in one state are enforced in another. This leads to "child snatching".

The measure passed in the Senate June 22, 1976 (47-0) but died in the House Health and Welfare Committee.

Generic Drugs - One of the final pieces of legislation to be passed and signed into law this session was **H. B. 473**, aimed at providing consumers with prescription drugs at the most economical cost by requiring pharmacists to substitute generically equivalent drugs for brand name drugs, unless specifically directed by the physician or consumer not to make the substitution.

Prior to final passage, the bill was almost entirely rewritten by the Senate Public Health and Welfare Committee to insure several safeguards.

In its final form, the drug substitution would be made from a list of approved equivalent drugs developed by the Dept. of Health.

The list would be compiled using a federal HEW formulary, in whole or in part, and/or through public hearings.

The measure also requires consumers to be informed that the substitution is being made. In addition, the

Senate Public Health and Welfare Committee amended the bill further to require that prescription blanks contain a section for physicians to indicate whether or not the generic substitution was to be made.

Medical Districts - House Bill 545 and a companion measure **House Bill 546** were intended to improve health care services in areas of the state which the Health Department labels "medically deprived". The legislation would allow political subdivisions to band together for the purpose of constructing health care facilities, providing services, buying or leasing equipment and negotiating contracts with physicians and other specialists in health care delivery.

Both bills passed the House but died in the Senate.

AGING AND YOUTH

A new Senate standing committee on Aging and Youth was established with the opening of the 1975-76 session. Among its major legislative considerations were:

Child Abuse - A child abuse bill (**S. B. 25**), signed into law November 26, 1975, was similar to the one vetoed last session by the Governor.

As a result of this Child Protective Services Act, the Department of Public Welfare established a 24-hour, seven-day-a-week, toll-free hotline (800-932-0313) to report suspected child abuse cases.

The name of the reporting caller is kept confidential and upon receipt of a phone call, the counselors notify the local child welfare agency in the county and the agency conducts an immediate investigation.

The person reporting the case is guaranteed immunity from prosecution as long as the call is in good faith.

The hotline is linked with a central registry which acts as a clearinghouse to aid in the identification and prevention of child abuse.

Health care personnel, school teachers, law enforcement officials, and day care workers are among those persons required to report cases of suspected child abuse.

Department On Aging - Senate Bill 1203 would have established a Department on Aging to improve and coordinate programs and policies for Pennsylvania's elderly population. According to supporters, passage of this legislation would coordinate and pinpoint responsibility for many services for senior citizens which are now spread over many departments and agencies in the Commonwealth.

Estimated to require an annual budget of about \$4 million, the new department would have overall responsibility for evaluating the need of providing services to Pennsylvania's aged through area agencies. The bill was re-referred to the Senate Appropriations Committee on June 22, 1976, where it remained at the closing of the session.

Proposed Department On Youth Services - Senate Bill 521 would have established a Department of Youth Services to assume primary responsibility for coordinating all programs for troubled youth. Some of the basic operating powers and duties of this department would include research and development of youth programs, total licensing and regulatory responsibility for institutions and programs dealing with children and youth and the authority to review commitment orders of juveniles placed in institutions.

Youth Service Bureaus would also be established throughout the State. The measure remained in the Senate Aging and Youth Committee.

Juvenile Detention Facilities - House Bill 748 was intended to ensure that juvenile offenders are housed in facilities separate from adult criminals. Juveniles committed for criminal offenses would be assigned to

facilities designed solely for juveniles. Other juveniles detained for status (non-criminal) offenses would be removed to court-approved foster homes or other suitable facilities.

The bill provides that no juvenile offender will be housed in adult prison facilities after December 31, 1977. The federal government mandated changes in order for the state to continue receiving federal funding for program operations. The legislation passed the House and was re-committed to the Senate Appropriations Committee (June 30, 1976), where it remained at the end of the session.

BUSINESS, ECONOMY AND LABOR

CNI Quarterly Payment Bill - **House Bill 605** was vetoed by the Governor on July 9, 1976.

The bill would permit quarterly reporting and payment of corporate net income tax effective January 1, 1978. This would replace the current system of a 90% prepayment of CNI taxes by the end of the fourth month of the fiscal year. This would not change the corporate tax rate but the payment schedule.

The Governor vetoed the bill because of a predicted revenue impact--claiming the measure will result in a General Fund revenue reduction. The figures released by his Budget Secretary predict a revenue reduction of \$67.5 million in the 1977-78 fiscal year, and similar amounts in the next three fiscal years.

An attempt to override the gubernatorial veto failed.

Corporate Takeover Legislation - Current federal law permits a party intending a corporate takeover to file required papers with the SEC and then begin buying the target company's stock immediately without any warning to the management of the target corporation. **Senate Bill 1106**, signed by the Governor on March 3, 1976, requires 20 days advance notice and registration with the State before an offer can be made to acquire controlling share of a company's stock. The bill was designed to allow a target company the time to assess the offer and raise a defense if not in agreement with the offer.

Corporate Political Fundraising - The Governor signed **House Bill 153** on July 9, 1976, which allows corporations the right to operate separate funds for the purpose of political activity. The funds are maintained only with voluntary contributions and are subject to disclosure reporting requirements. Employees and stockholders can make contributions as long as none of the contributions are from the company's treasury.

This new law brings the state in line with federal law.

In a related matter, State Labor and Industry Secretary Paul Smith ruled in September that corporations may not deduct voluntary donations from workers' paychecks to fund political action committees sponsored by the companies. Smith said he based his ruling partly on what he considered the Legislature's disinclination to allow such deductions, as it was not included in **House Bill 153**. The Department of Labor and Industry is now conducting public hearings on this ruling.

Volkswagen Plant - Following a series of sensitive negotiations with representatives of the Volkswagen Auto Manufacturing Company, the governor requested, and very quickly received, a package of bills to induce the German company to locate its first United States assembly plant near New Stanton in Westmoreland County.

House Bills 2456 and 2457 will provide about \$30 million in financing for important highway and rail facilities at the plant site, including the building of a four-lane highway and a special rail spur.

House Bill 2458 appropriates \$10 million to the Pennsylvania Industrial Development Authority to help PIDA advance a \$40 million loan for the completion of construction at the abandoned Chrysler auto plant now standing at the site.

The one major legislative hassle on this package centered around an amendment to require Volkswagen

to use Pennsylvania ports for exports and imports. This effort was amended to a provision calling upon VW to use a Pennsylvania port as a receiving point for its parts, provided the state port is fully competitive with out-of-state ports.

V. W. wants to begin manufacturing its "Rabbit" model by fall of 1977. The plant is expected to produce about 350,000 Volkswagen Rabbits annually and will produce 5,000 jobs by 1982.

Urban Redevelopment - Spearheaded by the State Senate Urban Affairs and Housing Committee, the General Assembly attempted to ratify several reforms of the urban renewal process, but the four-bill package designed to do that died in a House committee.

Senate Bills 1560-63 would have helped local communities take better advantage of the Federal Community Development Act of 1974.

Among other things, these bills would have permitted so-called "spot urban renewal". That is, instead of having to wait for an entire neighborhood to become dilapidated before applying for assistance, local communities would have been permitted to seek aid when the first building fell apart.

Help for Pennsylvania Housing Finance Agency - The PHFA, which provides low interest loans to finance housing projects, faced extinction because of severe financial troubles. An end to this agency would have meant the end to a State housing program in Pennsylvania.

To prevent this prospect, the General Assembly approved and the Governor signed two bills (**HB 216, SB 1280**) which came to the rescue of important housing projects across the state, but also established a framework for tighter control over the agency.

This enabled some 34 federally-assisted housing developments containing 3,872 units to continue in Pennsylvania with \$17.4 million of annual federal assistance from the federal government.

Unemployment Compensation - The "waiting week" requirement for receiving unemployment compensation was eliminated when the Governor signed **Senate Bill 54** into law on June 6, 1975. Eligibility now begins immediately and an individual will receive an unemployment check even if unemployed for only one week.

Statewide Banking - Pennsylvania's saving and loan associations could open branches and operate anywhere in the state if **Senate Bill 712** became law. Existing law limits branching to counties contiguous to main offices. The measure passed in the Senate but died in the House Business and Commerce Committee as of May 1976.

A companion measure, **S. B. 711** affected banks and other financial institutions in the state. The bill was recommitted to the Senate Business and Commerce Committee in July 1975, where it remained with the adjournment of the session.

This issue was generally regarded as big bank vs. little bank and similar legislation failed to win passage in past sessions.

Workmen's Compensation - **Senate Bill 658** prohibits private insurance firms from canceling workmen's compensation policies for any reason other than non-payment of premiums. The Governor signed the bill into law October 4, 1975.

The legislation was needed to aid the State's Workmen's Insurance Fund which has become a "dumping ground" where private insurance firms unload high-risk policies. The State program was originally set up to supplement private workmen's compensation insurance programs and the State fund suffered a \$4.7 million deficit last year.

JUDICIARY

Crime Victim's Compensation and Restitution - A year and a half after it was introduced in the Senate, the General Assembly and the Governor approved **S. B. 153** to compensate innocent victims of crime, persons who try to assist victims, or the dependents of deceased victims.

A joint conference committee finally worked out the provisions of the bill including eligibility requirements, award amount determinations and the creation of a three-member Criminal Injuries Compensation Board which will decide the awards.

The new law permits awards of up to \$25,000 in each case.

The apparent net general fund cost to the Commonwealth for this compensation bill will be less than \$200,000 for the first full year of operation and less than \$900,000 for the second full year. An extended projection indicates the cost could rise as high as \$2 million in the fifth full year of operation.

Revised Judicial Code - To some, the 1975-76 session will be noteworthy for the General Assembly's completion of a nearly eight-year-old project to re-codify the Pennsylvania judicial code.

The legislation (**S. B. 935**) re-organized some several thousand statutory provisions relating to the judiciary that have been enacted over 275 years and have been scattered in some 39 legal volumes.

This law implements a 1968 State Constitution revision which consolidated more than 70 separate courts into one unified judicial system.

One of the more significant elements of the new law requires the state Supreme Court to obtain legislative approval for its in-house administrative and supervisory rules changes.

All tolled, the measure eliminated detailed and largely superseded statutory provisions relating to practice and procedure and clarified the authority of the Judicial Branch to adopt rules. The legislation was signed into law by the governor on July 9, 1976.

The new law will not be effective until the 1977-78 session enacts the specific repeals of those statutes to be replaced by the new code.

Rape Reform - For years Pennsylvania laws and procedures put the rape victim on trial, rather than her accused attacker. Whenever a rape victim took the witness stand, she was forced to testify as to the most intimate details of her personal life--all in a ploy by defense attorney's to destroy her credibility.

House Bill 580, signed by the Governor May 18, 1976, now protects rape victims from harassment in the courts by prohibiting the use of the victim's past sexual conduct in the trial unless it involves the accused.

The law (**Act 53**) also changes the ages of the victims and attacker in statutory rape cases to make the charge more realistic and justly enforceable. In addition, estranged couples living separately or together may now also make rape charges against an offending spouse.

District Justice Reform - A House Law and Justice Committee task force conducted an extensive study of Pennsylvania's district magistrate system and a reform measure, **H. B. 1375** resulted from the study. The Governor signed the bill on July 9, 1976.

The legislation increased salaries, enlarged the magistrate jurisdiction, established more strict educational requirements and now permits service by retired justices in order to reduce the backlog of cases.

Mandatory Sentencing - The bill that became the vehicle requiring mandatory sentencing in certain crime convictions (**S. B. 995**) started out as a proposal dealing with a much less serious topic. In May, 1976, the Senate passed **S. B. 995** which was designed to give people who lease items such as cars more protection in dealing with the theft of the leased property.

That measure went to the House where legislators amended it to include numerous proposed changes in the Pennsylvania Crimes Code.

These changes not only dealt with the theft of leased property, but included provisions regulating the sale and use of taser guns, further defining deadly weapon, further providing for sentences for robbery, arson and rape, prohibiting alteration of identification marks on movable personal property, adding a crime of theft by government officials and employees, and prohibiting the unauthorized installation of certain automatic emergency dialing apparatus.

When the two legislative bodies could not agree, a House-Senate Conference committee was formed two weeks before the session's end.

That committee performed some additional legislative surgery and the result was a report that dealt primarily with providing for mandatory minimum jail sentences for habitual felons.

The provisions on the taser were discarded and were replaced with prohibitions against certain individuals carrying deadly weapons onto school property. All but the provisions concerning the emergency dialing apparatus, alteration of identification marks on movable personal property, and theft of leased property were also removed.

The report received overwhelming approval in the Senate, but the House tabled it rather than vote on a proposal that House leaders apparently felt was too costly. Conservative estimates indicated an additional annual cost of \$28 million.

Obscenity - This legislative session saw two attempts to restore Pennsylvania's anti-obscenity law to the books go down in defeat.

One measure, **S. B. 1430**, made it through the legislature, but died as the result of a gubernatorial veto, the governor calling it much too strict.

A similar measure, **House Bill 353**, considered more liberal than the Senate bill, was passed by the Senate, but was recommitted to a House committee at the session's end.

While both proposals included the three-pronged definition for obscenity as recommended by the U. S. Supreme Court, the Senate bill would have made it illegal to knowingly sell, exhibit or distribute obscene material including books, magazines and motion pictures to anyone, with few exceptions. The House bill would have limited the crime to instances when the obscene material is shown publicly to non-consenting adults or displayed to persons under the age of 17.

Then, it would have only been a crime if the person showing the material violated a civil injunction against the material, not a criminal act in itself as in the Senate bill.

Comparative Negligence - A new concept in damage claims for Pennsylvania accident victims has been established thanks to legislative action on **Senate Bill 1237**, now **Act 152**.

This law sets up the doctrine of comparative negligence in actions for damages and liability to recover for death or injury to persons or property. This system reduces the damage compensation an individual can claim in proportion to his own amount of negligence in the incident.

Prior to this measure's passage, the rule was that in a suit for damages due to negligence, the injured party was unable to recover if it could be shown that his own negligence, however slight, contributed to the accident in any way. Now, a negligent injured party may recover, if his negligence is not greater than the negligence of the party he is suing.

The new law also provides that where more than one person is being sued for damages, each individual was to pay in proportion to his level of negligence in the incident.

Protection From Abuse Act - Victims of abuse within their own family or household now have immediate, short-range relief.

Aimed especially to help abused wives and children, **Senate Bill 1243**, now **Act 218**, sets up a procedure by which the injured party can obtain a civil, rather than criminal remedy in cases of abuse.

An individual may petition the court of common pleas for a temporary protection order which can lead to the issuance of a vacate order against the abuser for up to one year.

This new law even takes care of these abusive situations if they occur when the common pleas court is not open for business, such as on weekends. The abused individual may seek temporary relief from a district magistrate who may order the abuser out of the house for up to 72 hours.

STATE GOVERNMENT

State Government Salaries - Once again the salary structure of the three branches of state government consumed a considerable amount of the attention of the General Assembly. Proposals were as varied as a \$5,000 increase for the judiciary alone to a package effort encompassing all three branches of state government. When all the deliberation was concluded, the General Assembly revived the instrument of the Commonwealth Compensation Commission--repealed in 1973--tied it to a \$5,000 judicial salary proposal and sent it to the governor where it was signed into law. The three-member panel was authorized to review the salary structure of all three branches of state government and submit a report. That report took the effect of law unless modified or rejected by the General Assembly within 30 calendar days. The three-member commission consisting of Harry Rossi as chairman (a former state legal counsel and currently a Bucks County racing executive), Dr. Daniel Curran (a Kings College professor) and Dr. David H. Kurtzman (a former secretary of Education, currently a ranking administrator at the University of Pittsburgh) promptly began a series of weekly public hearings on the issue. On Sept. 29, the Commission issued its first report, two days after the General Assembly adjourned for its annual election recess. The report proposed a 20 per cent cost-of-living increase for members of the General Assembly, effective with the 1977-78 session in January; a 10 per cent cost-of-living increase for the state Cabinet; and nothing additional for the judiciary at this time. The effect was to increase a legislator's base salary of \$15,600 to \$18,720 in 1977. Cabinet salaries were similarly to take effect as constitutionally permissible.

The question of whether incumbent cabinet officers qualified or not was still unresolved at this writing. The report took the effect of law when the General Assembly permitted the 30 days to pass without action. The Commission is now preparing for a second round of hearings, this time on a regional basis, to begin its review for subsequent reports authorized by law.

Mail Voter Registration - **House Bills 1956 and 1957** were signed into law July 1, 1976, allowing Pennsylvanians to become registered voters through the mail.

The question of fraud was raised by opponents to mail registration.

There are provisions in the new law for stiff penalties for mail fraud--a minimum fine of \$1,000, a prison sentence of up to five years or both the fine and the prison sentence. Another protection against fraud is upon receipt of the application, the county registration board returns a non-forwardable receipt to the address listed on the application. If the name and address do not correspond with the person living at the address, the receipt is returned to the county board. One of the two signatures on the application form is detached and used at the voting polls for identification and further protection against fraud. Any person convicted of fraud is disenfranchised for 10 years and can be prosecuted by federal authorities.

Full-Time District Attorney - The conference report on **S. B. 572** and a companion measure conference report on **S. B. 573** were signed into law on June 24, 1976.

This legislation provides for a full-time district attorney if agreed upon by the county commissioners in all counties except Philadelphia. The salary is set at \$1,000 less than the judge of the county court of common pleas. The district attorney must not receive any other income resulting from his legal background other than the salary received while serving as district attorney. This new law takes effect in 1979, following 1978 county elections. Home Rule Charter Counties are exempt from the salary provisions of this law.

TV. Coverage of the Legislature - The Pennsylvania Public Television Network began a weekly, half-hour report on state government on January 9, 1976. Most of the show covers floor sessions in the House--the Senate does not allow floor coverage. There is also coverage of House and Senate committee meetings.

Gubernatorial Appointments and Confirmation Reform - When the state constitution was amended to reform the Senate confirmation process for executive appointments, it cleared the way for a companion measure, **Senate Bill 21**.

The Governor signed the conference report of **S. B. 21** which greatly reduced the number of appointees requiring a two-thirds' Senate confirmation. The 32 appointments still requiring the two-thirds confirmation vote by the Senate include the five members of the Public Utility and Pennsylvania Turnpike commissions, three on the Liquor Control and Milk Marketing boards and eight each on the Fish and Game commissions. Judicial appointments still require a two-thirds confirmation, but only a constitutional majority is required for cabinet offices and memberships on other agencies or boards. Passage of this legislation marked the end of a complete overhaul of the appointment confirmation process which started with the May 1975 constitutional amendment eliminating interim appointments.

Benjamin Franklin Symposium - A House-Senate Committee was established by a resolution adopted on May 19, 1976 to conduct and oversee the first B. F. Symposium. The symposium will take place in January of the 1977-78 session and is intended to present a review of issues and problems facing Pennsylvania to the members of the General Assembly. The program will provide an expert insight into a variety of issues confronting the state in the last quarter of the 20th century.

The symposium is expected to last several days and the coverage by the media will be educationally beneficial to the public.

Elected Attorney General - This proposal amended the constitution changing the office of attorney general to an elected, rather than appointed position. The measure, **S. B. 1273** passed both chambers (it does not require the Governor's signature). The proposed amendment must be approved by the next legislative session and then by voter referendum before taking effect.

Lobbying Restrictions - Strengthening regulations for lobbyists has been an issue in past sessions of the legislature, and once again was an issue facing the 1975-76 session of the General Assembly. The Governor signed the conference report of **Senate Bill 33** (now **Act 212**) on October 7, 1976.

This new law requires any person paid more than \$500 annually while lobbying to register with the Secretary of the Senate and the Chief Clerk of the House. The measure also requires lobbyists who spend over \$300 a month while lobbying for a client to file an account of those expenditures. Any lobbyist spending more than \$150 every six months on any single state official or employee also must file an expenditure report. Another provision of the new law prohibits hiring lobbyists on a contingency fee basis where payment depended on the desired passage or defeat of legislation.

Slot Machines - Senate Bill 456 would have authorized the use of slot machine type gambling devices in private clubs throughout the State. A fee of \$500 per machine would be charged for each year. Revenues from the fund would go into the State lottery fund, which then funds programs for the benefit of senior citizens. The bill was re-committed to the Senate State Government Committee on March 29, 1976.

Department of General Services - A new, cabinet level Department of General Services, which was created by **Senate Bill 368** (now **Act 45**) merged the functions of the General State Authority (GSA) and the Department of Property and Supplies. The major difference between the GSA and the new agency is in lines of

authority. The GSA had been run by a 12-member executive board which included the Governor, members of his cabinet, the two state fiscal officers and members of the legislature from both parties.

Under the new setup the Secretary of General Services, Ronald G. Lench, has direct control over the state construction program and is directly answerable to the Governor.

The key feature of the new department is the process for professional selection of architects and engineers by a five-member selection committee. The final selection made by the department secretary is based on the panel's recommendations. This procedure was designed to take politics out of the selection process for awarding government contracts.

This new department is responsible for most state construction costing more than \$25,000 with the exception of highway construction and some projects in the Dept. of Environmental Resources.

Legislative Ethics - House Bill 1590 would have required that each member of the legislature file an economic interest statement by May 15 of each year containing the following information:

- occupations and incomes of the member and the member's immediate family;
- sources of income over \$2,500;
- names of creditors owed \$5,000 or more unsecured (except mortgages) ;
- names of clients or customers from whom more than \$5,000 is transacted with the state or who do business with the Commonwealth;
- a list of interests of more than \$5,000 in any organization doing substantial business with the state (also any office held in such organization);
- and, a list of real estate interests sold or leased to the state.

Legislators who are lawyers could not represent clients before state boards or agencies unless the action is a routine filing or the agency action is subject to court review. The bill passed the House on June 29, 1976, but remained in the Senate State Government Committee.

LOCAL GOVERNMENT

County Row Office Salaries - A joint House-Senate conference committee worked out a bill (**House Bill 1302**) that substantially increased the salaries of all county row officers including county commissioners, sheriffs, treasurers, controllers, auditors, part-time district attorneys, recorders of deeds, registers of wills, prothonotaries, criminal and orphans' court clerks, coroners, and jury commissioners. The increases range from \$600 to \$6300. With the governor's signature in October 1976, now Act 223 takes effect after the election or reelection of these officers according to the Constitution.

Volunteer Loan Funds - House Bill 2117, now law, will establish a \$10 million loan fund for volunteer fire, rescue and ambulance units. The 1975-76 state budget included \$500,000 for the initial startup of the fund.

The rest of the fund will be raised through bond sales and the Department of Community Affairs will oversee the loan fund. The loans will be awarded to volunteer companies for the purchase or renovation of equipment or facilities. The companies can be given up to 10 years for repayment and the interest can be as low as two per cent. The Governor signed the bill into law on July 15, 1976.

This legislation resulted from a question on the loan fund which was overwhelmingly approved by voter referendum in the 1975 November election.

EDUCATION

Public School Employees Pensions - The battle over increased benefits in the public school employees retirement plan (**S. B. 24**) ended with the Governor's signature on October 1, 1975.

Some of the changes made in retirement plan are cost-of-living increases to already retired teachers; a reduction in the members' contribution rate; a reduction in the service requirement for a death benefit or a disability allowance; the elimination of a time limit on the purchase of military credit.

The measure has a first year cost to the State of \$14.3 million which will rise to \$23.2 million in fiscal 1979-80. School districts bear the other half of the pension costs.

Busing for Integration - There have been several attempts (**H. B.'s 496, 1492**) to divest the school desegregation powers of the Human Relations Commission which orders forced busing in many school districts.

Gov. Shapp vetoed the legislation contending that if the Commission does not integrate the State's schools, the federal courts will. The legislature attempted and failed to override the Governor's vetoes.

State Aid to Non-Public Schools - Action on a new program of non-public pupil aid was spurred by a Supreme Court decision on May 19, 1975, which invalidated all but \$6 million of the state's non-public school aid programs.

The new program, contained in three bills (**H. B.'s 1438, 1439, 1440**), was signed into law in August 1975 and the program has continued in 1976-77. The program has provided roughly \$30.2 million to Pennsylvania's non-public school students during 1975-76.

Included in the package was a \$5 boost from the existing \$15 to \$20 a student for a textbook loan program that the courts have already approved. The new law also allows the Secretary of Education to spend \$5 per non-public student each year for instructional materials.

The new law bypassed court objections to aid for non-public school auxiliary serviced by stipulating that the aid be provided to non-public school children at public schools. These auxiliary services include guidance counseling, remedial and therapeutic services, speech and hearing services and services for the improvement of the educationally disadvantaged.

Recodification of the School Code - The Education Committees of both the House and Senate worked on the recodification and revision of the Pennsylvania School Code.

The research and draft of the proposed Code was done by the State Department of Education and the two committees held a series of public hearings on the revisions around the State.

A difference of opinion developed over the cost of implementing **House Bill 770**. The House Appropriations Committee estimated the bill would cost about \$5 million for implementing the proposed, modernized School Code.

The bill was sent back to the House Appropriations Committee on June 8, 1976 due to the possibility of amendments raising the school subsidy by as much as \$300 million would be offered on the floor and would prove difficult for members to oppose in an election year. According to the House Appropriations Committee staff, these amendments would require a tax increase. The bill deadlocked in the House Appropriations Committee at the adjournment of the session. It is likely this will be an issue again in the next legislative session.

School Subsidy - House Bill 2400 would have guaranteed that the 1976-77 basic instruction subsidy to a school district could be no less than the subsidy received for fiscal 1975-76. The basic instruction and sparsity-density payments would be increased by 10.6% in 1976-77. Health subsidies would be tripled; non-public school transportation reimbursements would be increased to 75%; hazardous conditions reimbursements would be 100%; and, the depreciation allowance for school buses would go from \$700 to \$1,500 per year and the total depreciation allowance would be increased from \$10,500 to \$15,000.

The estimated fiscal cost for 1976-77 was \$160 million and opponents claimed passage of the bill would

have called for a tax increase.

The bill was re-referred to the House Appropriations Committee on June 2, 1976. A resolution to discharge the committee from further consideration of the bill was defeated on June 29, 1976. There was no further action on the bill.

INSURANCE

Malpractice - The national malpractice insurance crisis reached a boiling point in 1975. What started with the doctors' strike in California spread east to Pennsylvania--a remedy was clearly needed.

Pennsylvania's response to the problem was a multi-faceted compromise (**Act 111**), a new malpractice law which became effective January 13, 1976.

The complexity of the issue can be easily understood by examining the different interests involved. The doctors wanted a quick reduction in the soaring insurance premium rates, especially surgeons and other high-risk specialists. The lawyers didn't want any limitation on the patient's right to sue. And the insurance companies were seeking relief in what they considered a loss of profit and without increased premiums.

The legislative answer was **House Bill 1367** which passed (43-0) in the Senate and (188-9) in the House, and was signed by the Governor October 15, 1975. The intent of this measure is to cut down on the time and expense involved in malpractice suits, and make malpractice insurance available to doctors and hospitals at reasonable cost.

It established a "Professional Liability Catastrophe Loss Fund" with a \$15 million ceiling to handle awards greater than \$100,000 or for settlement of suits filed four years after occurrence. The fund is maintained by assessing a surcharge levied on the insurance premium of doctors and hospitals.

In order to ensure the availability of malpractice insurance to those who cannot obtain it through normal commercial channels, the Insurance Commissioner set up a joint underwriting association (JUA).

The JUA is a pool of all private firms selling liability to handle high-risk specialists.

The Act also provides for separate arbitration panels for each malpractice case, consisting of seven members--two health care providers, two attorneys, and three lay persons. A panel hears cases and makes award damages as necessary. The findings of the panel can be appealed to the Court of Common Pleas.

The new law regulates attorneys' contingency fees. The fees may not exceed 30% of the first \$100,000 of the award, 25% of the second \$100,000 and 20% of the balance.

The law defines "informed consent" as informing the patient of the possible risks associated with a particular treatment as well as the reasonable alternatives. Informed consent is not required in an emergency, or where evidence established that the information would have a seriously adverse effect.

An early version of the bill proposed a restrictive statute of limitations. This was deleted in the final version which made no change in the time in which action may be brought, but provided that actions brought more than four years after occurrence are not to be a liability against the insurance company, but are a liability of the fund.

The new malpractice law has only been in effect a few months. The program needs time before it can be judged for effectiveness. The malpractice law is undergoing its first test at this time--the continual withdrawal of malpractice insurers from the Pennsylvania market. House hearings late last month indicated problem areas were reappearing so the last hasn't been heard from on malpractice apparently.

Insurance Laws Revised - A package of eight bills signed into law this session revised the State's insurance laws. One of the measures directly affecting consumers (**H. B. 646**) allows the Insurance Commission

to set minimum standards and uniform terms for accident and health insurance policies.

Other legislation broadened the commissioner's powers against unfair and unlawful practices (**H. B.'s 647 and 648**), and **H. B. 653** strengthened financial reporting requirements to provide the commission with advance information on companies with shaky financial conditions.

Chiropractic Services - The General Assembly tried, but failed, to approve legislation to permit Blue Shield insurance to reimburse its subscribers for chiropractic services they receive. Introduced in October of 1975, **House Bill 1883** passed that body, but was defeated twice in the Senate--first in June, 1976 and upon reconsideration it fell again in November.

Therefore, Blue Shield subscribers still may not seek and receive compensation for chiropractic services as they do for more traditional health care services.

ENVIRONMENT

Flood Plan Management - Reintroduced in 1975, **Senate Bill 1** passed both chambers in different forms. It would establish a comprehensive program to control development in the flood plains along the State's rivers.

The program would include requiring municipalities to zone all real estate within flood plain areas (as shown on U. S. Dept. of Housing and Urban Development maps) as flood-prone. The communities then would establish a permit system to regulate all new construction in these flood plains.

The bill is designed to control but not eliminate development in a flood plain. After much revision, the conference report of this controversial proposal was rejected by the House (June 3, 1976) and laid on the table in the Senate (June 7, 1976). There was further action on the bill.

Energy Parks - The concept of "energy parks" for Pennsylvania has been studied by the Governor's Energy Council for the past year. The year's study identified issues but did not resolve anything despite a number of public hearings.

The General Assembly directed a Joint State Government Commission Task Force to study the issue of power plant and energy park siting (**S. R. 238**). This nine-month study will address itself to the need for "energy parks" and will consider the environmental and socio-economic impact of such power plant sites. The resolution adopted in the Senate (June 14, 1976) and in the House (June 29, 1976) .

AGRICULTURE

The Fair Fund Committee - The legislature once again tried to restructure the so-called "Fair Fund Committee", whose duty it is to select research projects funded through harness racing proceeds. A similar effort was begun during the 1974-75 session.

The Senate passed **Senate Bill 720** (P. N. 870) on June 25, 1975 (49-0), with the House passing the measure on July 24, 1975 (188-0).

The bill was vetoed by the Governor on August 1, 1975.

Essentially, the bill would have reduced the membership of the committee from 17 to 7 by elimination of:
--six members appointed by the Pennsylvania State Council of Farm Organizations;
--one member appointed by the Pennsylvania Cannery and Fruit Processors Association;
--one member appointed by the Pennsylvania Association of County Fairs; and
--two of three members appointed by the Secretary of Agriculture from his staff.

The new committee would be composed of four members of the General Assembly, the Secretary of Agriculture and one member of his staff and the Chairman of the State Harness Racing Commission.

The Governor vetoed the bill because of constitutional questions raised by the creation of the new committee.

Clean and Green - House Bill 379 proposed to further implement the so-called "Clean and Green" Act of 1974 permitting preferential treatment on agricultural land for tax assessment purposes.

In the first instance, it permits the State Tax Equalization Board to consider the preferential assessments in determining the market value to taxable real estate for school subsidy purposes. It does, however, prohibit the board from reflecting a decrease in a school district's market value if it relates to agricultural land when the statewide market value is certified to the Dept. of Education.

The Governor signed the measure on May 21, 1976.

Municipal Improvements (Water and Sewer Lines) - House Bill 217 exempts the owners of Agricultural land from the payment of assessments for municipal improvements during the period of time the owner does not use the services provided by the improvements. The measure was passed in the Senate May 10, 1976 (45-0) and passed the House July 15, 1975 (183-22). It was signed into law by the Governor on May 28, 1976.

Milk Marketing - A number of proposals to change the present Milk Marketing Board and its duties were introduced with no action being taken.

One measure, however, dealing with milk quality was passed. **House Bill 218** prohibits the adulteration of milk and sets standards for milk and other dairy products. The bill passed the House March 19, 1975 (195-0) and passed the Senate June 10, 1975 (47-0). The measure was signed into law on June 19, 1975.

VETERANS

Veterans' Cemetery - The General Assembly passed, and the Governor signed **House Bill 1893** on June 24, 1976 which transferred property at Indiantown Gap to the federal government for a national cemetery.

It will be three years before the first burials can take place. The cemetery will serve six states and could hold from 300,000 to 350,000 veterans and wives or husbands.

One-sixth of our veterans already have chosen to be buried in national cemeteries. This legislation will be providing additional facilities within reasonable distance from the families of the deceased who reside in Pennsylvania.

Veterans' Homes - Pennsylvania has the third largest veteran population in the nation and is equipped with one 175-bed veterans' home in Erie. To meet a growing need for veterans' nursing homes, a three-bill package (**H. B. 1513, 1514, 1515**) was designed to take over the old Valley Forge Military Hospital and renovate it to open as a veterans' home.

The legislation passed in the House but reached an impasse in the Senate Chamber. The controversy started over the cost of funding the proposed facility and the legislation landed in the Senate Appropriations Committee.

The controversies continued and more legislation was drafted.

One proposal, **Senate Bill 1622**, would transfer and convert Haverford State Hospital (Delaware County) into a veterans' home. The bill remained in the Senate State Government Committee. The Department of Public Welfare and the Department of Military Affairs studied Hollidaysburg (near Altoona) and Somerset state hospitals

for potential veterans' home locations. Hollidaysburg became the compromise site with the approval of **H. B. 1515** to provide funding. The first veteran patients will probably be admitted in January 1977. When the Hollidaysburg facility is fully converted, it is expected to accommodate 500 patients.

INVESTIGATIONS/HEARINGS

Discipline - For the first time in modern memory, both legislative chambers were confronted with the question of how to discipline two of its members convicted of crimes in the courts. The Senate agonized for almost five months before ultimately voting to expel Sen. Frank Mazzei (D-Allegheny), 47-0. Sen. Mazzei was convicted in a federal court on an extortion charge. Shortly thereafter, the House was confronted with the question of Rep. Leonard Sweeney, (D-Allegheny) convicted in the courts on a mail fraud charge, an incident which occurred prior to his assuming office. Rep. Sweeney, a freshman lawmaker, was expelled on a vote of 176-1 in a special session of the House last August. The expulsions were the fourth and fifth in Pennsylvania's legislative history. A Bedford County representative was ousted in 1840 after, according to the legislative record, he "spit full in the face" of another member during a quarrel on the floor. In 1876, two House members were expelled after they admitted they had sold their votes to special interests.

Another difficult question of discipline faced the Senate in November 1975, only this time the member was never convicted of anything or indicted.

Sen. William E. Duffield (D-Fayette) was disbarred October 20 with his consent in an order by the State Supreme Court on charges he misappropriated client funds and neglected some legal matters.

A special committee held hearings and recommended a motion of censure against Duffield. The censure resolution was unanimously adopted and Duffield also was removed as chairman of the Senate Law and Justice Committee and denied membership on any standing committee for the balance of his elected term.

PIDA Investigation - A special Senate Committee was established early in this session to inquire into irregularities in the management of the PIDA program in the New Castle Area. The investigation looked into the way low-interest PIDA loans were made and policed in the New Castle area. These loans are made to support community efforts to relieve unemployment in local areas.

The special committee conducted a series of hearings and proposed reforms for the PIDA board regulations which would tighten procedures and reduce the possibility of misuse of PIDA funds and the power to make a PIDA loan. These recommendations were incorporated into the PIDA regulations by the PIDA board. The Special Committee also said that the time had come for a thorough review of the PIDA programs statewide as to its methods and goals.

Property Taxes - At the present time in Pennsylvania, the Commonwealth requires that the counties prepare and maintain property assessment records that are based on the fair market value of the different parcels of property.

The Senate Finance Committee looked into the methods used to maintain and update these assessment records to make certain that the counties are meeting the requirements of fairness and equitability.

The committee subsequently issued a report summarizing their findings.

Fairview State Hospital - A six-member Senate committee began a special investigation into conditions at Fairview State Hospital during the 1976 summer recess. The committee conducted public hearings to investigate allegations of mistreatment of patients and questionable methods of restraint used by Fairview State Hospital personnel. Fairview houses criminally insane patients.

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