

Senate of Pennsylvania

SENATE DEMOCRATIC WRAP-UP FOR THE 1979- 1980 LEGISLATIVE SESSION

The Pennsylvania Senate adjourned sine die Nov. 19, 1980, ending the 164th session. This summary is an attempt to capsule in some detail the legislative highlights of what may have been the most productive two years of any Pennsylvania Senate.

Many of these accomplishments originated in the Democratic controlled Senate either through bill introductions or amendments to existing legislation. Ironically, the Republican administration time and again had to turn to the Senate rather than the Republican controlled House to gain passage of legislation deemed crucial for the good of the commonwealth.

For example, Pennsylvania's \$1.4 billion unemployment compensation debt to the federal government was tackled in the state Senate where the unemployment compensation law was overhauled for the first time in 18 years so that the debt could be repaid.

Details of legislation to define the powers and duties of Pennsylvania's new office of elected attorney general were worked out finally in the Senate. Similarly, the Senate took the lead in reforming Pennsylvania's divorce law for the first time in 195 years to permit no-fault divorce under certain conditions and to provide for the payment of alimony.

The general fund budget for 1980-81 would never have been passed on time without the cooperation of the Senate which steered a compromise version through a conference committee. The budget battle of the year before, triggered by tax increases sought by the governor, ended only when the Senate broke the impasse by negotiating a compromise.

Important legislation enacted this session includes a much needed hazardous waste dumping law, a five-bill package giving Pennsylvania primacy in the regulation of surface coal mining, reform of the state's adoption law, a large boost to mass transit funding, a tax reform to allow corporations to carryover net operating losses as tax deductions, an extension of the lending provisions of the Pennsylvania Industrial Development Authority to small businesses, regulation of condominium conversions, a building construction energy conservation code, expanded free or reduced transit rides for senior citizens, expansion of the state Superior Court and much more as detailed in this two-year summary.

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Legislation is coded as follows:

* *Senate Passage*

** *Senate and House Passage*

*** *Became Law*

V *Vetoed by the Governor*

The State Budget

*****General Fund Budget** -- A \$6.4 billion general fund budget to finance most state government operations for 1980-81 was signed by the governor after he cut some \$38.6 million, alleging the reduction was needed to bring the budget into balance with declining revenue estimates. The budget measure, **HB 1623**, became **Act 17** with the governor's signature June 18.

The budget represents a 6.5 percent increase in spending over the previous year and requires no new or increased general fund taxes. However, its passage was keyed to a motor license fund revenue raising measure also approved and signed by the governor the same day. That measure, **SB 10**, raises an additional \$95 million in truck and various car registration fees.

It also raises the weight limit for trucks to 40 tons.

The general fund budget was inserted into a Conference Committee Report on **HB 1623**, a \$92 million deficiency measure for 1979-80. It cleared the Senate by a vote of 33-15 after adoption by the House.

As cleared by the General Assembly, the document differed from the governor's proposed budget in that \$12.5 million was appropriated to the Department of Aging for senior citizen programs. A supplemental \$2.3 million appropriation was approved later in October. The governor had recommended this funding come from the state lottery, a recommendation severely challenged by senators who felt an unpredictable funding base would jeopardize all senior citizen programs.

The Senate had also added some \$11.5 million to the budget for in lieu of tax payments to various municipalities that contain state facilities.

This municipal overburden appropriation was part of the governor's \$38.6 million veto. It would have meant an additional \$6 million for Philadelphia, \$4 million for Allegheny County, \$428,000 for Scranton and lesser amounts to a number of other municipalities.

The new budget includes \$24 million for county court costs, which in the past were paid by federal revenue sharing funds. Other features of the budget include, reducing aid to the state's nine general hospitals from \$5 million to \$2 million; increasing the appropriation for the Pennsylvania Industrial Development Authority from \$15 million to \$18 million; and setting basic school subsidies for the state's 505 school districts at \$1.494 billion, or 42 percent of total costs.

The \$6 billion general fund budget for 1979-80 was contained in **SB 499**, a measure gutted in a conference committee and amended to become the budget document. It was approved by the House 103-94 and the Senate 47-2 four days after the fiscal year June 30 deadline had passed. It was signed by the governor July 4.

Unlike the general fund budget for 1980-81, the 1979-80 budget encountered stiff Democratic opposition before passage. The budget depended on reenactment of the 2.2 percent personal income tax and the 10.5 percent corporate net income tax. These were to revert to 2 and 9.5 percent respectively by January 1, 1980. Democrats at least won a concession to have the taxes revert to these lower levels by January 1, 1982. The budget for 1981-82 should take this into account.

Also unlike the general fund budget for 1980-81, the 1979-80 budget transferred \$57 million to the 1979-80 motor license fund for emergency road repairs.

*****Non-Preferred Appropriations** -- Besides appropriations for general government operations, the Senate approved a series of non-preferred appropriation bills totaling some \$337 million for state related educational, health and cultural institutions for 1980-81.

In signing the bills, the governor declared that he was heading into a \$33 million deficit next year. Though obligated to trim these requests to balance the budget, the governor chose instead to threaten a 10 percent reduction in the non-preferreds if certain revenue raising measures were not approved by the legislature and the Liquor Control Board.

The governor sought passage of **HB 2597**, a measure to raise various licensing fees by \$15 million. This bill died on the table in the House. The governor also sought an additional \$26 million from the LCB through an added 10-cent bottle handling charge and a reduction of discount rates. This was refused on the basis that it circumvented the legislature to impose a thinly disguised tax increase. Instead, the LCB agreed to revise its prices, upward and downward, to improve profits.

With this agreement, the governor rescinded his order to cut the non-preferred appropriations by 10 percent by October 1 through reenactment of the non-preferred appropriation bills. Among the major appropriations are: \$127 million for Pennsylvania State University, up from \$120.1 million last year; \$79.4 million for Temple University, compared to \$75.5 million last year; University of Pittsburgh, \$71 million, compared to \$67.5 million; Lincoln University, \$4.2 million, compared to \$3.7 million; Drexel university, \$3.8 million, compared to \$3.6 million; and the University of Pennsylvania, \$20.4 million, compared to \$19.1 million.

The non-preferred appropriations for 1979-80 totaled \$315.5 million.

*****Motor License Fund** -- On June 30, the governor signed the \$996.8 million road budget for 1980-81 which became **Act 22A**. Earlier that same day, the Senate had unanimously concurred with House amendments to **SB 1240**, the document for the motor license fund budget. It is 6.4 percent less than the past year's \$1.053 billion budget, despite the addition of \$95 million in new revenue.

The highway budget was dependent on earlier passage of **SB 10**, the measure which will raise an additional \$95 million through increased truck and car registration fees. This legislation also permits heavier and longer trucks on the state's roads.

Money for bridge and road maintenance is to be distributed according to a formula based on need after a base allocation of \$485 million is made. However, the new budget allocates \$385.2 million for highway repairs, well below the formula-triggering amount and below the \$411.6 million allocated last year. Some \$71.3 million is earmarked for new construction compared to \$73.4 million last year.

State Police will receive \$100 million, compared to \$94.6 million last year. Another \$44.8 million will go to the State Police from the general fund budget. No money will be transferred from the general fund to the highway fund this year. Last year, such a transfer added \$57 million for road maintenance.

Also provided in the budget is \$167.4 million for debt service payments for debts incurred in the 1960s for new highway construction.

A \$1.1 billion fund to repair the state's roads and bridges in 1979-80 was contained in SB 498, which the governor signed after line item vetoing nearly \$68 million.

The 1979-80 highway budget was beefed up by an additional \$115 million from the two-cent-a-gallon increase in the gasoline tax which now stands at 11 cents a gallon. This added revenue plus a \$57 million transfer from the general fund pumped \$172 million in new money into the highway fund.

*****Urban and Rural Mass Transit Aid** -- The high cost of gasoline and cars in recent years has increased the importance of our mass transit systems. To this end the Senate approved **SB 881** which would expand state aid for mass transit systems from the current \$113 million up to \$234 million annually within five years. The measure was signed by the governor as **Act 101** on July 10.

Essentially, the new law increases state aid from a maximum of two-thirds to three-fourths of the non-federal share of the operating losses for each public transit system. A major impact of the bill expands the use of lottery funds by \$13 million for the senior citizen mass transit program, whereby senior citizens use the transit system at free or reduced fares during off peak hours. The added \$13 million will go to counties other than Philadelphia and Allegheny -- where the program already exists -- to contract with private carriers to provide this service for senior citizens.

In signing the bill, however, the governor vetoed some \$8.6 million earmarked for emergency transit aid. About \$5.4 million was to go to Philadelphia's SEPTA, \$2.6 million for Pittsburgh's PAT, and a total of \$687,000 to other transit systems throughout the state.

****Capital Budget** -- The capital budget for 1980-81, **HB 2920**, was approved by the Senate 48-1 and concurred in by the House 176-10 Nov. 19.

It authorizes \$378.5 million for projects at various state colleges and office buildings.

Included in the measure authorizing the sale of bonds to finance the improvement and construction projects are a \$22.6 million authorization to rebuild Philadelphia's coal pier 124 and \$10 million for Erie's coal port. The facilities are to be acquired from and leased back to Conrail to retire the debt service. These projects are expected to boost coal loading capacities more than threefold, a development that should stimulate mining in all the coal regions of the commonwealth.

Some \$5 million will be used to make improvements in and around the state's Farm Show complex in Harrisburg.

Renovation projects totaling about \$145 million are slated for the various state colleges. Also, the Department of Environmental Resources is authorized to raise \$54.4 million for state park improvement projects.

Another project is a new state office Building in Harrisburg's Harristown area that would be restricted for state office use only. The cost would be \$43.3 million. A total of \$37.4 million is authorized for improvement projects at state prisons, and \$42.5 million for projects at state hospitals. Transportation assistance projects throughout the commonwealth would total about \$46 million. The last day for action by the governor on this

legislation is Dec. 20.

Another capital budget measure for 1980-81, *****HB 2919**, totaling \$138 million, was approved by the General Assembly and signed by the governor.

Of the total, \$113 million is for public improvement projects by the Department of General Services and \$25 million for transportation assistance projects.

*****Federal Revenue Sharing** -- Passage of **HB 2794** by a unanimous vote in the Senate and concurrence by the House cleared the way for an expenditure of \$57.8 million in federal revenue sharing funds for 1980-81.

The measure, which the governor signed on December 5, appropriates \$43.8 million in federal revenue sharing funds to school districts and intermediate units for aid to exceptional children. Another \$14 million in federal funds will go to municipalities for the construction and repair of sewage treatment plants.

The bill also provides for additional appropriations from the general fund for 1980-81. These include \$1.3 million for general government operations of the state Emergency Management Agency and an additional \$200,000 for the Pennsylvania Crime Commission, boosting the commission's appropriation for 1980-81 to \$2 million.

A total \$985,000 is appropriated from the Motor License Fund for liquid fuel tax refunds in cases where vehicles were used for agricultural purposes.

Federal revenue sharing funds for 1979-80 totaled \$110.8 million which were allocated in *****HB 1328**.

*****Federal Augmentation** -- **HB 2724**, now **Act 23 A**, appropriates \$2.2 billion in federal augmentation money for the state's 1980-81 budget.

This includes \$168,756,000 for Title XX health and welfare programs. Some \$30,141,000 derives from the Comprehensive Employment and Training Act (CETA) and funds public service employment programs for the hard core unemployed.

Another \$7.8 million comes from the Law Enforcement Assistance Act (LEAA) and funds various programs to deter crime.

The federal augmentation for the 1979-80 budget totaled \$1.5 billion and was contained in *****HB 1300**. It was amended to add another \$140 million by the passage of *****HB 1905**. Included in these funds was an appropriation of \$84 million for energy assistance to low-income citizens.

****Funding For PUC** -- The Public Utility Commission was given a \$17.26 million budget for 1980-81, or a four percent increase over the previous year. The PUC budget is currently set by the lowest of three recommendations made by the House and Senate appropriations committees and the governor. In this case, the lowest recommendation which took precedence came from the governor.

However, a conference committee report on **HB 1787**, adopted by the Senate and House Nov. 19 and upon which the governor has until Dec. 20 to act, will make the PUC budget subject to approval by the General Assembly.

This measure to make the PUC's budgetary process similar to other state agencies -- through the passage of appropriation legislation -- originated as a Senate amendment to **HB 1787**.

The PUC budget, which is funded through assessments on utilities, was thought by most senators to require a 12 percent increase in its budget, if various consumer protection services, initiated in recent years, were to be preserved. The Senate noted that rate increase requests from all major utilities have been flooding the PUC. Also, the agency has been bogged down with proceedings against Metropolitan Edison Co., stemming from the

1979 accident at the company's Three Mile Island nuclear power plant.

Therefore, the Senate felt a fairer budget for the PUC could be shaped if it went through the same legislative process as the general fund and motor license fund budgets.

*****Special Election Funds** -- Decisions by the governor and the state House Speaker to hold eight special elections before the April 22 primary necessitated legislation to appropriate \$550,000 to reimburse county boards for special election costs.

The out-registered Republicans evidently sought a political advantage in holding elections before rather than during the April 22 primary because voter turnout would be less. The Senate majority Democrats, expressing strong disapproval of this tactic, nevertheless approved **HB 2123** so that the counties would not be victimized financially by the special elections.

The measure (**Act 5A**), signed by the governor May 19, appropriated \$300,000 to county boards of elections to cover costs for seven special state House elections March 11. Another \$250,000 went to counties in the 11th congressional district for an April 9 election.

****Revised Public Library Funding** -- A bill to revamp the state's aid formula for public libraries was approved by the General Assembly and sent to the governor Nov. 19. The new formula, contained in **SB 455**, will permit full use of the current fiscal year's \$9.8 million appropriation for public libraries.

The old formula for aid to various local, district and county libraries had become a barrier to distributing the full amount of aid as annual appropriations increased. If the old formula were not changed, it is estimated that nearly \$2 million of the 1980-81 appropriation would lapse.

Under the new formula, ceilings are converted to minimums. For example, aid to qualifying local libraries, previously limited to 25 cents per person living in the library's district, would now be at least 25 cents per capita.

Also, a certain percentage of the total state allocation would now go to small local and district libraries.

****Cancer Fund and Money for the Aged** -- The governor has until Dec. 20 to act on **HB 1786** which amends the general fund budget for 1980-81 to provide \$500,000 to establish a state tumor registry. It also increases this year's appropriation to the Department of Aging by \$2.3 million. Reductions for institutional and non-institutional medical assistance payments were made to offset increases to the Department of Aging. The measure also appropriates \$10,000 to the Museum Commission for use by the Franklin Institute to write a history of Pennsylvania's contribution to aviation.

TAXES AND FINANCE

*****Increased Truck Weights and Fees** -- Passage of the state's general and highway fund budgets this year was keyed to the passage of legislation to add \$95 million in state highway revenues. **Senate Bill 10**, which raises truck and various car registration fees, also increases the allowable truck weight from 73,280 pounds to 80,000 pounds and truck length by five feet.

A conference committee report on the bill was adopted by the Senate June 3 by a narrow 26-22 margin, and it became **Act 68** with the governor's signature June 8.

The larger truck aspect of the bill drew negative votes from most western senators, who claimed the additional money would be more than wiped out by excessive road damage. They also feared safety hazards on the hilly western roads.

An attempt was made to appease western opposition by including a formula in the bill that would allocate a portion of the highway maintenance money on the basis of need. However, that formula will not be triggered by this year's allocation.

Of the \$95 million in new revenue, \$30.6 million will come from increased truck fees based on weight classifications. Other fee increases and the amount of revenue expected are, out-of-state truck markers, \$2 to \$25, \$11.4 million; title fees, \$5 to \$15, \$28 million; temporary license fees, \$1 to \$5, \$4.4 million; information concerning drivers and vehicles, \$2.50 to \$5, \$4.7 million; inspection sticker fees, 25 cents to \$1, \$11 million; and a new fee to have suspended licenses reinstated, \$25, \$5 million.

Soon after the new law went into effect, the trucking industry entered suit in federal court seeking to have declared unconstitutional a provision of the law requiring trucks entering Pennsylvania to have inspection stickers either from Pennsylvania or another state.

A temporary restraining order was granted, suspending the inspection requirement, and the order was continued following a hearing Nov. 3, 1980, in federal court in Harrisburg. A final ruling on whether or not the injunction will be made permanent is not expected until January or February of 1981.

*****Personal, Corporate and Gasoline Taxes** -- Two general fund taxes were continued at their current rate and the gasoline tax was increased with the enactment of **HB 404**, the tax package pushed by the Republican administration to support the general fund and motor license fund budgets for 1979-80.

The budgets were approved July 4, four days after the close of the previous fiscal year.

The tax package continued for two years the 2.2 percent personal income tax and the 10.5 percent corporate net income tax. They are scheduled to revert to 2 and 9.5 percent respectively Jan. 1, 1982.

The measure also hiked the nine-cent-a-gallon gasoline tax by two cents, pumping an additional \$115 million into the 1979-80 highway fund. It also added a surcharge to the utility realty tax to recover \$180 million that would have been lost because of an unfavorable court decision on the utility tax law.

****(Constitutional Amendment) Real Estate Tax Break** -- **House Bill 1**, upon approval by a voter referendum, will give a tax break to Pittsburgh and Philadelphia property owners who can't cope with rising real estate values caused by urban renewal projects. Long-time residents of neighborhoods sudden IT made fashionable often find they can't meet the subsequently skyrocketing real estate values, brought on by renovation. Under this constitutional amendment, those residents will be given a 'freeze' on their real estate taxes (until the homes are either sold or transferred in an estate) .

The Conference Committee Report on **House Bill 1** was signed in the House on July 8 and in the Senate on July 9. It must be approved by the next session of the General Assembly before voters decide whether to amend the constitution

*****Exemption For Gasohol** -- The production of gasohol may be encouraged in Pennsylvania with the passage of **Senate Bill 1011 (Act 129)**. The measure exempts alcohol manufacturers from paying an annual \$2,500 license fee if their product is for machines instead of people. Instead, they will have to pay a \$25 registration fee.

****Utilities Gross Receipts Tax "Freeze"** -- The legislative session that ended November 19 saw an attempt by the Senate and House to place a "cap" on the gross receipts tax paid by customers of the state's utilities.

This provision was part of **House Bill 769** which cleared both houses (the Senate on October 1, 1980, and the House on May 7, 1980) but died when the House failed to concur or non-concur on a Senate amendment before the session ended.

The gross utilities tax "freeze" would have empowered the Public Utility Commission to adjust the tax rate (now 4.5 percent) to produce revenue that would be equal to that due and payable for the 1979-80 fiscal year, or about \$370 million. Such an adjustment would have resulted in an estimated revenue loss to the commonwealth of \$37 million in the 1980-81 fiscal year.

The bill also would have eliminated the gross receipts tax on revenues resulting from higher purchased energy costs stemming from an unscheduled outage lasting two or more months at a nuclear generating facility. In addition, **House Bill 769** would have revised the definition of "taxable income" for purposes of the corporate net income tax.

A Senate amendment would have excluded from the state sales tax the sale at retail of supplies and materials to tourist promotion agencies.

Loss to the state from this exemption was estimated at about \$223,000 for the 1980-81 fiscal year.

*****State Payments to County Agencies** -- **House Bill 571** became **Act 132** when signed into law on December 24, 1979. This bill provides for all state checks to various county agencies to be made payable to the county commissioners. Amended into the measure by the Senate were changes requiring funds to be credited to the proper agency and used only for the stated purpose. It also provides that in Philadelphia the checks be sent to the city treasurer.

****Sales Tax Exemptions** -- Awaiting signature by the governor to become law is **House Bill 606**, passed by both the Senate and House

The bill amends the "Tax Reform Code of 1971" by exempting from the state sales tax such items as firewood sold at retail and intended for use as a fuel to heat residential dwellings, circulating wood burning or coal burning heaters, wood or coal furnaces manufactured in this country, and the installation and retail costs of solar energy devices and the installation and retail cost of windmills or wind-powered devices.

The Senate amended the bill to exempt also from the sales tax the retail sale of supplies and materials to tourist promotion agencies which receive grants from the commonwealth. The House concurred in the amendment.

*****State Investment Options** -- **Senate Bill 419**, which became law (**Act 115**) on July 11, 1980, was part of a multi-bill package aimed at revamping investment policies of the Treasury Department.

The bill amends the "Fiscal Code" to expand the investment options of the Treasury Department to include the purchase of uncollateralized Certificates of Deposit from commercial banks and savings and loan associations domiciled in Pennsylvania.

The bill provides that investment regulations are to be adopted by the Board of Finance and Revenue, with the governor approving any move by the board with respect to the total amount invested. A House amendment (concurred in by the Senate) included the provision that Treasury, when purchasing CD's, shall take into account the differences, if any, in competitive bids, the financial strength of each of the bidders and the services provided to or at the request of the commonwealth or any of its agencies by each of the bidders.

*****Utility Services-Tax Repeal** -- Repeal of the 4.5 percent gross receipts tax on out-of-state sale of utility services (such as electricity) is provided for in **House Bill 852** which was passed by both houses and became law (**Act 107**) on December 11, 1979.

*****Tax Reform Code Amendments** -- **House Bill 1252**, signed by the governor Dec. 8, 1980, represents a two-fold amendment of the Tax Reform Code of 1971. Revenue loss to the state from one amendment figures to be minimal; another provision of the bill could result in a sizeable income loss to the state.

The bill would exempt certain fish feed from the sales tax, with anticipated revenue loss seen as negligible.

An amendment to the bill provides for the deduction and carryover of the net operating loss in determining taxable income for corporate income taxes. The effect of this provision of the measure could produce a loss to the commonwealth of \$16.5 million in the 1981-82 fiscal period, increasing to an estimated \$28.4 million in 1984-85.

The House passed the bill on Dec. 4, 1979. An amended version was passed by the Senate on October 1, 1980, with the House later concurring in the Senate amendment.

*****Railroad Tax Credits** -- **Senate Bill 915** became **Act 24** on March 27, 1980. It grants a tax credit to railroads investing in roadbed improvements.

Twenty-five percent of the amount spent on maintaining or improving railroad rights-of-way in the state can be credited against the 4.5 percent gross receipts tax. The credit cannot exceed the amount of the tax due. The tax savings realized by the railroads must be used in the following year for maintenance of rights-of-ways.

****Tax Incentive to Industry** -- **Senate Bill 1172** is seen as an incentive to encourage Pennsylvania industries to expand and modernize facilities and also to lure out-of-state businesses to the commonwealth.

The measure, passed by the Senate on September 16, 1980 and by the House on November 18, 1980, would exempt industries from having to pay the state sales tax on the cost of constructing foundations for new plants which would house machinery and manufacturing equipment.

The bill was sent to the governor for his signature.

TRANSPORTATION

*****Tri-Axle Truck Weights** -- **House Bill 34** became **Act 147** when it was signed by the governor on October 10, 1980. In its final form, the bill amends the Pennsylvania Motor Vehicle Code to provide for weight distribution on tri-axle trucks and sets maximum gross weights and maximum axle weights. It establishes a three percent tolerance per axle when a vehicle is weighed with portable scales.

The bill limits maximum weight on a steering axle to 18,000 pounds, but on certain vehicles the maximum weight on adjacent axles is increased from 18,000 pounds to 22,400 pounds. Fines are provided for vehicles determined to be in excess of the axle weight limits. The bill also stipulates that portable scales are to be calibrated every 30 days by the state Department of Agriculture.

The original purposes of the bill remain intact. It authorizes any person who is physically limited by a cardiopulmonary condition to apply for a special vehicle registration tag; forbids parking or leaving unattended a vehicle on private property without the consent of the owner (except in emergencies or in the event of a disablement) and establishes a 15-mile-per-hour speed limit in school zones.

The bill also provides that a tow truck used commercially must have the name of the business, or persons operating the truck, displayed on signs on both sides of the truck.

V Elimination of Driver's License Photograph -- There were two legislative attempts during the last session of the General Assembly to eliminate a provision requiring photographs as part of the state's driver's license. The Senate passed **Senate Bill 837** but the measure never was reported out of the House Transportation Committee.

The provision also was incorporated in **House Bill 739** which passed both the House and Senate. However, the governor vetoed this bill and the House twice sustained the veto, first on January 22, 1980, and again on February 27, 1980. The photo license program will cost state drivers an additional \$11 million a year.

*****Expanded Free Transit Service For Elderly** -- Monies from the state lottery fund will be earmarked for transportation companies, county transit systems and local transit organizations to subsidize free or reduced fare transit service for senior citizens under provisions of **House Bill 2254**.

This measure and a companion bill, **House Bill 2255**, were approved by the General Assembly and signed by the governor Oct. 17 into **Acts 183** and **184**. **House Bill 2255** amends the state lottery law to permit the subsidization grants which are estimated to cost \$3.8 million.

House Bill 2254 provides for grants to all counties in the commonwealth, other than First and Second Class counties, in 1980-81 and 1981-82 to develop mass transit systems to be used by persons 65 or over on a reduced or free basis. The amount granted for each fiscal year will be computed by multiplying a certain dollar amount by the number of elderly persons in the county. The multiplier is \$9.50 for the first fiscal year and \$4.75 for the second year. Philadelphia and Allegheny counties were not included because they already provide subsidized transportation for senior citizens.

*****Interstate Rail Council** -- **House Bill 2231** became **Act 75** when signed into law June 22, 1980. It established an Interstate Rail Passenger Advisory Council to promote improved rail service between Pennsylvania, Ohio, West Virginia, Indiana, Illinois, Michigan and Kentucky. The council consists of two representatives from each participating state, appointed by the Senate President Pro Tempore and the House Speaker.

*****Handicapped and Veterans Parking** -- **Senate Bill 68** was signed into law on July 11, 1980, becoming **Act 113**. It provides for issuing special parking placards to handicapped persons and disabled veterans. The placards are to be displayed in the front window of a vehicle used by the person for transportation. The law also prohibits vehicles from parking in spaces designated for the handicapped unless they bear handicapped or disabled veteran registration plates or parking placards.

****Pooled Bus Acquisition Program** -- **Senate Bill 381** passed the Senate October 7, 1980, and the House on November 19, 1980. It is awaiting the governor's signature to become law. The measure provides for the commonwealth's participation in a pooled bus acquisition program by amending the Pennsylvania Urban Mass Transportation Assistance Law of 1967. It will permit PennDOT to participate in the program with transportation companies and the federal government, with the latter providing four-fifths of the funding. Remaining costs will be shared by the state (one-sixth) and local sources (one-thirteenth).

The pooled bus purchase program will enable 16 mass transportation authorities in the state to purchase 1,000 new buses, with the cost to the commonwealth not to exceed \$37.2 million. Purchase of spare parts also is included.

*****Inspection Exemptions** -- **Senate Bill 508** was signed into law on June 18, 1980, becoming **Act 67**. It adds a number of vehicles to the list of those exempt from state inspection requirements. These include: Trailers 3,000 pounds or less; mopeds; vehicles being repossessed through the use of various motor vehicle business registration plates; new vehicles being tested.

The law also requires state inspections for mass transit vehicles which transport 15 or more persons.

*****Studded Tires** -- **Senate Bill 696** became **Act 95** on November 10, 1979, without the governor's signature. This law permits motorists to use tires with ice grips, or studs, for a six month period from November until April 1, unless the period would be extended for safety reasons.

The law also provides penalties for violating the time limit.

***Passenger Safety** -- The Senate passed **Senate Bill 703** (49-0) on July 2, 1979. This bill was aimed at ensuring the safety of passengers on public passenger terminals.

The bill also would have prohibited disorderly conduct aboard public conveyances and authorized the removal of disorderly or intoxicated passengers from public vehicles and terminals, along with prohibiting possession of explosives or deadly weapons in terminals or public vehicles.

The bill died in the House Transportation Committee. ***Evasion of Turnpike Tolls** -- **Senate Bill 804** was directed at persons attempting to evade payment of turnpike tolls, providing penalties for those apprehended. The bill passed the Senate (45-0) on October 15, 1979. The bill was reported out from the House Transportation Committee, then re-committed to that committee where it died.

*****Philadelphia Parking Fines** -- **Senate Bill 1005** became **Act 8** on February 15, 1980. This law prohibits the City of Philadelphia from collecting a \$10 charge for costs from any person who pays the \$15 parking fine within eight days of receiving a ticket.

***Blood Test for Alcohol** -- The Senate passed **Senate Bill 1060** on June 3, 1980 by a 48-1 vote. Under this measure, refusal by a person to submit to a breath or blood test to determine the amount of alcohol in his or her body could be admitted as evidence if that person was arrested. It also fixed at 0.10 percent the amount of alcohol in the bloodstream that would make a person under the influence to a point that renders him incapable of driving safely. The bill never was reported out of the House Transportation Committee.

****Turnpike Commission Salary Hike** -- The Senate and House passed **House Bill 2327** and the bill now awaits the governor's signature.

Initially, the bill authorized the Department of General Services to sell to the Turnpike Commission a tract of land in Bensalem Township, Bucks County, to provide for the construction of additional toll booths at the Philadelphia Interchange. It was amended in the Senate to include the salary increase for appointed Turnpike Commission members.

If the bill is signed into law, it will increase the compensation of the commission chairman to \$25,000 annually (from the present \$17,000).

Other appointed members will receive \$23,000 annually (present salary is \$15,000). In addition, salaries of the secretary and treasurer will be increased to \$24,000. The higher salaries apply only to newly-appointed commission members or those re-appointed to new terms.

LABOR AND INDUSTRY

*****Unemployment Compensation** --The severe recession of 1974-75, which sent Pennsylvania's economy reeling with the highest unemployment since the Depression of the 1930s, put the state's unemployment compensation fund in the red. The debt to the federal government reached \$1.4 billion by 1980.

A measure to raise an additional \$550 million next year to begin repaying the debt cleared the Senate by a 31-17 vote and was signed into **Act 108** by the governor July 10. The unemployment compensation proposal inserted in the Senate into **HB 1673** will provide about \$400 million in increased business taxes and about \$150 million through cuts in benefits. Actually, the \$400 million business tax increase will be offset by increases in the federal portion of the UC tax. An anticipated loss of .6 percent in credit for the federal UC tax will mean an additional \$160 million in taxes businesses would have had to pay whether or not HB 1673 was passed. This amount will now be included in the \$400 million state UC tax increase.

The proposal as it came out of the Senate Rules Committee totaled \$500 million, but amendments on the floor to add \$50 million through more benefit cuts discouraged most Senate Democrats from backing the measure.

The new law increases the state UC maximum tax rate from 4 to 4.75 percent the first year, then up to 4.9 percent every year thereafter. Also added is a 1 percent surtax and a credit or penalty based on the unemployment record that pushes the total tax ceiling to 6.5 percent.

The current state UC tax is applied to the first \$6,000 of an employee's earnings. The amended legislation increases the wage base to \$6,300 for 1980-81 and \$6,600 thereafter.

Under the new law, a person must work a minimum of 18 weeks at \$50 a week to qualify for unemployment benefits. Persons who worked 18 to 23 weeks in a given year would be entitled to 26 weeks of benefits. Persons working 24 weeks or more would qualify for 30 weeks benefits. Until now, 30 weeks of benefits applied to anyone unemployed.

Also, under the measure pension payments will be subtracted dollar for dollar from unemployment compensation payments. Additionally, the one week waiting period for benefits is reinstated. Workers will receive benefits for the first week if they are unemployed four or more weeks during the base year.

*****Workmen's Comp for Emergencies** -- **House Bill 421** was signed into law July 11, 1980 and became **Act 121**. It extends Workmen's Compensation Insurance protection to volunteer firemen and ambulance corpsmen while enroute to or from emergencies. Existing law covered those volunteers when they were traveling between their stations and the scene of an emergency. The new law adds coverage if they respond to the emergency directly from their homes or places of business. It also covers paid firefighters who are members of a volunteer fire unit during off-duty hours.

In the past, they had been excluded from such coverage.

*****Children in Motion Pictures** -- **House Bill 2527** (now **Act 62**) updates the Child Labor Law as it applies to motion pictures. It provides for special permits to be issued by the Department of Labor and Industry for minor children age seven to under 18 years of age to perform in motion pictures. Their work would be limited to eight hours in one day or 44 hours in one week. The restrictions may be waived by the department if it is deemed necessary to preserve the artistic integrity of the film, without impairing the health or welfare of the child. The bill became law on June 7, 1980.

****Working Hours for Minors** -- **Senate Bill 1454** was passed by the Senate on July 1, 1980 and by the House on Nov. 18, 1980. It is awaiting the governor's signature to become law. Under this measure, children under 18 will be able to work until midnight on school days. Currently, these minors are permitted to work only until 11 p.m. The bill also would permit 16 and 17 year olds to work until 1 a.m. on Friday and Saturday nights and on school vacation nights. At present, they are allowed to work only until midnight on such nights.

***Agency Shop** -- The "agency shop" bill was passed by the Senate (27-20) on June 27, 1980 but died in the House State Government Committee.

It would have permitted public employee unions to negotiate for "agency shops". This would have required non-union members to pay dues to the union representing their bargaining unit. **Senate Bill 1445** would not have mandated the agency shop, only permitted it to be negotiated

BUSINESS AND COMMERCE

*****Aid to Small Business** - **Senate Bill 1200 (Act 49)** expands the role of the Pennsylvania Industrial Development Authority specifically to aid small businesses in their struggle to remain competitive with larger corporate establishments.

Low-cost PIDA loans are to be made available to small businesses for expansion and renovation and the amount of the loans to small businesses could reach 70 percent of a project's cost depending on unemployment statistics in the area. The previous maximum amount loaned by PIDA to any business was 40 percent of project cost.

A small business is now defined as any industrial, manufacturing, research and development, or agricultural enterprise that employs less than 50 full-time workers. It is estimated that out of Pennsylvania's 202,000 employers a large majority - 180,000 - employ less than 50 full-time workers.

*****Bank Loans** - **House Bill 1805 (Act 51)** provided for an increase in the maximum interest rate commercial banks may charge for direct consumer loans.

Such institutions now have the ability to charge a maximum interest rate of the federal discount rate plus five percent. Previously, the maximum allowable interest rate was the federal discount rate plus one percent.

Additionally, the legislation granted state chartered commercial banks and mutual savings banks the authorization to provide for variable interest rate mortgages, skip payment mortgages, graduated payment mortgages and reverse annuity mortgages - similar to the authority previously granted to savings and loan associations.

*****Auto Financing - House Bill 2393 (Act 53)** provided for an increase in the maximum finance charge auto dealers may levy for dealership financing of new car purchases by consumers.

The new maximum finance charge is tied to a formula indexed to the federal discount rate and applies to dealer direct financing for all new cars and trucks under 15,000 pounds.

The previous maximum finance charge for dealer direct financing totaled seven percent - which translated to an annual interest rate of 12.83 percent for a three year car loan.

Car dealers maintained the increase was necessary in order to maintain dealer direct financing of new car purchases as a viable alternative to other financing options.

****Second Mortgages - Senate Bill 1425**, which was awaiting only the governor's initial action, would authorize, define, and regulate secondary mortgage loans in Pennsylvania.

It would permit banks and savings and loan associations to offer such second mortgages regardless of whether or not they are the holder of the first mortgage on the property.

The measure would permit secondary mortgages of \$50,000 or less on residential property only.

It would allow qualifying financial institutions or other licensed persons to charge a maximum annual interest rate of 17.4 percent on such secondary mortgages.

*****NOW Accounts - Senate Bill 1288 (Act 96)** authorizes state-chartered savings and loan associations to offer interest bearing checking accounts - commonly referred to as NOW (negotiable order of withdrawal) accounts.

It becomes effective January 1, 1981 - the same date that federally chartered savings and loan associations are being permitted under federal law to begin NOW account service.

****Credit unions - Senate Bills 1427, 1428, 1429** all relate to state chartered credit unions. They were awaiting only the governor's final action.

Senate Bill 1427 would ease reserve requirements for state chartered credit unions. Such requirements would now be based on gross income rather than on a basis of net earnings.

Senate Bill 1428 is intended to provide state chartered credit unions with a reliable source of credit to meet cash flow needs by allowing them to invest in an insured central-type credit union to any amount, as determined by the board of directors.

Senate Bill 1429 would allow state chartered credit unions to increase interest rates on consumer loans to 15 percent if approved by at least two-thirds of the credit union's board of directors. The bill stipulates, however, that the authority to increase the interest rate above the existing 12 percent maximum will expire April 1, 1981. Unless continued by further legislation, the maximum interest rate would revert to 12 percent at that time.

***Retail Aid - Senate Bills 1494 and 1495** which passed the Senate, but failed to win consideration by the state House were part of a five-bill legislative package proposed by a special Senate committee which investigated 1979's rash of food store closings in Pennsylvania.

The two bills that cleared the Senate would have:

--directed the state Department of Commerce to expand its programs of tracking and monitoring to

determine those businesses - "including retail and wholesale operations" - which are likely to experience job cutbacks; and

--granted tax exemptions to businesses, including retail, that revitalize deteriorated business property in urban areas.

*****Movie Industry - Senate Bill 702 (Act 14)** of 1979 established new procedures for the bidding and negotiation for motion pictures to be shown in Pennsylvania.

It prohibited the process of "blind bidding" whereby theater owners were in some cases being forced to make large deposits and sign contracts for films that had not been "trade screened" or given ratings.

*****Home Improvement Loans - Senate Bill 825 and 826 (Acts 115 and 116)** of 1979 allowed savings and loan associations and mutual savings banks to make home improvement loans at the same interest rate as that charged on Federal Housing Administration home improvement loans.

JUDICIARY

*****Divorce Reform - House Bill 640 (Act 26)** provides for the first substantial change in Pennsylvania's divorce statutes since 1785. It was one of the most controversial and emotional issue to be addressed by the General Assembly this session.

Key elements of the new law provide for mutual consent and unilateral no fault grounds for divorce, alimony to the dependent spouse where appropriate, and the equitable division of marital property after divorce.

Mutual consent no fault divorce would be granted three months after both parties file a complaint mutually agreeing or alleging that their marriage is irretrievably broken.

The modified unilateral no fault divorce provision would permit one party to obtain such a divorce over the objections of the other spouse, but based on the following conditions:

- both parties had lived separate and apart for at least three years,
- counseling options had been exhausted,
- and, depending on whether the court found, following a hearing on both parties' arguments, that the marriage is irretrievably broken with no reasonable prospects for reconciliation.

Counseling under the unilateral no fault provision would be mandatory if either party requested it. If there are children under the age of 16, the court would have the power to order counseling for the husband and wife regardless of whether or not either party requested it.

The division of marital property, and whether or not there is to be an award of alimony to the dependent spouse, would be based on a wide range of factors - including, but not limited to, the homemaker's contribution to the marriage.

Additionally, the new law retains some previous law which will allow for the continuation of fault grounds for divorce in those cases where there is an injured and innocent spouse. An injured or innocent spouse will still be able to obtain a fault divorce if there are grounds of desertion, adultery, cruel and barbarous treatment, bigamy, imprisonment for a crime and indignities.

*****Juvenile Crime -- House Bill 1850 (Act 12)** marked a legislative attempt to give judges more authority to treat violent juvenile offenders as adults.

The new law makes clear that juveniles with no prior adjudications can be transferred to adult court depending on the seriousness of the crime committed and the degree of criminal sophistication.

Additionally, the measure allows for the fingerprinting and photographing of juveniles alleged to have committed felonies or firearms violations.

Fingerprints and photographs are to be expunged if the juvenile is not adjudicated.

*****School Violence/Pornography** -- The Senate and House adopted, and the governor signed into law (**Act 167**) a conference committee report on **Senate Bill 544** dealing with the separate issues of school violence and pornography.

In an effort to deter assaults on teachers and other violence on school property, the measure makes it a misdemeanor of the first degree, punishable by a prison sentence of up to five years, for assaults on teachers, school board members, or other school employees. The same penalty would apply to anyone found with a weapon on school property. Repeat offenders could face a jail term of up to seven years.

The anti-smut provisions of the new law seek to:

- make it possible for law enforcement officials to make arrests on obscenity charges without the need for a court injunction banning a particular item;
- prohibit bookshops, movie theaters and other businesses from displaying "explicit sexual" materials "where minors, as a part of the general public or otherwise, are or will probably be exposed to view all or any part of such materials";
- increase from two to five years the maximum term of imprisonment for persons convicted of obscenity charges.

****Deadly Force -- House Bill 401** would make it justifiable for homeowners to use deadly force to protect their lives and property if they believed an intruder had made an unlawful entry into their home and if they felt anything less than deadly force was inadequate to terminate the entry.

The bill was awaiting final action by the governor.

Under existing law, it is justifiable for a homeowner to use deadly force against an intruder only if he believed the intruder was going to commit a felony and that deadly force was necessary to prevent it.

*****Drug Paraphernalia -- Senate Bill 634** seeks to crack down on so-called "head shops" by prohibiting the possession, manufacture, and sale of drug related paraphernalia.

The measure won final legislative approval in the last week of the session when the Senate voted to accept House amendments to an earlier version. The governor signed the bill Dec. 4, 1980.

Under the bill, persons found guilty of using, possessing, delivering, or advertising drug paraphernalia would face a fine of up to \$2,500 and/or a jail term of up to one year.

Persons 21 years of age or older found guilty of delivering drug paraphernalia to persons under the age of 18 would face a fine of up to \$5,000 and/or a jail term of up to two years.

The bill defines such paraphernalia as equipment related to the production and use of illegal drugs and it lists numerous examples. The courts are given guidelines to determine whether an item is a drug related device.

*****Attorney General Powers -- House Bill 962 (Act 164)** delineates and defines the duties and powers of Pennsylvania's new office of elected attorney general.

It provides that the elected attorney general will continue to exercise all of the criminal investigation and prosecution powers as his appointed predecessors, including the power to supersede a local district attorney when the state attorney general can prove that the local DA had abused his office by refusing to prosecute.

The attorney general would represent the state in all litigation and would defend the constitutionality of statutes.

In addition, the attorney general would have the following powers and duties:

- to administer the consumer protection laws and to appoint the Consumer Advocate and the Director of

the Bureau of Consumer Protection;

--to render legal advice which shall only be binding on state agencies when such advice was requested by the agency;

--to review for form and legality, all proposed rules, regulations, deeds, leases, contracts and bonds;

--to serve as a member of the Board of Pardons, the Joint Committee on Documents, the Hazardous Substances Transportation Board, the Board of Finance and Revenue, the Pa. Commission on Crime and Delinquency, the Pa. Emergency Management Agency, the Civil Disorder Commission, and the Municipal Police Officers Education and Training Commission.

The attorney general's salary is set at \$55,000.

In addition to establishing the new duties and powers of the state attorney general, the new law also provides for the creation of an Office of General Counsel which would be administered by an attorney appointed by the governor.

The general counsel would advise the governor and appoint assistant~ to advise each "executive agency".

In matters of litigation, the governor's general counsel has been given the authority to intervene at the trial level along with the attorney general.

The general counsel would also serve as chief administrative officer for several agencies, boards, and commissions which previously were within the jurisdiction of the attorney general.

The general counsel would have jurisdiction over the Bureau of Corrections; the Juvenile Court Judges' Commission; Administrator for Arbitration Panels for Health care; Crime Victims Compensation Board; Board of Commissioners on Uniform State Laws; and the State Health Facility Hearing Board.

The general counsel would also have the following powers and duties:

--to initiate or defend legal actions where the attorney general fails to do so;

--to defend litigation brought by the attorney general against the governor or any executive agency;

--to appeal any adverse decisions of the attorney general affecting any executive agency;

--to issue necessary rules and regulations.

The general counsel would also sit on the State Board of Finance and Revenue as would the attorney general.

The general counsel would have the power to review for form and legality, all proposed rules, regulations, deeds, leases, contracts and bonds along with the attorney general.

*****Superior Court Expansion** -- **House Bill 2000 (Act 63)** implemented the November, 1979 voter approval of a constitutional amendment which authorized an increase in the size of the state Superior Court.

The legislation expanded the Superior Court by eight members from its previous seven judges to 15.

The law provides that the eight additional judges are to be appointed by the governor and subject to Senate confirmation. Not more than four of the eight appointees can be members of the same political party. (As of the end of the session, six nominees - three Democrats; three Republicans - had been confirmed by the Senate.)

*****Supreme Court** -- **House Bill 2184 (Act 137)** was intended to help reduce the workload of the state Supreme Court.

The measure limits the mandatory appellate jurisdiction of the state's high court.

Orphan's court matters were to be transferred to the jurisdiction of the recently expanded state Superior

Court. Cases of direct criminal contempt were to be transferred either to the state Superior or Commonwealth Courts depending on the nature of the original action.

The state Supreme Court will continue to have exclusive appellate jurisdiction in the following matters:

- homicide where the death penalty has been imposed;
- the right to public office;
- supercession of a district attorney;
- power of state and local government to create debt;
- constitutionality of state or federal laws;
- attorney discipline.

*****Jury Selection Reform -- House Bill 227 (Act 78)** increases compensation for jurors and provides for comprehensive jury selection reform.

Under the compensation provisions jurors would receive the existing \$9 per day for only the first three days of jury service and \$25 per day for each day of jury service thereafter during the course of any given year.

In an effort to encourage expedient selection of jurors for trials, the state would reimburse the county 80 percent of the juror compensation cost beyond the first three days of service if the juror is participating in a trial by the fourth day.

In other words, the county would only have to pay \$5 per day per juror instead of the full \$25 per day per juror after the third day of a juror's service if the juror had been seated to hear a case by that time.

Additionally, jurors would be compensated for mileage at the rate of 17¢ per mile instead of the existing 7¢ per mile.

The new law also establishes a uniform jury selection procedure for all counties.

In all counties, with the exception of Philadelphia and home rule counties, jury selection commissions consisting of three members would be created to prepare master lists of prospective jurors and to select prospective jurors. The commission's chairman would be the President Judge of the county. The other two members would be elected by the voters.

Home rule counties would be able to choose the composition, method, and manner in which the three member jury selection commission panels would be chosen.

In Philadelphia, which is a home rule county, the jury selection commission could consist of a maximum of six members.

The legislation also provides for:

- the establishment of qualifications for jurors. Primarily, a juror could be any citizen over the age of 18, except if he or she is incapacitated mentally or physically, does not speak English, or has been convicted of a serious crime.
- the establishment of penalties for employers who seek to discourage or prohibit an employee from serving on a jury.
- the establishment of penalties for juror tampering or attempted influence on a juror's deliberations of a case.

*****Victim/Witness Intimidation -- Senate Bill 812**, which was signed by the governor -December 4, 1980, makes Pennsylvania the first state in the nation to enact a clearly defined and stringent law to guard against the intimidation of witnesses and victims of crimes.

Under the measure - force, violence, deception, bribery and conspiracy are outlined as a means of witness/victim intimidation which would be treated as felonies of the third degree punishable by up to seven years imprisonment.

The legislation stipulates that a person would be guilty of witness/victim intimidation and of obstructing criminal justice if:

- he prevents or attempts to prevent a witness or victim from reporting a crime to authorities;
- he forces or attempts to force a witness or victim to give false or misleading information or testimony that would divert or corrupt the criminal justice system;
- he induces or attempts to induce a witness or victim to hold back some of the information they may possess;
- he influences or attempts to influence a witness or victim to avoid service of a subpoena or to ignore a request to come forward; and
- he tampers or attempts to tamper with a witness or victim who is under subpoena to the point that he or she "skips town" to avoid testifying.

*****Change of Venue Alternative -- House Bill 55 (Act 25)** provides courts with the option of impaneling juries from outside the county and transferring them to the local county in criminal cases where the court determines that a fair and impartial jury cannot be impaneled locally.

This alternative to a change of venue for the entire trial is seen as a cost saving measure. Instead of transferring the entire trial - which would necessitate time and travel by witnesses, attorneys, etc. - this will afford local courts the option of having the trial go forward in the county where the crime occurred, while still answering objections to the selection of a jury. The jury would be selected from another county.

All costs for transportation of the jury from another county to the county of the trial would be paid for by the county where the charges were brought.

*****Criminal Information -- House Bill 830 (Act 127 of 1979)** provides for complete access to criminal history record information to anyone.

The information is limited to that collected by criminal justice agencies through criminal proceedings consisting of identification, and dates of arrests and charges, indictments and court decisions.

Intelligence, investigative and treatment information is not accessible.

This measure also provided that a sentencing court may require certain defendants to participate in community service programs as a condition for probation.

****English Rule -- Senate Bill 1367**, which was awaiting the governor's final action, would abolish the so-called "English Rule", a 13th century English legal principle upheld by Pennsylvania case law.

In effect, the bill provides that a person who has been sued without probable cause may now be permitted to countersue for wrongful initiation of civil proceedings.

***Rape and Domestic Violence -- Senate Bills 744, 745**, which passed the Senate but failed to win final consideration by the state House, would have established a statewide Office on Crime Victims with the specific intent of providing for a reliable source of funding for Pennsylvania's 45 local and regional rape crisis and domestic violence shelters.

Funding would have been made possible through the imposition of an . additional \$10 fine on criminals coupled with a \$5 increase in the fee charged for marriage licenses.

*****Bus Driver Protection -- House Bill 1624 (Act 139)** increases the criminal penalties for assaults on the operators of taxi cabs, buses and other public transportation vehicles.

Such an assault committed against a person operating a vehicle used in public transportation is now considered aggravated assault, subject to a maximum penalty of ten years in prison.

*****Additional Judges -- House Bill 960 (Act 106)** provides for an additional 14 judges in various judicial

districts of Pennsylvania.

One additional judge would be seated in each of the following counties; Erie, Bucks, Westmoreland, Chester, York, Lycoming, Lehigh, Mercer, Montgomery, Monroe/Pike, Butler and Lebanon.

Two additional judges are authorized for Delaware County.

***Crime Should Not Pay -- Senate Bill 473**, which passed the Senate but failed to win consideration by the state House, would have mandated that any money a convicted criminal receives from a publishing company or filmmaker for the so-called "inside story" of his crime would be turned over to the state's crime victim's compensation board for distribution to the victim of the crime.

HEALTH AND WELFARE

****Welfare Reform** -- The Senate approved **House Bill 2044**, the welfare reform measure aimed at expanding job opportunities and reducing the number of able bodied recipients, by a vote of 42-5 on Oct. 7. The bill then died when the House failed to concur in Senate amendments.

The Senate-amended bill differed from the plan advanced by the governor and passed earlier in the Republican controlled House which called for the sudden termination of 93,000 people from general assistance whether or not they could find jobs to sustain them.

As approved by the Senate, **HB 2044** provided that general assistance recipients would continue to receive the \$172 a month dole unless they refused available jobs. Certain job incentive programs run by the state were to be expanded to give more welfare recipients the opportunity to drop off the rolls. A key amendment to the bill required all able bodied recipients to accept 50 hours a month of work at municipal, county, or state jobs in their home counties in exchange for their monthly welfare checks.

Another provision of the bill gave a 30 percent income tax credit to businesses that hire recipients.

The bill also contained a provision to appropriate \$28 million to counties for state mandated child services programs. The Welfare Department appropriation for this program had been cut from \$101 million in 1979-80 to \$88 million in 1980-81, a cut which county officials have said imperils continuation of their child services programs.

*****Blood Donations -- Senate Bill 1003** enables 17 year olds to donate blood without having first to obtain parental permission. Before this measure became law, the age of consent in donating blood was 18. This bill was signed into law on June 7, 1980 as **Act 58**.

V Cutbacks and Closings -- Senate Bill 581 would have prohibited the closing of state nursing schools and hospitals, or the cutting back of services and staff without legislative approval .. The state Welfare Department would have to hold public hearings at least 30 days before making a decision to close -- or transfer control of -- any hospital, nursing school or similar institution funded by the General Assembly. Plans to reduce services or staff by more than five percent would also be subject to public hearings. Cutbacks could not be made if either the House or the Senate disapproves.

This bill was introduced last year -- and approved by the Senate -- in direct response to Welfare Department plans to close three nursing schools

--Ashland, Philipsburg, and Hazleton--in the hard coal region. The department was also floating plans to cut about 1,000 jobs by removing full-time chaplains and farming operations, which make up the services at state hospitals.

The department also said it planned to close Retreat State Hospital in Luzerne County, and transfer control of Scranton State Hospital to private hands. Those announcements triggered protests and demonstrations because residents of the affected areas feared the additional loss of jobs would further strain an already poor

employment situation.

The governor's veto of **SB 581** came as no surprise. As soon as the bill was introduced in the Senate, the governor made it known that he planned to veto the measure.

*****Boarding Home Licensing; Welfare Fraud Crackdown** -- **House Bill 552** requires the state to enforce a 14 year old law on the licensing and regulation of Pennsylvania's 6000 personal care boarding homes. Homes in this state have not been inspected for the past 14 years.

Under this new law, the Pennsylvania Welfare Department has three months to submit a preliminary boarding home enforcement program to the legislature, and six months to submit a permanent plan. Under the 1966 law, homes had to be inspected annually. Under this new law, only 75 percent of all homes must be inspected every two years. No home will go more than three years without an inspection.

This law also has an extensive section on Medicaid abuse. It gives the state Welfare Department and the state Justice Department more power over Medicaid fraud. It cracks down on all providers (such as physicians, pharmacists, clinical labs, suppliers, etc.) and recipients who abuse the Medicaid system. It especially aims to curb fraud in shared health facilities. This law sets criminal and civil penalties for a wide variety of prohibited acts by specifying different kinds of fraud.

The governor signed this law on July 10, 1980 as **Act 105**.

*****Health Care Facilities Inspections**--**House Bill 1683** coordinates state inspections of health care facilities other than personal care boarding homes. It establishes a single authority to handle the licensing of various health care facilities throughout the state, such as nursing homes, community hospitals and state hospitals. Until this new law there was much confusion created by the many different licensing laws governing the different types of facilities.

This law also updates the relatively new Certificate of Need -- a federally required law that gives the state final authority to approve hospital expansion projects. Its main thrust is to curb overbuilding of health care facilities and consequently rising hospital costs. Although just recently passed, the federal government has already laid down some new requirements for Certificate of Need. **House Bill 1683** will satisfy those new requirements and save Pennsylvania the risk of losing federal health funds.

This law was signed by the governor on July 12, 1980 as **Act 136**.

*****Wrestling, Boxing** --" **Senate Bill 226** enables 12 year olds to participate in amateur boxing and wrestling matches, provided they receive parental permission. This law also enables 16 year olds to wrestle or box in amateur competition if one state athletic commissioner approves. This bill was signed into law on July 11, 1980 as **Act 114**.

*****Amending Public Welfare Code** -- **Senate Bill 502** deletes the requirement that the Commissioner of Mental Health have at least seven years training and experience in the care of patients and requires instead that the commissioner only have broad administrative experience in the mental health field. It also takes away the commissioner's entitlement to a five year term.

Secondly, this law stipulates that no general assistance shall be paid to any full-time student at a college or university who has not participated in a federally-subsidized program for dependent children within the past five years.

This law was signed on December 7, 1979 as **Act 102**.

****Drug, Alcohol Treatment** -- **Senate Bill 579** would require that alcohol and drug dependent persons receiving public assistance participate in existing treatment programs if they cannot work. The Senate non-concurred in House amendments and the House took no further action.

***More Welfare Crackdowns** -- **Senate Bills 587,588 and 589** deal with cracking down on public

assistance fraud.

Senate Bill 587 would increase the penalties for public assistance fraud.

Senate Bill 588 would provide that the penalty provisions of public assistance fraud be printed on small cards and given to every applicant or recipient of public assistance and be read to the applicant by the caseworker.

Senate Bill 589 would provide that anyone convicted of giving false information on an application for public assistance will be ineligible for cash or medical assistance for one year.

These bills passed the Senate Nov. 1, 1979 and died in a House committee.

****Anti-Abortion Funding, Youth Service Funding -- Senate Bill 1436** would bar the state from funding abortions, except in cases of rape, incest or when a mother's life is in danger. It would also appropriate about \$28 million to county children and youth services across the commonwealth. This bill was in the hands of the governor on November 19, 1980.

***Removing Welfare Liens -- Senate Bill 1** would remove all existing liens and prohibit future liens the Welfare Department places on the homes of people on general assistance or Aid for Families with Dependent Children.

It passed the Senate Nov. 14, 1979 and died in the House Appropriations Committee.

*****Eastern Pa. Psychiatric Institute -- House Bill 396** -- a conference committee report -- authorizes the state Welfare Department to contract with one or more medical schools to operate the Eastern Pennsylvania Psychiatric Institute, located in Philadelphia. This bill also authorizes the leasing of certain property for the purposes of the institute. The governor approved this bill on December 3, 1980 as **Act 185**.

*****Certificate of Need -- House Bill 308** implements requirements of the federal health facilities planning laws by establishing a central health planning agency (the Department of Health) and setting guidelines for a program to control hospital expenditures. permission of the department would be needed before a health facility could make a capital expenditure or add a new service. This measure was signed into law July 19, 1979 as **Act 48**.

*****More Money for the Blind -- House Bill 1222** gives a \$60 per year increase to blind Pennsylvanians receiving state blind pensions. The bill also raises the annual eligible income from \$4200 to \$4260. This bill was signed on April 6, 1980 as **Act 37**.

****Updating Optometry Licensing -- Senate Bill 770** essentially creates a new Optometric Licensing statute. This bill expands the powers and duties of the Board of Examiners. Under this law, beginning in 1982, optometrists applying for license renewal will have to submit proof that during the proceeding two years they have satisfactorily completed 24 hours of approved professional education. This bill was signed into law on June 6, 1980 as **Act 57**.

*****Emergency Medical Systems -- House Bill 657** reenacts the , Emergency Medical Services Systems Act of 1976 to fulfill the requirements of a "sunset" provision in the original act. The act provided a grant program for aiding local emergency medical services such as ambulance services and hospital emergency rooms. This bill was signed into law on July 13, 1979 as **Act 44**.

*****Flood Grant Extension -- Senate Bill 501** provided for an additional 60 days for applying for aid for victims of the 1977 Johnstown flood. The governor signed this bill on June 28, 1979 as **Act 19**. The deadline was extended to Sept., 1979.

*****Mongolism -- House Bill 1845** forbids the use of the terms "mongolism" and "mongoloid" in any statute, ordinance, rule or regulation.

The term "Down's Syndrome" would be used instead. This bill was signed into law on Oct. 10, 1980 as **Act 149**.

****Health Maintenance Organizations -- Senate Bill 1509** would substantially enlarge the kind of entities that could run Health Maintenance Organizations. Health Maintenance Organizations will provide, for a premium (usually monthly), preventive-oriented health care services. As it is now, only non-profit organizations can run HMOs. Even hospitals are excluded.

SB 1509 would enable hospitals and other profit-oriented corporations to run HMOs. The governor has until December 20, 1980 to sign this bill.

AGING AND YOUTH

***Prescription Break For Elderly --Senate Bill 681** would help Pennsylvania's senior citizens to meet the rising cost of medication. Eligible senior citizens would pay only the first four dollars of a prescription's cost, and the state would pay the remainder. To qualify, a person would have to be at least 65 years old, and not already receiving aid under the Medicaid program

His income, if single, could not exceed \$7500 a year, and, if married, could not exceed \$9000 per year. The \$64 million program would be funded by the general fund.

***Child Protection --Senate Bill 526** would extend to neglected children the same kinds of protection and treatment services now available to abused children. In addition, law enforcement officials would be given direct access to records in cases which result in a child's death, where sexual abuse is evident, or where the perpetrator is not related to the victim.

***Hiring the Elderly--Senate Bill 478** would give preference to any qualified person at least 60 years old when hiring for administrative or executive positions in county-administered or state-administered programs to aid senior citizens. Preference could not be given if it violates existing contractual, constitutional or civil service provisions.

***Adoption Package--Senate Bills 235, 237, 238** are aimed at providing children who are placed out of their own homes with a permanent and stable family life. Each bill addresses a different problem.

Senate Bill 235 would mandate a review system for all children in placement. That review system would be judicial--an arm of the court. Also included in the bill are provisions for a tracking system and a statewide Advisory Board.

Senate Bill 237 would provide for adoption subsidies for children with special needs--physical or mental handicaps, children over the age of five, or children with siblings who must also be placed.

Senate Bill 238 would establish an Adoption Resource Exchange within the state Welfare Department, which would be responsible for finding adoptive parents for hard to place children, such as those whose parental rights have been terminated. One way this would be accomplished is by a photo exchange.

The name of the exchange would be changed to PACE, to comply with the name the Welfare Department already uses.

*****Recodification of Adoption Law --House Bill 213** overhauls the state's adoption laws to reflect recent court decisions and to address problems surrounding parental rights, the rights of children and, for the first time in state history, the rights of unwed fathers.

The U.S. and Pennsylvania Supreme Courts recently ruled that both parents must agree to place their child for adoption before the child can be given up. **House Bill 213** requires that a father be given sufficient notice that the mother intends to give up the baby, so he has time to claim paternity and, if he wants, to try to block the

adoption proceeding.

Under **House Bill 213**, if a parent wants to relinquish his rights, he - must appear in court so the court can determine whether the parent is fully aware of what he's doing and is doing so voluntarily. This is especially aimed at juvenile parents.

Under **House Bill 213**, if a foundling is being kept in an agency and the identities of the parents cannot be found and the parents don't come forth to claim the baby within three months, then the rights of those parents can be terminated.

If a court takes a child from its parents for at least six months and it is determined that conditions which led to that action haven't been remedied, then parents may lose all their parental rights because the child's needs and welfare are given primary importance.

Under this new law, a child may be placed for adoption before adoptive parents are lined up to take him.

Finally, in the case of involuntary termination of parental rights, the court would be required to appoint" legal counsel for the child.

House Bill 213 became law on October 15, 1980 as **Act 163**.

URBAN AFFAIRS AND HOUSING

*****Condominium Regulations** -- **Senate Bill 65** regulates the conversion of apartments into condominiums, as well as the construction, operation and sale of new condominium units. It contains provisions concerning both tenant and developer, including:

- that elderly people can remain in conversion-slated apartments for two years before deciding whether to buy into a condominium or move;
- that developers are required to provide at least one year's notice of conversion;
- providing for developers' warranties of improvement;
- that developers are forbidden to harass tenants into moving from buildings slated for conversion;
- that developers are prohibited from offering, for at least six months, a converted unit to a person other than the tenant at a price lower than that offered the tenant.

*****Neighborhood Preservation** -- **House Bill 1753** excludes Pittsburgh from the Historic Districts Act, so Pittsburgh can set up its own system for protecting historic neighborhoods and districts (by preserving architectural features, etc.). This was signed into law on June 22, 1980 as **Act 74**.

***Business Expansion and Jobs** -- **Senate Bill 1092** would give businesses located in economically distressed areas a three percent credit on corporate net income taxes if they improve their facilities and if they hire at least ten residents from the immediate area. A business could receive credits on corporate net income taxes for capital equipment investments.

The credit against taxes would be computed at a rate of two and one half percent in expenditures for building, machinery and equipment. The credit ceiling would be \$200,000. The bill passed the Senate unanimously October 6, 1980. It died in the House Business and Commerce Committee.

*****Housing Authority Police Protection** -- **House Bill 200** gives Philadelphia Housing Authority security officers the same powers as police officers. **House Bill 269**, a companion bill to **House Bill 200**, requires housing authority security officers to go through training under the municipal police officers training act.

Both laws were signed on October 5, 1980.

*****Condominium Swimming Pools** -- **Senate Bill 223** allows condominiums to operate their swimming pools without lifeguards on duty. This law was signed on July 12, 1979 as **Act 40**.

*****Expediting House Sales** -- **Senate Bill 224** changes the way the city of Pittsburgh sells homes for delinquent property taxes. This law was prompted by complaints about the enormous amount of red tape involved in Pittsburgh's "Great House Sale", in which homes being held for delinquent property taxes were sold at token prices to the first bidders. For example, transfer of titles took an unusually long time. This new law reforms certain procedures in the sale of homes with delinquent property taxes, so that homes can be resold in a more expeditious manner. This law was signed on December 13, 1979 as **Act 109**.

***Acquiring Blighted Property** -- **Senate Bill 225** would allow any urban redevelopment authority to acquire blighted properties for both commercial and industrial use. Current law allows the property to be used only for residential purposes. The bill passed the Senate 48-0 March 20, 1979, but died in the House Urban Affairs Committee.

***Creating Special Fund** -- **Senate Bill 546** would restrict the use of fees collected from industrial housing inspections just for inspections.

As it is now, the fees collected from those inspections go into the general fund. This bill could require that the fees go into a special fund established for the inspections. Thus, if such a fund is found to contain a surplus, the inspection fees could be reduced when it comes time for the next inspection.

Senate Bill 546 won unanimous Senate approval May 22, 1979, but died in the House Appropriations Committee.

ENVIRONMENTAL RESOURCES

*****Hazardous Wastes** -- **House Bill 1840 (Act 97)** is a comprehensive proposal providing for the strict control of waste disposal in Pennsylvania.

The legislation, which underwent exhaustive study in the Senate Environmental Resources Committee, is primarily aimed at addressing the problem of hazardous and toxic wastes.

Stiffened penalties are provided for the illegal dumping of such substances in an attempt to eliminate the so-called "midnight hauler".

Criminal penalties for illegal dumpers range from summary offense fines of \$100, to more serious offenses - including those which would be categorized as first degree felonies with maximum punishment including fines of up to \$500,000 per day for each violation and/or imprisonment of up to 20 years. The previous maximum fine was \$300 per day.

While recognizing the need to crack down on the illegal dumper, the new law - the subject of lengthy debate in both the Senate and House - also recognizes that Pennsylvania, as a major industrial state, is in need of legal and safe disposal sites. The legislation establishes a procedure for "siting" such disposal facilities.

Additionally, while creating numerous licensing and regulatory controls for the transportation, storage, treatment and disposal of industrial and hazardous wastes, a tracking system is established to monitor such waste from its creation to its disposal.

A waste abatement fund is established. All fines, penalties and bond forfeitures would be paid into the fund for the abatement or elimination of present or potential hazards resulting from the improper treatment or disposal of wastes.

*****Coal Primacy** -- **Senate Bills 988, 989, 990, 991, 992**, which have now been signed into law, give the state primary responsibility for implementing provisions of the 1977 federal Surface Mining Control and Reclamation Act in Pennsylvania.

The legislative package provides for:

- the further protection of landowners from mine subsidence;
- the designation of areas unsuitable for mining or coal refuse disposal;
- an upgrading of mine reclamation programs;
- improved tracking of the corporate structures of mining companies to prevent the issuance of mining permits to irresponsible operators;
- the requirement of performance bonds for all surface effects of underground mining;
- an expansion of citizen input opportunities in the issuance of mining permits, bonding, inspections and enforcement;
- revised penalties and enforcement provisions; and,
- anti-conflict of interest provisions for regulatory agency employees.

Additionally, the measures will allow Pennsylvania to recoup more than \$30 million in federal abandoned mine reclamation funds paid to the federal government in the form of a tax on Pennsylvania coal.

****Energy Conservation -- House Bill 80**, which was awaiting final action by the governor, would provide for the establishment of energy conservation standards to be used in the construction of new homes and businesses.

The measure would also apply to major renovations of existing structures.

A 12-member Building Energy Conservation Committee is to be appointed by the governor, which would work with other existing government agencies, to approve any modification of standards or any new ones so that the latest and most effective energy conservation technology is applied now and in the future.

***Three Mile Island -- Senate Bill 600**, which cleared the Senate May 22, 1979 but was never acted upon by the state House, came in the wake of the March 28, 1979 nuclear mishap at Three Mile Island.

It would have placed a statutory moratorium on the development of additional nuclear power plants in Pennsylvania until:

- a radioactive waste disposal plan had been adopted by the Nuclear Regulatory Commission; and
- the NRC had adopted standardized plans and specifications for design and construction of nuclear power facilities.

Additionally, the state Department of Environmental Resources would have been given the authority to shut down any nuclear power facility that poses a danger to the health and welfare of Pennsylvania residents - authority which now rests solely with the NRC in Washington.

Other provisions of the bill would have required that:

- nuclear power plants currently under construction would have to be certified by not only the NRC, but the state DER before they would be allowed to operate;
- a resident nuclear engineer would be appointed for each nuclear reactor in Pennsylvania to be paid for by the operators of the plant; and
- DER would provide and maintain monitoring devices to measure radiation within a 20 mile radius of each nuclear power facility in Pennsylvania.

***Who Should Pay -- Senate Bill 632**, which cleared the Senate May 30, 1979 but was never acted upon by the state House, would have required the state Public Utility Commission to make a determination of who was at fault for the mishap at Three Mile Island and that costs related to the accident be borne by those determined to be at fault.

Specifically, it was intended to prevent any costs related to the accident from being passed on to the consumer who clearly was not at fault.

*****Oil and Gas Royalties -- Senate Bill 568 (Act 60 of 1979)** guarantees Pennsylvania property owners a one-eighth royalty on oil and natural gas discovered on their property.

Previously, some property owners were receiving as little as \$1 per acre for leasing the land to oil companies, and nothing else.

***Energy Council -- Senate Bill 298**, which passed the Senate July 10, 1979 but was never acted upon by the state House, would have transformed the Governor's Energy Council into a statutory body with the legal authority to allocate fuel and energy sources during emergencies.

Additionally, the council would have been given the power to monitor energy supplies on a continuing basis, develop an early warning system to prevent critical energy shortages, and evaluate policies and recommend policy changes regarding energy prices and rates.

***TCE Ban -- Senate Bill 1004**, which failed to win consideration in the state House, would have placed a ban on the distribution, sale, and use of chemical trichloroethylene (TCE) in Pennsylvania.

The substance, a degreaser used in some septic tank and sewage system cleaners, had been linked to well water contamination.

The bill would have also set forth a requirement that all sewage system cleaners be properly labeled.

AGRICULTURE AND RURAL AFFAIRS

****Horse Racing --Senate Bill 414**, as amended by a Senate-House conference committee, was intended to promote a financially "healthier" horse racing industry in Pennsylvania. The last day for action by the governor is December 20, 1980.

The measure would reduce the amount of revenue Pennsylvania government receives from horse racing and shift what is lost by the state to the benefit of the industry. It was estimated that the state would sustain a \$9.8 million annual loss upon final implementation of the proposal over a 3 year period. Proponents of the measure suggested that the state stands to lose much more than the cost of the bill if nothing is done to offset serious financial losses at a number of Pennsylvania's race tracks.

Specifically, the proposal provides that harness racing associations would receive an additional .5 percent of the amount wagered each day beginning July 1, 1981. They would receive another additional .5 percent beginning on July 1, 1982, another .5 percent beginning July 1, 1983. The amount of revenue generated for Pennsylvania would be reduced by the same amounts. Horse (thoroughbred) racing associations would receive an additional 3 percent of the amount wagered each day beginning July 1, 1981. They would receive another additional .3 percent on July 1, 1982 and an additional, 4 percent on July 1, 1983. An identical reduction would be made in the amount generated for Pennsylvania.

In an effort to encourage the race horse breeding industry in Pennsylvania, the measure would also provide for an increase in prize money for winners of races involving Pennsylvania bred horses.

Additionally, the measure provides for a shift in funding for the Philadelphia School District. Presently, the Philadelphia School District receives 4 percent of the amount wagered each day at Liberty Bell race track.

Under the measure, the percentage amount would be eliminated and the Philadelphia School District would receive a set amount of \$3.5 million each year from horse racing in Pennsylvania.

*****Milk Producers Security Fund --Senate Bill 1287 (Act 104)** provides for the establishment of security funds for milk producers and dairy cooperatives and other measures to protect dairy farmers from losses because of defaults by purchasers.

The new law stipulates that milk dealers are required to pay for milk purchased or received from producers within 50 days from the time of purchase.

The Milk Marketing Board could shorten that time period whenever appropriate. Proprietary dealers are given three options to protect the income of dairy farmers:

- pay one cent per hundredweight (approximately one penny for every 42 quarts of milk) into a special reserve fund to be administered by the Milk Marketing Board;
- increase bonding from the present minimum of \$200,000 to the maximum amount owed at anyone time during the preceding year;
- or, put up adequate collateral or security to the maximum amount of money owed at anyone time during the preceding year.

Cooperative dairy associations acting as dealers may elect to participate in a cooperative milk security fund which would also be funded by a one cent per hundredweight charge.

The proprietary security fund is proposed to be \$4,000,000. If a cooperative security fund is established its stated goal is \$2,000,000.

*****Protecting Prime Farmland**--**Senate Bill 276 (Act 100** of 1979) restricts the taking of prime farmland for highways or landfills unless a special committee created by the legislation determines there is no feasible or prudent alternative.

****Farm Tax Break** -- **House Bill 1176**, which was awaiting the governor's final action, provides that agricultural land or forest reserve that would continue to be used for such purposes would be valued for transfer inheritance tax purposes according to that use not at the prevailing real estate market. value.

*****Our Farmland** -- **House Bill 1778 (Act 39)** restricts foreign purchases of Pennsylvania agricultural land.

The new law prohibits any non-resident alien or foreign government from buying interest in more than 100 acres of farmland in Pennsylvania. It also provides that any alien who ceases to be a resident of the state must dispose of any property owned in Pennsylvania within three years.

CONSUMER AFFAIRS

***Nuclear Emergency Notifications** -- **Senate Bill 683** would require operators of nuclear facilities to immediately notify the County Emergency Management Agency and the Pennsylvania Emergency Management Agency in the event of any nuclear incident. This bill broadly defines emergency nuclear incidents, ranging from "the threat of an uncontrolled release of a small quantity of radioactive materials" to "an incident causing the widespread dissemination of radioactive materials". The Senate approved **SB 683** unanimously March 25, 1980. It was tabled in the House.

*****Taxis for Philadelphia** -- **House Bill 1799** doubles the maximum number of taxi cab licenses in Philadelphia. In two-and-a-half years, the Public Utility Commission could license up to 2,000 cabs. This law also gives the PUC power to rescind or revoke the licenses of cabs not operating at least 50 percent of the time over any consecutive three month period.

The PUC is required to re-evaluate Philadelphia's taxi cab needs in two years. **HB 1799** was signed into law June 19, 1980 as **Act 69**.

***Returning Phantom Taxes** -- **Senate Bill 1525** would force Pennsylvania's electric utilities to return an estimated \$95 million in so-called "phantom taxes" to customers.

Among its major provisions, the bill would:

- stipulate that the only income tax expense a utility may collect from ratepayers is the income taxes "paid or payable";
- prohibit utilities from "normalizing" state income taxes;
- provide that utilities only defer up to a 30 percent tax rate on the accelerated depreciation of facilities as

opposed to the 46 percent tax rate they presently enjoy; and

--require the state Public Utility Commission to devise a plan by which the state's public utilities would return "in the fairest and most expeditious manner" all deferred taxes not specifically protected by sections of the federal Internal Revenue Code.

The bill won Senate approval (30-17) September 30, 1980, but died in the House Finance Committee.

***Municipal Utility Rates -- Senate Bill 1374** prohibits the Public Utility Commission from controlling rates on municipally owned utilities unless rate increases for customers outside the municipality are greater than those for customers in the municipality. Under the bill, when a rate increase is the same for residents of the municipality and customers outside, PUC approval is not required. Currently, a municipally owned utility must receive PUC approval to raise rates for customers outside the municipality.

The bill passed the Senate unanimously October 1, 1980. in the House Consumer Affairs Committee.

***Further Reform of PUC -- Senate Bill 411** would further implement reform of the Public Utility Commission. Changes would include:

--strengthening the authority of administrative law judges to decide utility rate cases in the first instance;
--use of the original cost system for determining a utility's rate base in place of a long, outmoded fair value system; and
--clarification of the procedure for communications between representatives of the PUC and regulated utilities.

Senate Bill 411 passed the Senate 34-15 June 26, 1979.

In the House it was recommitted to the Consumer Affairs Committee.

*****Receiver for Overdue Utility Bills -- House Bill 1475** turns rent payments over to a court-appointed receiver if a landlord becomes two or more months behind in paying his utility bills. The money is then paid to the utility companies. This law was signed on July 20, 1979 as **Act 57**.

INSURANCE

*****Insurance Coverage for Chiropractic Services -- Senate Bill 43** puts chiropractic services in the same league as other medical services for insurance coverage. It gives an insured the option of choosing chiropractic treatments over other forms of medical treatment, and getting reimbursed by his insurance company. While Medicare recognizes chiropractic care as a viable medical alternative, until this law was passed other insurance corporations, such as Blue Shield, did not. The law also stipulates that if an insured opts for inclusion of chiropractic services under his plan, his premiums should not be substantially affected. This law was signed on October 10, 1980 as **Act 151**.

*****Handling Medical Malpractice Cases a New Way -- Senate Bill 846** addresses the problem of severe backlog of medical malpractice cases waiting to be settled by state arbitration panels by reforming the way panels operate, specifically, by trimming the number of panel members from seven to three. Instead of six persons (two attorneys, two health care providers and two lay persons) serving on a panel, three persons now serve on a panel.

It was virtually impossible to get six persons together at one time to review any cases. It is much easier with three.

The law also stipulates that if a panel is not selected within 90 days after a Certificate of Readiness is filed, the case automatically goes to Common Pleas Court. This law was signed on December 14, 1979 as **Act 128**.

*****Individual Deferred Annuities -- Senate Bill 1135** is a model act revising the way insurance

companies calculate interest rates and payments.

It provides requirements for non-forfeiture benefits to individual deferred annuities. Annuities are insurance policies which provide monthly payments at some future time. Non-forfeiture benefits refer to the insured's equity which has accumulated under the policy, in the form of cash or paid-in-full insurance, when the insured discontinues premium payments.

This law provides new required provisions that each annuity contract must contain, such as the mortality table used to compute rates, interest rates used and cash surrender value used.

This law provides purchasers of annuities with the same benefits given to purchasers of life insurance policies. Because of favorable tax treatment, and, because of high interest rates, these policies are much in demand. This law, essentially, regulates the resultant expanded business.

The bill was signed on July 3, 1980 as **Act 89**.

*****Standard Non-Forfeiture Law for Life Insurance -- Senate Bill 1137** raises the rate of interest used in calculating cash surrender values and paid-up non-forfeiture benefits to five and one-half percent, for policies issued after this law takes effect; four percent on policies issued between June 23, 1976 and the effective date; three and one-half percent for policies issued before June 23, 1976. This same interest schedule is applicable to industrial insurance policies. Also, for ordinary insurance issued for women, adjusted premiums and present values can be calculated to an age six years younger than the actual age of the insured, instead of three years younger. If, for any reason, the insured stops paying on his policy, the company cannot cut off his equity. This law was signed on July 3, 1980 as **Act 90**.

***Single Premiums for Credit Insurance** -- Current insurance regulations prohibit selling credit life and credit accident and health insurance policies for anything financed longer than 10 years. Mobile homes sold on credit are financed from 12 to 15 years. **Senate Bill 1141** would permit the sale of these types of insurance for longer than 10 years.

Insurers could charge a single premium for credit insurance for the entire period of the loan. Currently, these policies must be paid at once; there is no financing program.

The Senate passed **SB 1141** July 1, 1980. It died in the House Insurance Committee.

*****Computation of Reserve Liability -- Senate Bill 1162** overhauls an existing law, in light of inflationary pressures on the life insurance industry. With this new law, Pennsylvania insurance companies can better compete with companies of other states. This law makes technical corrections to the law regarding the calculation of reserves for life insurance policies and annuities issued by life insurance companies. It allows for the use of more recent mortality tables and higher interest rates. This law was signed on July 3, 1980 as **Act 92**.

****Insurance Consultation Services Exemption -- Senate Bill 1406** would provide immunity from liability if an agent or company decides to inspect someone's property before issuing an insurance policy. The insurer's liability for such services would be limited. The company or agent inspecting the property would not be liable for any conditions discovered unless it would be determined in court that the insurer was grossly negligent or acted with malice.

A House amendment mandates that the insured must be told the insurer's liability is limited. The governor has until December 19, 1980 to sign this bill.

*****Higher Premiums -- Senate Bill 1246** allows insurance companies to charge a maximum of eight percent on endowment insurance policies where premiums are paid monthly or at shorter intervals. The interest for overdue premiums cannot exceed eight percent either. Until this law, the ceiling was six percent. A person, corporation or other aggrieved party can, within 30 days, appeal a classification of risks set by the state Insurance Commissioner, if, for example, the party feels that the commissioner has classified him as too high a risk. This law was signed on July 1, 1980 as **Act 84**.

****Arson Investigations -- House Bill 1106** permits insurance companies to open their files to authorized agencies such as police, fire, FBI, prosecuting attorneys and the Bureau of Forestry investigating arson. Insurance companies would be immune from prosecution. The insurance companies could initiate contact with the agencies and the agencies could also initiate contact; in this case, the insurance companies would have to turn over all relevant information deemed necessary to the investigation especially any history of prior claims. This bill was signed into law on July 2, 1980 as **Act 85**.

*****Saving CAT Fund from Extinction -- House Bill 2204** is an emergency law which saves the Medical Malpractice Catastrophe Loss Fund from extinction. Due to more expeditious handling of medical malpractice cases, the CAT fund was expected to dip well below seven and one half million dollars, in which case it would have gone out of existence. The legislature had to pass a law to save the fund from such bankruptcy.

This law allows the fund to cover the excess liability of health care providers involved in suits which are filed out of state, in federal court, or where they are added as defendants in other cases.

The law also:

- proposes a yearly surcharge in January and an emergency surcharge in September, when it is necessary to save the fund. The state Insurance Commissioner would set the surcharge;
- requires health care providers to carry higher basic coverage in order to cover the increase in pay-outs by the fund;
- requires the Joint Underwriting Authority, which provides health care practitioners with their basic insurance, to reimburse the CAT Fund for its losses.

The governor signed this on October 15, 1980 as **Act 165**.

EDUCATION

***Residency Requirements Prohibited -- Senate Bill 449** prohibits any school district from requiring teachers or other employees to reside within the district as a condition of employment. About 15 school districts, including Philadelphia, have such a requirement. The measure passed the Senate 40-10 on June 12, 1979. It was never reported from the House Appropriations Committee.

***School Strikes --** A new set of bargaining deadlines between public school employees and school boards would be created by **Senate Bill 1061**.

The deadline would be the end of a fiscal year (usually July 1) instead of the "budget submission date." Mediation and fact finding, if necessary, would occur before the middle of summer, not when school starts.

Either side or the Pennsylvania Labor Relations Board could initiate fact finding if no contract is reached by the 30-day point. If a fact finder's report were rejected, it would be published with a statement of who accepted it and who rejected it. The measure won approval in the Senate September 23, 1980, but died in the House Education Committee.

*****Graduation Despite Bad Weather --** Previous law required a special legislative act each year that severe weather, natural disasters or other emergencies prevented a district from providing a full 180 days of instruction. **Senate Bill 1254** allows seniors to graduate on time and schools to receive full subsidy, without special acts, if they make a bonafide effort to provide the full 180 days.

House amendments provide up to \$5,000 rewards for information leading to conviction for crimes on school property; provide that a Public Welfare appropriation for intermediate unit contracts with private rehabilitative institutions shall continue until June 30, 1981; and provide that a Revenue Department list of school district residents who filed state income tax forms shall determine the official taxable income for that district.

The governor signed the bill into law June 30, 1980 to become **Act 80**.

*****Rules Changed for IU's** -- Intermediate units with more than 13 school districts could increase their boards of directors to 20 members under **House Bill 11**. IU's annual conventions could be held any time between February 1 and June 30, instead of just in April, and officers could be elected by mail ballot. This bill became **Act 30** when signed April 6, 1980.

*****Emergency School Closings** -- **House Bill 36** allows schools within five miles of Three Mile Island to receive full state subsidies and to keep the same graduation dates even though they completed only 174 school days because of the nuclear plant accident. The bill authorizes schools closed because of weather emergencies to keep graduation dates and permits out-of-state field trips. It became **Act 7** when signed on May 11, 1979.

*****School Subsidy Increase** -- **House Bill 140** increased state school subsidies by \$122 million. No district received less funding than it received for the 1978-79 fiscal year. Districts were to reopen budgets to reduce taxes, restore discontinued programs or make other budget adjustments.

The measure also increased medical and dental service subsidies from \$5.70 to \$11.40 per student, increased reimbursement for nonpublic school student transportation from \$20 to \$35 per student, and added \$5 per pupil to the reimbursement for vocational programs.

House Bill 140 was signed into law as **Act 41** on July 13, 1979.

****Non-public School Aid and Residency** -- A heavily amended version of **House Bill 821** was returned to the House for concurrence in amendments late in the session. The measure increased the ceiling on aid to non-public schools for textbooks from \$20 per pupil to \$27. It prohibited school districts from requiring teachers or other employees to live in the district, although employees could be required to live in Pennsylvania.

Other provisions require school board members to be registered voters and allow intermediate units made up of less than 13 school districts to elect one at-large member to the IU's board of directors. School employees could be elected school directors in the district where they live, even if that district and one which employs them jointly operate a vocational school, community college or intermediate unit.

The House failed to concur or non-concur In Senate amendments before the session ended.

****Pittsburgh School Classification** -- Despite population decreases expected in the 1980 census, Pittsburgh would still be classified a First Class A school district under **House Bill 2256**. A Senate floor amendment changed the minimum population for First Class A from 500,000 to 350,000. The change will protect certain powers, prerogatives, and funding which the Pittsburgh school system enjoys as a First Class A district.

Otherwise, the system would have competed with Second Class districts.

No other school districts are affected.

The original provisions of the bill require a guarantee or actual advance payment of tuition and transportation costs for out-of-state students enrolled in school district or intermediate unit programs. The governor has until Dec. 20 to act on the measure.

****Aid to Community Colleges** -- Subsidies for each community college student will increase beginning with the current school year under **House Bill 419**. Subsidies will go from \$1,500 to \$1,800. In determining state reimbursement for operating costs, federally funded programs in which Pennsylvania matches funds will be subtracted from total operating costs eligible for reimbursement. Unlike a Senate measure increasing community college subsidies (**SB 985**) which the governor vetoed, this bill does not include an increase in stipends for non-degree students in technical and vocational training.

Another section of this bill brings submission of community college budgets under the Public Agency Open Meeting Law. The last day for action by the governor is Dec. 19.

STATE GOVERNMENT

*****Election Code Revisions** -- A measure providing a "no preference" column for president in primary elections became **Act 63** when signed into law July 21, 1979. **Senate Bill 208** also requires two voting machines for one party in Philadelphia polling places during primaries, if the candidates for one party fill an entire machine, and requires explanations of campaign finance disclosure requirements be given to candidates. County commissioners would be prohibited from serving on elections boards when a question involving a home rule charter is on the ballot.

***State Energy Conservation** -- Because of House inaction the Department of General Services failed to obtain new energy related powers.

Senate Bill 487 would have required mandatory energy saving standards for construction projects funded wholly or partially by the state. Coal and solar energy use would have been encouraged. **SB 487** won unanimous approval in the Senate December 5, 1979, but died in the House State Government Committee.

*****Ballot Withdrawal Deadline** -- **Senate Bill 543** changes the deadline for a nominee's formal withdrawal from a special election ballot from three days to seven days after the last filing date. It also changes the deadline for withdrawal from a primary race to 15 days after the last filing day. The measure became **Act 127** when signed on July 11, 1980.

***Limits on Honorariums** -- The House refused to agree to a Senate measure to limit the size of honorariums which state employees or elected officials could accept for appearances or speeches. **Senate Bill 650** would have set a \$500 maximum for any appearance or speech and limited total honorariums to \$10,000 for any year. Appointed officers earning less than \$15,000 would not have been affected. Although the Senate approved the bill 37-10 on July 10, 1979, the House State Government Committee failed to act on it.

*****Additional Election Code Revisions** -- **Senate Bill 764**, which was signed into law July 12, 1980 to become **Act 134**, made several changes in the Election Code. Candidates may appoint two poll watchers in each district in all elections, not just the primary. Political party members cannot run as independents in general or special elections. The deadline for filing nomination papers is closer to the primary date and absentee ballots are easier to obtain. The bill also increases the minimum political contribution which requires a firm doing non-bid government work to file a report.

*****Racetrack Hiring** -- **Senate Bill 890** prohibits horse racing tracks from employing a police officer or a paid employee of any other law enforcement agencies of the municipality in which the track is located. It also equalizes the "take out" for all harness racing tracks in the state.

The bill became **Act 119** on July 11, 1980 with the governor's signature.

***Signatures on Nominating Petitions** -- **Senate Bill 984** would have increased the number of signatures needed on nominating petitions for the offices of president, U.S. senator, U.S. congressman, state senator and representative, state-wide offices, judge of a court of record, city and county offices, district councilman, district delegate, state committee member, all other local government offices, school districts, magisterial districts and constables. The bill would establish filing fees and require the Secretary of the Commonwealth to assist persons filing petitions in determining the number of signatures required. The measure won approval in the Senate (29-19) on January 29, 1980 but died in the House State Government Committee.

***Salary Increases Protected** -- Currently certain injured state employees do not receive negotiated wage increases while they are off the job because of injury. **Senate Bill 1083** would have allowed these employees to receive any negotiated salary increases or increments they would have received if they had not been injured on the job. It applies to employees of correctional institutions, mental institutions and hospitals, youth development centers, boards of assistance, and firefighters at Welfare Department institutions. The Senate approved the bill (35-13) on May 13, 1980. It died in the House Appropriations Committee.

*****Uniform Mileage Fee** -- **House Bill 31** establishes a limit of 17 cents per mile reimbursement for commonwealth agencies or local governments.

It was signed into law July 20, 1979 and is now **Act 51**.

*****Legislative Pay Increases** -- **House Bill 211** originally abolished the Commonwealth Compensation Commission. The Senate added pay increases for legislators, judges and the state treasurer and auditor general. Salaries for legislators will increase next session from \$18,720 to \$25,000. Common Pleas Court judges will get an additional \$10,000. Supreme Court justices will receive an additional \$9,500. The auditor general and treasurer will get raises from \$42,500 to \$48,000. The bill became **Act 75** October 25, 1979 when signed by the governor.

****Executive Pay Increases**-- The governor and cabinet officers taking office in 1982 will receive higher salaries. **House Bill 2907** raises the governor's salary to \$75,000 the lieutenant governor's salary to \$57,500, and cabinet officers' salaries to a range of \$48,000 to \$55,000.

Original provisions of **HB 2907** create an Office of Procurement Information as a central office to provide Pennsylvania businesses with information on state government purchase needs. All requests for bids or proposals of \$5,000 or more from executive branch agencies would go to the office. The governor can waive the requirement during emergencies.

The governor has until December 20, 1980 to act on the bill.

*****Electronic Voting** -- Pennsylvania's counties and municipalities will be able to install electronic voting equipment to replace the antiquated paper ballot system under **House Bill 382**. Originally, it changed the deadlines for filing of pre-election financial reports. The Senate added the electronic voting provisions. Electronic voting systems use computer punch cards and computers to tabulate results. The systems are supposed to be faster and more efficient than paper ballots but less expensive than voting machines.

Forty-six counties in Pennsylvania still use paper ballots. Voters in each county or municipality will decide whether to use the new system.

The governor signed **House Bill 382** into law as **Act 128** on July 11, 1980.

*****South Office Building Use** -- **House Bill 1847** allows the General Assembly to use space in the South Office Building of the Capitol Complex to relieve overcrowding in the main Capitol. It was signed April 6, 1980 to become **Act 40**.

*****Uranium Clean-Up** -- The Department of Environmental Resources is authorized and required to clean up former uranium processing sites in Pennsylvania under **House Bill 1899**. DER will be able to join with the U.S. Department of Energy to start clean-up efforts, to buy land necessary for the clean up, and to pay removal expenses of businesses at the sites. The bill was signed into law July 2, 1980 as **Act 87**.

*****Exemptions from Reporting Requirements** -- Political committees making expenditures of less than \$250 per year are exempt from filing an annual report under **House Bill 2104**. It does not apply to a candidate's committee, a political party committee, or the political action committee of a corporation or unincorporated association. It was signed into law July 11, 1980 as **Act 129**.

****911 Emergency Telephone System** -- The legislature has declared its intention to establish 911 as the statewide emergency telephone number for residents of any county to quickly reach emergency fire, police and medical services. No county would be forced to install the system, but all which have not will be encouraged to do so.

House Bill 2176 establishes the Office of Telecommunications in the General Services Department to coordinate development of 911 systems throughout Pennsylvania. The commonwealth will fund the original and ongoing costs of a 911 telephone system not only for counties which now opt to install one but also for any

counties which already have it.

*****Extension of Commission on Delinquency** -- The Pennsylvania Commission on Crime and Delinquency will be extended for one more year through **House Bill 2470**. The commission was scheduled to be abolished December 31, 1980. House and Senate Judiciary Committees will review the commission's performance and recommend whether to extend, reorganize or abolish the committee. The measure passed the House unanimously September 24, 1980 and won unanimous approval in the Senate October 7, 1980. The governor signed on December 5.

LOCAL GOVERNMENT

****Allegheny County Prison Board-- House Bill 1374** will clear the way for Allegheny County to reorganize its prison board .. The measure passed the House on April 29, 1980, and the Senate on November 18, 1980. The governor has until December 20, 1980, to sign the bill into law.

Amendments in the Senate (concurring in by the House) reduce the number of citizen members of the board from four to two. The 11-member panel will consist of the three county commissioners, three judges of the Common Pleas Court, the county sheriff, county controller, mayor of the Second Class city (Pittsburgh) and the two citizen members appointed by the chairman of the county commissioners.

Under provisions of the bill, the board will supervise the operation and maintenance of the prison, appoint a warden and conduct at least two unannounced inspections of the jail each year. The board also is granted investigatory powers.

*****Cable Television Service (Boroughs)** -- **House Bill 1020** became **Act 172** on October 16, 1980. This bill amends the Borough Code by authorizing certain boroughs to operate cable television service for their residents. The bill provides that any borough operating a cable television system as of July 1, 1979 is permitted to continue that operation.

****Contributions for Funeral Expenses** --A speedup in payment of the county contribution for funeral expenses of a deceased veteran is one of the provisions of **House Bill 1586** which has cleared the House and Senate and awaits the governor's signature. The bill amends the Second Class County Code by requiring a funeral director to submit a certificate, rather than an affidavit, stating he has rendered a burial service.

A Senate amendment includes firefighters and fire inspectors on lists of vacancies to be filled by promotion. This step was taken to correct an oversight in the Police and Fire Promotion Act in which no reference was made to firemen. The governor has until Dec. 20, 1980, to sign the bill.

****County Tax Refunds** --Awaiting the governor's signature is **House Bill 1587** which amends the Second Class County Assessment Law. Intent of the measure is to permit refunds of county taxes in amounts less than \$100 to be made without a formal authorization by the county commissioners.

****Preliminary Budgets-Second Class County** --Another amendment to the Second Class County Code is encompassed in **House Bill 1589** which has cleared the Senate and House. This bill amends the code to require the county controller to submit a preliminary budget to the commissioners no later than November 15 of each year. It also requires the commissioners to adopt a budget before the end of the fiscal year. A Senate amendment requires the controller to submit the annual report to the Common Pleas Court by the end of May each year, instead of January. The governor has until December 20, 1980, to sign the bill into law.

*****Transfer Tax Exemptions** --**House Bill 1609** became **Act 176** when it was signed into law October 16, 1980. The measure amends the Realty Transfer Tax Act by eliminating the requirement of affidavits of value in certain transfers that are exempt from taxation based on family relationships. An amendment exempts from the tax any transfers between grandparents and grandchildren.

***Retired Municipal Employees Benefits--** Municipalities could provide group health, hospitalization, medical or surgical insurance to their retired employees under three **Senate bills--536, 537 and 539--**which would have amended the borough, first class township and second class township codes. The Senate approved these bills by unanimous 49-0 votes on May 13, 1980. The bills never were reported out of the House Local Government Committee.

*****Special Parking for Handicapped--** Five Senate bills signed into law permit third class cities, counties, boroughs, second class townships and first class townships to reserve or establish special parking areas for handicapped individuals. **Senate Bill 593, 594, 595, 596 and 597** were signed into law October 5, 1979, and became **Acts 64, 65, 66, 67 and 68.**

*****Borough Investments--** **Senate Bill 603** allows boroughs to invest in U.S. and Pennsylvania notes and bonds, in shares of investment companies with similar investments, and in federally-insured credit unions. The bill was signed into law as **Act 94** on November 2, 1979.

***Community Development programs--** Three Senate bills that would have added housing and redevelopment programs to the community development programs of boroughs and first and second class townships passed the Senate in the last legislative session. However, **SB 604** (First Class Township) was rejected by the House while **SB 605** (Second Class Township) and **SB 608** (Borough) died in the House Local Government Committee. All three bills also would have provided for the adoption of community development plans and given the municipality the power to acquire land for such projects.

***Two other Senate bills providing for community development programs** - for incorporated towns and third class cities also died in House committee.

Both measures--**606 and 607--**cleared the Senate. in November of 1979.

*****Borough Mayors' Emergency Powers--** **Senate Bill 623** was signed into law as **Act 100** on July 10, 1980. This measure gives mayors the authority to issue proclamations during emergency or civil disorders, to set curfews, prohibits the sale of gasoline or other flammables and make other restrictions necessary to preserve life, health and property. Emergency proclamations would be effective for up to seven days but councils could rescind, modify or extend them.

*****Civil Service Examinations** - Three bills-**House Bills 1989, and 1991 and 1992--**were signed into law in 1980 and became **Acts 180, 181 and 182,** respectively. They amend current local government law as it relates to required physical examinations for applicants for the positions of police officer and paid fireman. These bills permit civil service commissions to administer a physical examination before or after a written examination, at the discretion of the municipality. One purpose of these bills is to save a municipality the expense of a physical examination if an applicant does not pass the written test.

*****A separate bill, House Bill 1990,** was passed by the Senate and House and signed by the governor Dec. 4. It also provides for the physical examination to be given before or after a written test. A Senate amendment further provides for filling vacancies in the office of a first class township commissioner, auditor, controller, treasurer, assessor, assistant auditor or assistant triennial assessor.

*****Downtown Improvements Authority** - Downtown business leaders can join to form special authorities to run programs aimed at attracting shoppers.

These programs could include free parking, street lighting, trash collection and sidewalk improvements. These steps are provided for in **Senate Bill 188** which was signed into law April 10, 1980, making it **Act 41.** It permits the creation of authorities for business improvements or business administration.

One-third of the involved property owners (either by assessed value or numbers) can reject plans.

*****Vesting of Police Pensions** - **Senate Bill 210** became **Act 99** when signed into law on December 7, 1979. It permits policemen covered by the Municipal Police Pension Law to vest their benefits after 12 years'

service.

It also increases pension benefits by decreasing the amount of social security counted toward pension benefits.

*****Retirement Fund Valuation** - **Senate Bill 271**, signed into law December 11, 1979, as **Act 105**, amends the Second Class County Code to provide for actuarial valuation of the County Employee's Retirement Fund. It also provides for the retirement board to either increase or decrease the amount of an employee's contribution as guided by the actuarial valuation.

***Volunteer Firemen Death Benefits** - Survivors of volunteer firemen killed in the line of duty would receive payments of \$25,000 under provisions of **Senate Bill 310**. This bill was passed by the Senate by a unanimous 48-0 vote on January 29, 1980, but died in the House Appropriations Committee.

Current law provides that such a benefit be paid only to the survivors of paid firemen and police officers.

*****Tax Sale Notification** - Homeowners threatened with losing their property through real estate tax sales are to receive personal notification under **Senate Bill 316** which was signed into law July 10, 1980, and became **Act 98**.

Such notice would corner at least 10 days before a sale to allow the property owner time to pay delinquent taxes. Certified letters must also be sent out before a scheduled sale. Owners are to be notified again after the sale has taken place.

*****Unclaimed Money to Municipalities** - **Senate Bill 516** became **Act 70** when signed into law June 22, 1980. It provides for diversion from the state to local government units money unclaimed by the former owner after a real estate tax sale. The money is to be divided on a pro rata basis based on millage if unclaimed for three years.

*****Restrictions on Property Tax Transfer** -- Mortgage holders who initiate sheriff sales to foreclose mortgages and then buy the property are exempt from real estate transfer taxes under **Senate Bill 693**. This measure became law (**Act 74**) on October 25, 1979.

*****Volunteer Fire Company Loans** -- **Senate Bill 759**, now **Act 65**, expands the state's low-cost loan program for volunteer fire companies, ambulance services and rescue squads to permit loans for used equipment that meet certain standards, smaller minimum loans (\$1,000 instead of \$2,500), the pledging of credit by political subdivisions to meet the 20 percent of purchase price pledge needed to receive a loan to allow refinancing of debt incurred after November 5 of any year. It also permits certain utility vehicles to qualify for loans. The bill was signed into law June 13, 1980.

*****Pay Hikes for County Officials** -- County commissioners and county row officeholders qualified for \$3,000 pay increases starting in 1980 under **Senate Bill 762**. The measure was signed into law on November 1, 1979, becoming **Act 82**. Effective January 1, 1980, county commissioner salaries vary from \$37,000 for the chairman in Allegheny County to \$14,000 for commissioners in eighth class counties. The new law gives commissioners the authority to set all future salary increases for county offices, authority formerly granted only to the General Assembly. The bill passed with a House amendment requiring commissioners to hold public hearings on any proposed salary increases. The commissioners cannot lower salaries below the level set in the bill, nor can they increase salaries in the year they are elected. Another amendment requires any salary increase to be applied on an equal percentage basis to all county officials.

*****Authority Purchases** -- **Senate Bill 797** became **Act 78** with the governor's signature on October 27, 1979. It permits local governments, municipal and transportation authorities to buy by direct contract, instead of bidding, if they receive no bids after advertising twice.

*****Hours of Work for Police Officers** -- **Senate Bill 815** became **Act 23** on March 27, 1980. It permits third class cities and their police officers to bargain over hours of service and vacation time, sick leave, etc. The

bill repeals a section of the Third Class City Code prohibiting police overtime after eight hours per day or 44 hours per week.

*****Street Lighting** -- Second Class Townships can now pay for street lighting out of general funds instead of assessing frontage of property near the lights. This is provided for in **Senate Bill 1145** which became **Act 120** on July 11, 1980.

*****Municipal Investments** -- Second Class Townships and Third Class Cities gained more flexibility in investment of funds in **Senate Bills 1186 and 1188**. They may invest in U.S. Treasury Bills, other notes issued by the federal government and the commonwealth, deposits insured by the federal government, or in shares of an investment company which invests in government securities. The bills were signed into law on July 10, 1980, - becoming **Acts 102 and 103**.

The same authority was extended to incorporated towns through **Senate Bill 1187** and to First Class Townships through **Senate Bill 1189**.

They became **Acts 93 and 94**, respectively, when signed into law on July 3, 1980.

***Two-Year Reassessment Delay** -- **Senate Bill 1447** was passed by the Senate on a 47-2 vote June 30, 1980. However, the bill died in the House Urban Affairs Committee. It would have provided Allegheny County residents a two-year delay on real estate tax reassessment if they remodeled or improved their homes.

***Paid Firefighters' Hours of Service** -- Third Class Cities and paid firefighters could negotiate hours of service, vacation and sick leave time under provisions of **Senate Bill 1472**. The measure cleared the Senate on June 24, 1980, by a unanimous 49-0 vote but never was reported out of the House Local Government Committee.

*****Pension Credit for Military Time** -- County employees who served in the armed forces will be able to "buy back" their military service time and have it credited to their work records for determining pensions. This step is provided in **House Bill 334** which became **Act 53** when signed into law on July 20, 1979. The bill permits a county worker to add a maximum of five years to his pension record by paying both his own and the county's share of pension contributions for service time. Similar "buy back" provisions are allowed for most other public workers.

*****Municipal Retirement System Changes** -- **House Bill 373** provides for the addition of one member to the Pennsylvania Municipal Retirement System Board. The bill also gives member municipalities options on the disposal of excess investment income. Additionally, contribution rates are made uniform for male and female workers. The bill became **Act 50** on May 17, 1980.

*****American Steel for Municipal Construction** -- **House Bill 448** raises the maximum level for municipal authorities' non-bid contracts from \$2,000 to \$2,500. It requires municipal contracts to have a provision that steel products to be used in a project for which contracts are let must be made in America. The bill was signed into law June 28, 1980, becoming **Act 22**.

****Delinquent Tax Notice Returns** -- **House Bill 763** was amended extensively in the Senate prior to passage by the Senate on October 7, 1980, and the House (concurring in Senate amendments) on November 18, 1980.

Primary thrust of the bill changes the deadline for the return of delinquent tax notices by local collectors to their county bureaus. This is aimed at correcting an administrative problem associated with the new notice provisions of the state's Real Estate Tax Sale Law. That law advanced the tax notice deadline to the first Monday in April; **SB 763** changes that date back to the first Monday of May after many counties complained that they were set up to proceed under a May deadline.

The bill was further amended to exempt a second class county (Allegheny) from the requirement to establish a tax claims bureau. All other counties (Second A and Third through Eighth Class) are required to have such bureaus.

****Fee Sharing Prohibited -- Senate Bill 1344** would amend the Second Class County Code to prohibit fee sharing among officers or employees of the county and persons contracting for personal services with the county.

The bill prohibits architects and engineers employed by the county from bidding or negotiating on the county's public works projects. However, if such a person worked only on preliminary plans, he would not be prohibited from bidding or negotiating on the final contract.

The bill was amended by the House (concurrent in by the Senate) to add provisions relating to the Second Class County Employee Retirement System. It increases the ceiling of monthly compensation upon which contributions are made to the system. Currently, the ceiling is \$2,000 per month.

The bill changes the ceiling to \$2,666 per month. The measure also empowers the Retirement Board to increase employees' retirement allowances on a yearly basis.

The bill has passed both houses and the governor has until Dec. 20, 1980, to sign it into law.

*****Four other Senate bills** Relating to the prohibition of fee sharing cleared both houses and became law in 1980. This provision is included in **SB 1341** (amending the Public School Code), **SB 1342** (amending the Second Class City Law), **SB 1346** (amending the Second Class Township Code) and **SB 1347** (amending the First Class Township Code). Two of the bills (**1346 and 1347**) became **Acts 143 and 144**, respectively, on October 5, 1980. **Bills 1341 and 1342** were signed into law on October 10, 1980, becoming **Acts 159 and 160**.

V -Another fee sharing bill -- Senate Bill 1345 -- was vetoed by the governor on October 5, 1980, after being passed by the Senate and House. It would have prohibited fee sharing in counties of the third through eighth classes.

NOTE: **Senate Bill 1341**, amended to prohibit fee sharing among school district officers and employees, was further amended in the House (and concurred in by the Senate) to provide certain visual services (diagnostic, evaluative and instructional) to non-public school students in the commonwealth, provided that such services are also afforded to public school students by the public school district in which the non-public school is located.

*****Fire Police Powers -- House Bill 1011** became **Act 122** on July 11, 1980. This measure allows special fire police to provide traffic and crowd control at the scene of an accident or natural disaster pending the arrival of regular police. Previously, a prior request was required for fire police to serve at the scene of an emergency.

****Contract Signing/Boroughs -- House Bill 1143** has cleared the Senate and House. The governor has until December 19, 1980, to sign it into law. This bill provides for the signing of certain written contracts or agreements by the president of a borough council and clarifies the duties of a mayor. It amends the Borough Code by providing for the president of council to sign a contract or agreement whenever those documents are the result of an action taken by council. Other contracts, obligations and documents as required by law may be signed by the mayor.

****Sewer Financing/Second Class Townships -- House Bill 1177** authorizes second class townships to borrow funds for sewer or drain construction under the Local Government Unit Debt Act. It also prevents townships from forcing commercial or industrial users from connecting into a system if they have their own state or federally-mandated plants. Initially, Senate amendments to this bill were non-concurrent in by the House, with the Senate later insisting on the amendments. A conference committee report was adopted by the House on November 18, 1980, with the Senate adopting the report a day later. The governor has until December 20, 1980, to sign the bill.

*****Volunteer Fire Company Exchange Courtesy** --Licensed volunteer firemen's clubs will be able to serve active members of other volunteer fire fighting groups in Pennsylvania, for example during conventions or conferences. Only regular members of the club were permitted to be served. Another provision of **Senate Bill 86** allows clubs to exchange retail dispenser licenses for club liquor licenses. **Senate Bill 86** was signed into law July 3, 1980 to become Act

*****Social Functions for Minors** -- Licensed clubs, restaurants and hotels now are permitted to hold social functions for minors if all alcoholic beverages are locked up and proper supervision is provided. Amendments provide restaurant liquor licenses for non-profit performing arts facilities seating 1,000 or more in third class cities. Special occasion permits could be issued to non-profit museums or performing arts facilities in third class cities. So-called split municipalities could hold local option referendums in each part of the municipality.

The governor signed **Senate Bill 518** into law July 11, 1980, making it **Act 117**.

****Liquor Sales in Performing Arts Centers** --**Senate Bill 640** was written to allow Philadelphia performing arts centers seating more than 5,000 people to receive liquor licenses. House amendments authorize transfer of existing restaurant liquor licenses to such facilities. Another amendment requires liquor, except wine, sold in Pennsylvania to bear an official seal which would have to be placed on bottles by manufacturers. Also, operators of golf courses with liquor licenses could sell alcoholic beverages along the course.

After the Senate non-concurred in House amendments a conference committee was appointed but it never reported.

***Club Liquor License Transfers** -- Units of non-profit nationally chartered clubs would be able to transfer their liquor licenses to another municipality in the same county under **Senate Bill 765**. The bill aids clubs located in changing neighborhoods, or whose members have moved to the suburbs while the club remains in the city. The Senate approved the bill 35-13 on June 10, 1980. It died in the House Liquor Control Committee.

***Volunteer Ambulance Groups Gain permits**-- **Senate Bill 1309** adds volunteer ambulance associations to the groups which can obtain special occasion liquor permits for fund raising events. Those permits are valid only three consecutive days and may be issued only once per year. **SB 1309** passed the Senate (41-9) on June 25, 1980. It died in the House Liquor Control Committee.

****Increased Penalties for Liquor Code Violations** -- **House Bill 1527** makes various changes in the Liquor Code. Its original purpose was to increase penalties for Liquor Code violations by out-of-state beer manufacturers. A manufacturer could be prohibited from selling beverages for up to three years, be fined up to \$10,000 or both.

Many amendments were added to the bill, although a provision allowing liquor sales on election days was removed at House insistence. **House Bill 1527** authorizes transfer of a restaurant liquor license to a city-owned performing arts facility seating 1,000 or more in Philadelphia or Pittsburgh. The definition of "incorporated national veterans' organizations" is expanded to include a club in business for at least three years with at least 100 members.

Previous law included only veterans' organizations organized before 1975. Such clubs are exempt from liquor license quotas.

Also, restaurant licensees may serve liquor in a bowling alley, if no minors are present, when the restaurant and bowling alley are adjacent and under the same roof. Another change allows restaurants near interstate highways to be licensed if their entrances are more than 300 feet from a highway ramp.

Previous law required any part of the building to be that far away. The governor has until December 20, 1980 to sign the bill.

*****Distributor Rights Against Manufacturers** -- Legal requirements for agreements between distributors and out-of-state beer manufacturers are spelled out in **House Bill 1528**. All such contracts must be in writing,

similar to a manufacturer's other agreements, and cannot~ be changed or canceled, unless the agreement is violated. Distributors have the sole right to set prices, choose brands, and determine promotions. **House Bill 1528** was signed into law as **Act 73** on June 22, 1980.

PROFESSIONAL LICENSURE

*****Real Estate Licensing**-- Existing law dealing with licensing and regulation of real estate brokers and salesmen was revised to crack down on real estate fraud. **Senate Bill 507** requires rental referral agencies to be licensed for the first time. A Real Estate Recovery Fund was established to provide payments to defrauded consumers. **Senate Bill 507** was signed into law February 19, 1980 as **Act 9**.

***Counselor Licensure** -- The new divorce reform legislation passed in this session requires counseling under certain circumstances but Pennsylvania law does not define who is a qualified counselor. **Senate Bill 1013** attempts to solve that problem by licensing and regulating marriage counselors and others.

It would establish the Counseling and Human Services Act to license counselors in marriage and family, alcohol and drug abuse, and mental health. Currently anyone can declare himself to be a counselor and go into business.

The bill passed the Senate 47-1 on October 6, 1980.

It died in the House State Government Committee.

*****Licensure Fees** -- The General Assembly overrode Gov. Dick Thornburgh's first veto to make **House Bill 215** a law. The measure allows fees paid to the Bureau of Professional and Occupational Affairs to be paid by personal check. A provision providing legislative oversight of changes in rules and regulations by various state professional boards drew the veto on July 1, 1979. The House voted 153-41 to override on July 3 and the Senate voted 44-5 on July 10. **House Bill 215** became **Act 39**.

*****Encumbrances on State Funds**--During debate over the 1980-81 state budget, the auditor general pointed out that millions of dollars left over from the past fiscal year were unavailable because executive agencies encumbered them. Agencies encumber funds to avoid losing them at the close of a fiscal year.

Senate Bill 489 established strict guidelines to encumber funds.

Several deadlines are established for encumbering funds. All occur before the end of the fiscal year to discourage tying up funds at the last minute. Encumbrances must be documented and products or services delivered by August 31 of a new fiscal year. Outstanding encumbrances will be reviewed and canceled, unless extended for valid reasons. Funds will lapse. All encumbrance extensions expire October 31 each year. All encumbered money must be spent or lapse.

Encumbrance restrictions were added to **Senate Bill 489** in the House.

The bill retains its original purpose to require the Bureau of Professional and Occupational Affairs to hire professional testing organizations to conduct examinations.

The bill was signed into law as **Act 146** on October 8, 1980.

MILITARY AND VETERANS AFFAIRS

*****Veterans' Memorial Commission** -- **House Bill 339** became **Act 13** when signed by the governor on February 12, 1980. The bill created the Veterans' Memorial Commission to develop plans for a state memorial honoring Pennsylvania servicemen and women. The commission is to submit recommendations for legislation to the General Assembly after completing its study.

*****Scotland School for Veterans' Children** -- Children of veterans who served in the armed forces during peacetime are to be admitted to Scotland School for Veterans Children under provisions of **House Bill 2137** which became **Act 56** on May 29, 1980. Previously, only children whose parents served in armed conflict were admitted to the school.

*****Tuition Credits/Veterans' Pensions** -- **Senate Bill 902** became **Act 152** on October 10, 1980. When introduced, the bill proposed an increase in the pension for blind veterans from \$50 a month to \$100 a month. This provision was retained, but the bill was amended to provide tuition credit at certain institutions of higher learning for members of the National Guard. Qualifying guard personnel will receive a grant of one-half the cost of the credit, with a maximum of \$40 per credit, and a maximum of six credits a quarter or semester or 12 credits a year. The tuition credit provision is effective July 1, 1981; the pension increase provided for retroactive payments to July 1, 1980.

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