

## Senate of Pennsylvania

### SENATE DEMOCRATIC WRAP-UP FOR THE 1987- 1988 LEGISLATIVE SESSION

The Pennsylvania Senate's 171st and 172nd sessions, which combined to make the two year 1987-88 legislative session in Harrisburg, didn't come to a definitive conclusion until the clock struck midnight on November 30, 1988 -- the constitutionally required end of the session.

Up until the last possible moment, there was floor action. It was indicative of what some called the most productive two-year session of the General Assembly in modern history.

After more than 20 years of study and debate -- albeit just moments before the session went sine die and with zero time to spare -- the Senate and House succeeded in final passage of a comprehensive local tax reform initiative (see Local Government) designed to restore "fairness" to the local tax structure throughout Pennsylvania.

It was one of numerous legislative priorities set by Governor Robert P. Casey as he assumed office for his first term less than two years ago.

Other priorities of the new Democratic administration in Harrisburg also won enactment in 1987-88.

If nothing else, the year 1988 will go down in history as the year that Pennsylvania finally took control of its environmental future (see Environmental Resources and Energy).

First came the passage of Governor Casey's "Pennvest" program -- a \$2.5 billion effort to rebuild the state's decaying water and sewage treatment systems. It was a program that won the endorsement of the state's electorate, by a 4 to 1 margin, as citizens approved a \$300 million bond issue to help finance the "clean water" initiative.

Following on the heels of "Pennvest" was the General Assembly's enactment of a far-reaching solid waste management law that, within a few years, will require most of the state's citizens to separate portions of their curbside trash for recycling. It addresses the problem of mounting trash and diminishing landfill space and, in effect, represents the beginning of the end of our carefree, throwaway society.

Toxic waste sites not addressed by the federal government's "Superfund" program are the target of the Casey administration's new state "Superfund" -- a hazardous waste site cleanup program that also won enactment in 1987-88.

In the area of the state's economy, the governor -- by executive order -- instituted an Economic Development Partnership (EDP) program which represents a new public-private approach to the state's business development and job creation efforts. The program was paying dividends in terms of business and job growth despite the refusal of Senate Republicans to consider a measure (HB 1) to statutorily establish the EDP.

Of particular economic significance, however, was the Casey administration's 1988 retirement of Pennsylvania's remaining \$197 million unemployment compensation (DC) debt to the federal government and the enactment of legislation to make sure the state's jobless fund remains debt-free in the future (see Labor and Industry).

The DC debt payoff and so-called "trigger" legislation was to save Pennsylvania businesses and workers hundreds of millions of dollars beginning in 1989. The dual action had the effect, according to one Senate Democratic leader, of removing what he characterized as "the DC indebtedness noose that was strangling the ability of Pennsylvania firms to compete, to expand and to create new jobs."

Also of significance to the economy was the Casey administration's enactment of "no tax increase" state "budgets in 1987-88 and 1988-89 and the promise to hold the line on taxes again in 1989-90.

In the area of protecting the public health and safety, the General Assembly passed the first statewide restrictions on smoking in public places, required motorists to "buckle up" with the enactment of a mandatory seat belt usage law and approved a new abortion control measure.

Legislation was passed to safeguard senior citizens from abuse and exploitation and to provide a new funding mechanism for the prevention of child abuse and neglect.

The war on drugs continued in 1987-88 with the passage of legislation providing a range of stiffened sentences for drug offenses and new mandatory minimum jail terms for persons convicted of selling drugs to minors or trafficking in drugs within 1,000 feet of a school or university. Marking an attempt to curb teenage alcohol abuse, meanwhile, the new law also requires the suspension of drivers' licenses of underage drinkers (see Judiciary). The legislature also enacted measures to expand non-hospital detoxification and rehabilitation programs that assist drug addicted mothers and others with alcohol or drug dependencies.

Among the many other proposals enacted were measures to preserve farmland in Pennsylvania, to increase the state's minimum wage, to abolish the controversial state-operated Catastrophic Loss Trust (CAT) Fund, to encourage the use of lower-cost "generic" prescription drugs, to provide the physically handicapped with greater accessibility to public buildings, to grant teachers a statewide minimum starting salary of \$18,500, and to permit "small games of chance" for the fundraising activities of non-profit organizations and off-track betting for the benefit of the state's sagging horse racing industry.

An office of Small Business Advocate was created to represent small businesses in utility rate cases before the Public Utility Commission and the long-debated liquor issue was resolved with the enactment of a measure to continue, but reform, Pennsylvania's system of control over the sale of alcohol.

These and many, many other bills are described in the summary that follows.

February, 1988

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

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

### Budget and Finance

\*\*\* **1988-89 General Fund Budget** -- For the second year in a row, Governor Robert P. Casey succeeded in winning enactment of a "no tax increase" state budget that provided significant increases in funding for education, environmental initiatives, economic development and an array of other programs.

The nearly \$11 billion (\$10,982,218,000) 1988-89 General Fund spending plan, however, wasn't completed until the governor and an obstinate Senate GOP majority -- that previously had refused to consider the governor's budget recommendations -- reached a mid-October compromise on a supplemental funding measure (**SB 1437, Act 55A/1988**) that added \$302.5 million to a preliminary budget (**SB 1438, Act 5A/1988**) approved by Governor Casey on June 29.

The additional budget action was necessitated when Governor Casey -- in averting a budget crisis at the close of the 1987-88 fiscal year -- had approved portions of a Senate GOP sponsored spending plan but had "blue line" vetoed appropriations in several areas to force action on a total budget more to his liking.

In the end, the governor -- pretty much -- got everything he wanted.

In the area of education, subsidies to local school districts were boosted by \$154.2 million over what was allocated in the prior year and a compromise subsidy formula (**HB 1013, Act 110/1988**) to provide the \$2.5 billion in aid to schools was adopted (see Education).

Additionally, funding for state-owned and state-related colleges and universities and other institutions (see nonpreferred appropriations below) was increased by some 7.5 percent to a total of \$858.9 million while state aid for community colleges totaled \$113,350,000 -- a 9.9 percent increase over 1987-88.

In the economic development arena, a total of \$63.2 million was appropriated for a continuation of Pennsylvania Economic Revitalization Fund (PERF) programs in 1988-89 including \$3 million for a new program sought by Senate Democrats to assist industrial, manufacturing and mining operations with low-cost loans for the purchase of high tech production equipment. The

1988-89 budget also included \$31.5 million for the Ben Franklin Partnership, \$45 million for housing and redevelopment assistance, \$6.5 million for tourist promotion and a new \$500,000 appropriation for research and promotion of the state's hardwoods industry.

The final budget also contained the governor's request for \$2.5 million to pay stipends to dislocated workers who have exhausted unemployment benefits and \$1.5 million for an expansion of the Joint Jobs Initiative program which funds job training for welfare recipients.

In the area of health and human services, funding for community mental health and mental retardation programs was increased by \$31.5 million to \$402.6 million while county operated child welfare programs received state funding of \$155.7 million -- an increase of \$29.6 million over 1987-88.

Of particular significance for senior citizens in fiscal years 1987-88 and 1988-89 was the budget action of the Casey administration and Democratic legislators to reverse the disturbing trend of the prior Thornburgh administration of using senior citizen state lottery funds for programs previously supported by the General Fund.

Over the past two years, the actions of the new Democratic governor saved the lottery fund some \$45 million by having the General Fund pay for welfare and other programs that were never intended to be funded by the lottery.

The 1988-89 budget, meanwhile, included \$14.5 million for the Human Services Development Fund which combined with federal funds will result in appropriations to counties of \$28.8 million. State appropriations to subsidize day care programs totaled \$31.8 million while state funding for AIDS education was increased four-fold from \$500,000 in 1987-88 to \$2 million in 1988-89.

The supplemental budget measure provided an additional \$7 million for a total of \$15 million in General Fund dollars for the Casey administration's "Pennvest" clean water program which, through the use of an assortment of revenue streams, is expected to generate \$2.5 billion for water and sewer system improvements over the next 25 years.

The final budget compromise provided a total appropriation of \$213.7 million for mass transit assistance in fiscal 1988-89 with the lion's share (\$149.8 million) earmarked for the Southeastern Pennsylvania Transportation Authority (SEPTA). Port Authority Transit (PAT) in Pittsburgh was to receive an operating grant of \$54.1 million. The remainder is split among the 20 smaller systems throughout the state.

\*\*\* **Non-Preferred Appropriations** -- In addition to \$319.6 million that was allocated in the 1988-89 General Fund budget for state-owned universities that are part of the State System of Higher Education (SSHE), the General Assembly passed a package of 41 so-called "non-preferred" appropriations bills (**SBs 1143-1483, Acts 14A-54A**) providing some \$539.3 million for state-related colleges and universities as well as health and charitable institutions.

Most of the "non-preferred" appropriations total, \$452.7 million, went to the state-related universities as follows:

- Penn State, \$207,647,000;
- University of Pittsburgh, \$112,613,000;
- Temple University, \$123,644,00,
- Lincoln University, \$8,814,000.

The largest non-state related higher education appropriation was \$35,592,000 for the University of Pennsylvania.

\*\*\* **Motor License Fund** -- The political debate over passage of a total budget package for fiscal 1988-89 resulted in the late enactment of a \$1.5 billion motor license fund budget (**HB 2570, Act 13A/1988**) for the fiscal year starting July 1, 1988. With thousands of PennDOT employees facing payless paydays, however, the House voted (185-6) on July 12 to accept Senate amendments to the Motor License Fund measure they had passed and Governor Casey promptly signed the bill into law.

The largest single expenditure in the motor license fund budget is for highway maintenance. As finally enacted, the measure included \$678.2 million for roadway repair, or \$25.3 million more than originally proposed by the governor.

The motor license fund budget is separate from the state's General Fund and is largely financed by fuel taxes and various road user fees.

\*\*\* **Low Income Tax Break/Mutual Thrifts Tax Replacement** -- Adopted by both chambers was a conference committee report on legislation (**HB 1475, Act 106/1988**) that -- for the second consecutive year -- expanded "tax forgiveness" provisions of the state income tax for low income Pennsylvanians. Under this program, those whose income falls below a certain level are fully or partially exempted from payment of the state's 2.1 percent personal income tax. The extent of "tax forgiveness" varies depending on an individual's income and the number of dependents he or she supports.

The new law increased the income threshold for tax exempt status from \$4,500 to \$6,300 for an individual -- effective with the filing of tax returns for 1988. In 1987, that threshold was boosted from \$3,000 to \$4,500 -- which represented the first expansion of the income guidelines of the "tax forgiveness" program since its inception in 1974.

The new law was expected to save low income citizens an estimated \$12.4 million.

**House Bill 1475** also provided for a replacement of a tax on savings and loan associations that was ruled unconstitutional by the state Supreme Court in 1987.

The court had ruled that the so-called mutual thrifts tax illegally included government securities in the income base. The new law exempts such securities from the tax but raises the rate of the tax to 20 percent for tax years 1987 and 1988 in an effort to recoup revenues lost and/or refunded as a result of the court decision. For fiscal 1988-89, the new tax was expected to generate an additional \$86.2 million - much of which should have been received in April of 1987. The mutual thrift tax rate will decline to 12.5 percent for the 1989 tax year.

**"V" Hydroelectric Tax Break; Tax Exemptions** -- Governor Casey vetoed legislation (**SB 345**) which, among other things, was intended to encourage the development of hydroelectric power plants in Pennsylvania by providing a tax break for the construction of such facilities.

Under current law, hydroelectric generating facilities are exempt from the Public Utility Realty Tax (PURTA) for 10 years, but only after they become operational. **Senate Bill 345** would have expanded the exemption to include the period of construction of a hydroelectric plant to 10 years after the plant goes into operation. As a result, the legislation would have added about four years to the current 10 year tax exemption for such facilities.

The measure also provided for additional exemptions from the state's realty transfer tax. One provision was expected to reduce the transfer tax burden on families and others who enter into a land purchase and construction contract to build a home or other structure. Under **Senate Bill 345**, the transfer tax (1 percent state; 1 percent local) would have been applied in such contractual agreements only to the value of the land transferred and not to the estimated market value of the property once construction is complete.

Additionally, family farm partnership interests conveyed among family members as well as transfers between conservancies and governmental jurisdictions would have been exempt from the transfer tax. Another provision of **Senate Bill 345** would have allowed stockbrokers, who elect chapter "s" tax status, to pay state taxes at the rate of the personal income tax rate (2.1%) instead of the corporate net income tax rate (8.5%).

The governor vetoed **Senate Bill 345** October 21, 1988 citing a concern about the measure's potential impact on state revenues. The Senate voted (40-5) to override the governor's veto, but the veto was sustained when the House failed to muster the necessary two-thirds vote required for an override. The vote to override in the House was 98 to 91.

\*\*\* **"Sunny Day" Appropriations** -- The General Assembly acted twice in 1988 to approve legislation (**SB 1640/Act 69A; HB 1988/Act IA**) implementing the governor's recommendations for appropriations from the state's Sunny Day Fund to help job producing businesses locate or expand their operations in Pennsylvania.

First established in 1985, the state's Sunny Day Fund provides low interest loans or loan and interest guarantees for economic development projects recommended by the governor. Funding authorization is subject to a two-thirds vote of approval by both houses of the General Assembly.

**Acts 69A and IA of 1988** provided a total of \$70 million in financing for 14 projects expected to create more than 4,200 jobs over the next several years.

Those projects and the financing approved are as follows:

- \$5.5 million to Alugas of Pennsylvania Inc. to locate a manufacturing facility at the former USX National Plant in Allegheny County, expected to create 367 jobs;
- \$3.75 million to PPG Industries for the acquisition and renovation of the Koppers Co. Technical Center in Monroeville, Allegheny County, expected to create 250 jobs;
- \$6 million to Glass Adventures Inc. to locate a glass manufacturing facility at Donora, Washington County, creating 500 jobs;
- \$3.75 million to Allegheny Ludlum Inc. to assist in the acquisition of the USX Vandergrift facility in Westmoreland County, expected to create 300 jobs;
- \$7.5 million to enable Standard Gravure, a subsidiary of Shea Communications Inc., to locate a printing facility in York County, estimated to create 500 jobs;
- \$3 million to Epsilon Products Inc. to locate a manufacturing facility in Marcus Hook, Delaware County, creating 200 jobs;
- \$3.5 million to UNISYS to locate its corporate training facility in the Plymouth area of Montgomery County, expected to create 300 jobs;
- \$8 million to Swearingen Engineering and Technology, Inc. for the purpose of locating a fanjet aircraft manufacturing plant in Clinton and Lycoming Counties, expected to create 250 jobs;
- \$8 million to Corning Glass Works, Inc. for the location of additional manufacturing operations at its existing facility in Washington County, expected to create up to 400 new jobs;
- \$2 million to Allegheny Particleboard Corporation for the purpose of locating a particleboard manufacturing facility in McKean County, expected to create 260 jobs;
- \$8 million to the Clinton County Industrial Development Corporation for the purpose of assisting Avtek Corporation in the location of an aircraft component manufacturing plant in Clinton County, expected to create up to 450 new jobs by the third year of production;
- \$2 million to Microwood, Inc. for the location of a veneer manufacturing facility in Cumberland County, expected to create 275 jobs;
- \$1.5 million to Lowengart and Company, Inc. to locate additional manufacturing operations at its existing facility in Franklin County, expected to create 180 new jobs; and
- \$7.5 million to the Scranton Lackawanna Industrial Building Company to assist Grumman Corporation in the location of a new product development and manufacturing facility in Lackawanna County.

Even with these appropriations, the Sunny Day Fund contained a balance of more than \$18 million for future projects.

\*\*\* **PUC Budget** -- Passed was a \$27.9 million fiscal 1988-89 budget (**HB 2196, Act 8A/1988**) for the state Public Utility Commission (PUC). The amount represents a \$1.9 million increase over the level of funding in fiscal 1987-88. The PUC budget is funded by an assessment on utilities.

\*\*\* **Consumer Advocate's Budget** -- The state Consumer Advocate's operating budget for fiscal 1988-89 was set at \$2,738,000 by **House Bill 2197** which became **Act 7A/1988**. In the 1987-88 budget year, the Office of Consumer Advocate -- which represents citizens in rate cases before the state Public Utility Commission -- received funding in the amount of \$2,622,000. As with the PUC, the Consumer Advocate's budget is financed by an assessment on utilities.

\*\*\* **Workers' Comp Budget** -- Approved was a bill (**SB 1439, Act 6A/1988**) calling for a \$15,224,000

appropriation in fiscal 1988-89 to the Department of Labor and Industry for the costs of administering the state's workers' compensation program. The amount represented a 16.8 percent increase over fiscal 1987-88 funding. Funding for administering the workers' comp program comes from annual assessments on insurers and self-insurers.

\*\*\* **Occupational Affairs Budget** -- Passed and signed by the governor was a \$14.3 million 1988-89 operating budget (**HB 2411, Act 9A/1988**) for the Bureau of Professional and Occupational Affairs, the state Board of Medicine, the state Board of Osteopathic Medicine and the state Board of Podiatry. This amount is funded by fees and fines imposed on licensees.

\*\*\* **Retirement System Budgets** -- Enacted were bills appropriating \$6,031,000 for the administration of the State Employees Retirement System (**SB 1436, Act 11A/1988**) and \$12.6 million for the administration of the Public School Employees Retirement System (**HB 2413, Act 10A/1988**) for 1988-89. Administrative expenses of both systems are paid for by investment earnings. **Senate Bill 1436** included language providing \$395,000 for the opening of state employees retirement system field counseling offices to be located near Wilkes-Barre and Pittsburgh.

\*\*\* **Fund Transfers** -- As part of the General Assembly's final action on a state budget for fiscal 1988-89, measures were passed providing for a \$110 million transfer of surplus funds from the State Workmen's Insurance Fund (SWIF) and for a \$41.4 million transfer from the Unemployment Compensation (UC) Interest Fund.

**House Bill 2414 (Act 56A/1988)** earmarked the transfer of SWIF monies as follows: \$25 million for the state's "Rainy Day" Fund, which gives the commonwealth a revenue cushion in times of economic hardship; \$25 million for the state's "Sunny Day" Fund, which provides financial assistance to businesses seeking to locate or expand their operations in Pennsylvania, and \$60 million for the state's General Fund.

**Senate Bill 1221 (Act 107/1988)** transferred \$41.4 million from the UC Interest Fund back to the General Fund to make up for funds appropriated by the General Assembly in 1983 and 1984 to pay interest on the state's previous unemployment compensation debt to the federal government.

\*\*\* **Capital Budgets** -- Enacted were a series of bills proposing a wide range of capital improvement projects throughout the state.

**House Bill 1743 (Act 113/1988)** itemized a total of more than \$2.4 billion in project authorizations in the following categories: public improvements (\$1.6 billion), redevelopment assistance (\$563.6 million), transportation assistance (\$226.6 million) and furniture and equipment (\$22.7 million).

**House Bill 1744 (Act 114/1988)** itemized a total of nearly \$2.3 billion in public highway projects.

**House Bill 2035 (Act 102/1988)**, the so-called "Pennvest" capital budget measure, authorized nearly \$5 billion (\$4,793,953,000) in water and sewer system improvement projects throughout the state.

The General Assembly also enacted additional debt authorization for capital improvement projects. For fiscal 1987-88, the legislature authorized additional debt of \$750 million (**HB 1570, Act 26/1987**). For fiscal 1988-89, additional debt in the amount of \$630 million was authorized (**SB 1215, Act 111/1988**).

"V" **Beer Industry Tax Credit** -- Adopted by the General Assembly but vetoed by the governor was a conference committee report on legislation (**SB 114**) extending and boosting a special state tax credit to the malt or brewed beverage industry in Pennsylvania for five more years.

Since 1974, Pennsylvania brewers have been entitled to a tax credit for the purchase of plant, machinery or equipment. **Senate Bill 114** would have extended the credit from December 31, 1988 until December 31, 1993 and increased the maximum tax credit from \$150,000 to \$200,000 annually. Additionally, however, **Senate Bill 114** would have restricted the credit to only those brewers with headquarters in Pennsylvania and with an annual production of 300,000 barrels or less.

The governor, in his veto message, said applying the credit to only those firms with headquarters in Pennsylvania violated the Commerce Clause of the United States Constitution.

He suggested that if the General Assembly still deems it appropriate to continue the malt beverage tax credit, new legislation could be drafted responding to the question of constitutionality. He added that the new legislation could also be made retroactive to December 31, 1988 so that there would be no gap in coverage of the credit for eligible breweries.

**"V" Ski Resort Tax Savings** -- Passing the Senate and the House was a bill (**SB 525**) that would have exempted the retail sale of snow-making equipment purchased by Pennsylvania ski resorts from the state's six percent sales tax.

Proponents contended that the bill marked an attempt to give ski operators in Pennsylvania a competitive advantage over ski operators in neighboring states. In his veto message, the governor contended that revenues from the state's sales tax have been gradually eroded over the years by what he called "piecemeal" exemptions. This, he said, would have been the 46th exemption from the state's sales tax since it was first enacted in 1971. He added that while sales tax exemptions for food, clothing and other necessities are in the public interest, he was opposed to special sales tax advantages designed solely to benefit a particular industry.

\* **GOP "Tax Expenditure"** -- Over the objections of Senate Democrats and a threatened veto by Governor Casey, the Senate Republican majority voted to pass a two-bill package (**SBs 1288; 1289**) designed to break the fiscal 1988-89 state budget with a more than \$100 million tax reduction "giveaway" -- primarily to large corporations.

**Senate Bill 1288** would have reduced the business Capital Stock and Franchise Tax from 9.5 to 8.5 mills. **Senate Bill 1289** would have reduced the utility gross receipts tax from 4.4 to 4.1 percent. The measures would have cost the state an estimated \$106.1 million annually in lost revenues, would have jeopardized state budget funding for education and other critical programs, and would have had the effect of building in a future tax increase for the people of Pennsylvania. Both bills died in the Democrat-controlled state House.

\*\*\* **1987-88 Tax Cuts; Hazardous Waste Site Cleanup Funding** -- With a \$338 million 1986-87 year-end revenue surplus, the General Assembly unanimously approved and the governor signed legislation (**SB 443, Act 58/1987**) granting an estimated \$95 million in tax cuts in fiscal 1987-88.

Commercial entities were to reap an estimated -\$84 million of the total reduction. Under the measure, the Capital Stock and Franchise Tax was cut from 10 to 9 mills retroactive to the beginning of the 1987 calendar year. Additionally, and in an effort to help small businesses in particular, the legislation exempted the first \$100,000 of a businesses' valuation from the Capital Stock and Franchise Tax (double the previous \$50,000 valuation exemption) and eliminated a previous 80 percent prepayment of the tax. Over a four year phase-in period, a quarterly payment system was to be established similar to that which exists for payment of the Corporate Net Income Tax.

There was a caveat, however, to the one mill reduction in the Capital Stock and Franchise Tax. The rate was increased from 9 to 9.5 mills in 1988 for the purpose of funding the cleanup of hazardous waste sites in Pennsylvania. Funds generated by the half-mill surcharge, which was to remain in place through 1991, were to be deposited in the Hazardous Sites Cleanup Fund.

Other provisions of the measure were designed to provide tax relief to utility consumers and the working poor.

The state's 4.5 percent utility gross receipts tax, which is paid by all residential and commercial utility customers, was reduced to 4.4 percent for a savings to utility customers of more than \$10 million annually.

The legislation also enabled more low income families to qualify for the special tax forgiveness provisions of the state income tax.



\*\*\* **Retired Police and Firefighter COLA** -- Signed into law was a bill (**SB 941, Act 147/1988**) granting a cost of living adjustment (COLA) in pension benefits for retired municipal police officers and firefighters in Pennsylvania.

The COLA, ranging from \$300 to \$1,800 a year, would apply only to former police officers and firefighters who retired prior to January 1, 1985.

The pension increase, effective January, 1989, amounts to \$25 a month for individuals retired for five to 10 years as of January 1, 1989, \$50 per month if the retiree is totally disabled and has been retired less than 10 years, \$75 per month for those retired for at least 10 years and \$150 per month for those retired at least 20 years.

An estimated 11,500 police and firefighter retirees are eligible for the COLA which had a first year cost of \$9.6 million and which was to be funded from the state tax imposed on foreign casualty insurance premiums.

\*\*\* **Retired State and School Employee COLA; "Early Retirement Window"** -- Enacted was a pension cost of living adjustment (COLA) for retired school and state employees (**SB 1441, Act 112/1988**).

The increase, benefiting members of the public school employees and state employees retirement systems who retired as of July 1, 1987, translated to an average monthly increase of between 5.3 to 10.8 percent, effective January, 1989.

The supplement is equal to \$2.00 per month for each year of service plus \$.50 per month for each year retired.

**Senate Bill 1441** also extended the expiration date of the "early retirement window" for school and state employees from June 30, 1989 to September 30, 1991. For school employees, this permits members with 30 years of service to retire at any age and receive full benefits. For state employees, it permits members with 30 years of service and who are at least 53 years of age to retire without any benefit penalty.

\*\*\* **Transition Expenses** -- Signed by the governor was a measure (**HB 2412, Act 70A/1988**) that provided funding for the transition expenses of newly elected statewide officeholders. The legislation appropriated \$75,000 each to the offices of state Attorney General, state Treasurer and state Auditor General. It also contained an appropriation of \$100,000 for a music theatre festival in southeastern Pennsylvania and \$50,000 for local drug enforcement and control programs in the city of Chester.

Governor Casey, meanwhile, vetoed -- as unnecessary another bill (**SB 942**) that also provided \$75,000 each to the Attorney General, Auditor General and state Treasurer for transition expenses. In addition to the transition expenses, **Senate Bill 942** would have authorized per diem allowances for the three statewide officeholders -- an action which Governor Casey contended was in conflict with previous law establishing compensation and/or salary limits for the offices of Attorney General, Auditor General and state Treasurer.

\*\*\* **Small Games of Chance** -- On a vote of 39-10 in the Senate and 166-24 in the House, the General Assembly passed a compromise version of legislation (**SB 75, Act 156/1988**) permitting -- subject to voter approval in a local referendum "small games of chance" for the fund-raising activities of volunteer fire and ambulance companies, veterans groups, religious and charitable organizations and other not-for-profit groups that provide community services.

A earlier version was vetoed by the governor based on his contention that the initial bill (**SB 279**) lacked appropriate controls and regulations on games such as fishbowls, punchboards, raffles and lotteries.

As enacted, the new law places a limit of \$500 on individual prizes and \$5,000 weekly on total prizes awarded in such games. Sponsoring groups could conduct special raffles awarding up to \$25,000, but such raffles could be conducted no more than twice annually.

Except for raffles, which may be held only once each month, all "small games of chance" are to be conducted at the location of the sponsoring organization.

The law establishes a \$1,000 annual licensing fee to be paid to the state by game distributors and a \$2,000 annual registration fee to be paid to the state by manufacturers of games.

Sponsoring clubs and organizations would be licensed by county treasurers for a \$100 annual fee and licenses could be revoked and penalties imposed for anyone of 13 violations specified in the law.

The licensing of convicted felons and gambling law violators is prohibited. Except for prizes identified on raffle tickets, the advertising of prize amounts is banned.

\* **Cigarette Tax Designation** -- Legislation (**SB 1339**) that would have designated that a portion of the state's cigarette tax be used to assist volunteer fire companies passed the Senate (50-0) but died in the House.

Under the proposal, slightly more than half a penny (\$.0055) of the state's 18¢ per pack tax on cigarettes (approximately \$6.9 million annually) would have been designated for a Volunteer Fire Company Challenge Grant Program that would have entitled volunteer fire companies to receive state matching grants of up to \$2,500 based on the success of their local fund-raising efforts.

\*\*\* **Deposits in Thrift Institutions** -- Enacted was a measure (**HB 1010, Act 182/1988**) providing clear authority for the deposit of state and local public funds in savings associations, savings banks, federal savings and loan associations or federal savings banks whose principal offices are in Pennsylvania. The new law was intended to clarify ambiguous provisions of previous law dealing with deposits made by the state and political subdivisions in Pennsylvania thrift institutions.

\* **Deposits in Credit Unions** -- Legislation (**SB 1282**) that would have statutorily authorized credit unions to become depositories of state funds passed the Senate (49-0). The bill died in the House.

\*\*\* **Taxpayer Amnesty/Amusement Tax Relief** -- Legislation (**HB 369**) giving local governments the authority to grant a one-time tax amnesty period to delinquent taxpayers who owe earned income taxes was enacted (**Act 30/1987**).

Under the measure, municipalities and school districts -- in order to finally collect delinquent earned income taxes -- could establish a "one-time period" during which delinquent taxpayers would be able to pay the full tax that is overdue without being subjected to interest or penalty charges.

Additionally, the legislation prohibited taxing authorities from imposing an amusement tax on membership, membership dues, donations, fees or assessments paid by the general public to fitness or health spas.

The measure also reduced the maximum amusement tax levied by governing bodies on bowling alleys from 10 percent to four percent.

\*\*\* **Tax Return Check off for U.S. Olympics** -- Enacted was a measure (**SB 445, Act 59/1987**) that established a voluntary check off on 1987 state income tax returns for contributions to the United States Olympics.

Under the program, taxpayers due refunds from the state were able to have all or part of their tax refund designated to support the United States Olympics Committee, Pennsylvania Division. The check off applied only to returns filed in 1988 for the 1987 tax year.

\*\*\* **Sinking Fund For Redevelopment Assistance** -- A special fund created in the 1985-86 legislative session to provide state support for redevelopment projects was expanded under **SB 814** which became Act 63 of 1987.

Under **SB 814**, the state was authorized to raise up to \$400 million in bond sales for redevelopment assistance projects that will stimulate economic activity in a region. In the prior two-year session a Redevelopment Assistance Sinking Fund was established to retire the debt on the redevelopment assistance bonds with up to \$30 million annually from revenues generated by the state's Realty Transfer Tax. **SB 814** changed the cap from the annual \$30 million debt service payback to a \$400 million limit on total project expenditures.

The practical effect of the legislation was to permit the state to provide \$23.8 million to St. Christopher's Hospital for Children for construction of a new facility in north Philadelphia.

**SB 814** also removed a \$5 million project cost requirement in financially disadvantaged municipalities, reducing it to \$1 million so that smaller communities could participate.

Redevelopment assistance projects previously authorized by legislation enacted in the prior session were unaffected by **SB 814**. These included the Philadelphia Convention Center, the Midfield Terminal at Greater Pittsburgh International Airport, Homer Research Labs in the Lehigh Valley, the Buhl Planetarium Science Center in Pittsburgh, and the Franklin Institute in Philadelphia.

\*\*\* **Disaster Relief Funding** -- A legislative proposal (**HB 1539**) designed to restore full funding for a disaster relief program improperly administered by the prior administration of former Governor Dick Thornburgh cleared both the Senate and House and was signed by Governor Robert P. Casey (**Act 52/1987**).

The measure provided for an additional \$4 million for the program designed to aid the victims of flood and tornado disasters that occurred in various regions of the state during 1984, 1985 and 1986.

Specifically, the legislation increased the initial \$15 million appropriation for the flood relief program to \$19 million. The increase in funding was necessary because the Thornburgh administration improperly and prematurely disbursed \$4 million from the program to municipal governments -- \$4 million that was primarily intended to help individuals pay for the cost of uninsured and uncompensated flood and tornado damage to their homes and properties.

With the additional funding, individuals who were wrongfully denied state grants of up to \$12,500 because they received Small Business or Farmers' Home loans were to be reevaluated in accordance with the original provisions of Act 88 of 1986.

\* **Municipal Flood Assistance** -- The Senate passed two measures (**SBs 1055; 1056**) that would have appropriated more than \$4.7 million to several municipalities for flood damage repairs. Most of the funding was contained in **Senate Bill 1056** which included a \$3 million appropriation to Allegheny County for the repair and stabilization of the Pine Creek watershed in the North Hills region surrounding Pittsburgh which was the site of disastrous flooding in May of 1986 -- flooding that damaged hundreds of homes and businesses and claimed eight lives. Although the two bills failed to win final consideration in the House, additional funding for the Pine Creek project was contained in the capital budget and General Fund budget enacted by the legislature in 1988.

\*\*\* **State Pay** -- A measure (**HB 1288, Act 28/1987**) increasing the salaries of the governor and his cabinet, judges and legislators was adopted.

It was the first salary increase enacted in three years.

Salaries were increased to \$91,500 for Supreme Court justices, and \$89,500 for Superior and Commonwealth Court justices. Most Common Pleas Court judges were to receive \$80,000 under the measure.

The governor's salary will increase from \$85,000 to \$105,000 effective the next election. Cabinet salary increases, which were to apply only to cabinet officers appointed after July 1, 1987 range between \$14,000 and \$15,000. The heads of the larger agencies such as PennDOT and Public Welfare were to receive \$80,000 annually.

Members of the General Assembly received an increase of \$12,000, from \$35,000 to \$47,000 annually.

\*\*\* **Pension Credit Transfer** -- Enacted was a measure (**SB 139, Act 53/1987**) permitting certain former county employees to transfer pension service credit to the State Employees' Retirement System.- The legislation was designed to cover 58 employees who were shifted from county government payrolls to the state government payroll as a result of Act 49 of 1985 which required that the state furnish appellate court judges with chamber facilities and "staff" in the county in which the judges reside.

The law also contained a provision that allows Delaware River Port Authority policemen to retire at age 50 and receive full pensions.

\*\*\* **Computerized Judiciary** -- Financing of a statewide judicial computer system was approved (**SB 815, Act 64/1987**).

Under the legislation, a judicial computer system augmentation account was to be set up from fines and fees collected by the judiciary in excess of the amount collected in 1986-87. The account cannot exceed \$20 million per year until 1994, after which the limit will be \$10 million annually.

The 1987-88 general fund budget appropriated \$2 million to the Supreme Court for the computer system's startup costs. This was to be repaid from the special account.

\* **Tax Withholding** -- The Senate voted to pass (46-0) legislation (**SB 1107**) that would have permitted ministers and other members of the clergy to be treated for income tax purposes as self-employed business persons. As such, income taxes would not be required to be withheld from their paychecks. The bill, which failed to win final House action, was identical to another Senate-approved measure (**SB 747**) which was gutted in the House and became the vehicle to permit the manufacture of liquor-filled candy in Pennsylvania.

\*\*\* **Alternative Retirement System Contributions** -- Enacted was a measure (**SB 852, Act 78/1987**) requiring Penn State University, the State System of Higher Education (SSHE) and the commonwealth to increase their level of contributions to an alternative retirement program known as TIAA-CREF which covers 4,890 employees who work for Penn State, the SSHE and the Department of Education.

The legislation increased the employer contribution rate from 7 percent to 8.95 percent of payroll for members of the alternative system. The cost of the increase to Penn State, SSHE and the commonwealth was estimated at \$2,824,380 in the first year.

## **Environmental Resources and Energy**

\*\*\* **Pennvest** -- Pennvest, a multi-billion dollar plan to help rebuild Pennsylvania's water and sewage systems, was signed into law as Act 16 on March 1, 1988.

**House Bill 1100** was the subject of intensive negotiations between Governor Casey and all four legislative caucuses. Senate Democrats finally forced their Republican colleagues to move on the bill by temporarily withholding support for so-called Sunny Day fund appropriations, which require a two-thirds majority vote for approval.

The resulting compromise, hammered out in a conference committee, was approved in the Senate, 47-0.

Pennvest is expected to generate over \$2.5 billion over the next 25 years for low-interest loans and grants for water and sewerage system improvements.

Financing will come from state appropriations, federal funds, unused debt authorization, capital budget

funds and a \$300 million bond issue which was approved by Pennsylvania voters in the April 1988 primary. Additional funds will be generated in by reinvesting loan repayments.

Pennvest is administered by a 13-member Pennsylvania Infrastructure Investment Authority board headed by the governor.

Most assistance is in the form of low-interest loans. However, the authority is empowered to issue water system and sewage system improvement grants to economically hard-pressed municipalities.

Interest rates on loans vary from one percent to 75 percent of the rate paid by the commonwealth for its bonds. The lowest interest rates apply to areas with the highest unemployment.

Assistance is capped at \$11 million for a project serving a single municipality and \$20 million for a project serving two or three municipalities. The \$20 million cap on assistance could be lifted for projects that serve four or more municipalities; nine of the board's 13 members would have to approve such exceptions.

\*\*\* **Mandatory Recycling** -- A comprehensive solid waste management plan highlighted by statewide mandatory recycling was signed into law as **Act 101** on July 28, 1988.

Residents in 413 communities in 54 counties will be required to separate portions of their curbside trash for recycling. The legislation (**SB 528**) is expected to result in the recycling of at least 25 percent of Pennsylvania's trash within the next decade.

Communities will be required to recycle leaf waste and at least three of the following materials: clear glass, colored glass, aluminum, steel and bimetallic cans, high-grade office paper, newsprint, corrugated paper and plastics. State government agencies and other entities, both public and private, will be encouraged to purchase recycled materials.

Municipalities with populations of 10,000 must establish recycling plans within two years; communities with populations ranging from 5,000 to 10,000 and densities of more than 300 people per square mile will have three years to begin recycling programs.

The legislation will also make county governments responsible for developing municipal waste management plans. The counties must develop comprehensive waste plans within 2 and a half years, subject to the ratification of a majority of the municipal governments within their boundaries. County governments were given control over where waste is disposed of within their boundaries.

The measure also helps municipalities pay for recycling programs and encourages the development of environmentally-safe disposal facilities. Municipalities get grants to pay for 90 percent of the cost of starting a recycling program; distressed communities get 100 percent grants.

Operators of municipal waste landfills and resource recovery facilities are required to pay \$2 into a state Recycling Fund for every ton of trash disposed of at their facilities.

An additional \$1 per ton fee will be imposed on operators of landfills and resource recovery facilities by communities that host such facilities. A final surcharge of 25 cents per ton will be set aside to pay for preventing or abating adverse environmental effects which occur after landfills are closed. A separate "Site Specific Post Closure Fund" will be established by counties for each municipal waste landfill operating within their boundaries.

The state Department of Environmental Resources will give municipalities grants to establish collection sites for the disposal of potentially hazardous household cleaning products and pesticides, provide Recycling Fund assistance for municipal hiring of disposal facility inspectors and prohibit landfills or resource recovery facilities

from being located within 300 yards of a school, park or playground.

\*\*\* **Superfund** -- Pennsylvania has its own version of the federal Superfund program as a result of legislation (**HB 1852**) signed into law as Act 108 on Oct. 18, 1988.

The legislation allowed for the expenditure of \$61 million previously collected for the state's toxic waste cleanup program and established a continued funding mechanism. It also orders DER to form a hazardous waste facility sitting team which will have until July 1, 1992 to choose a hazardous waste disposal site.

If the team fails to meet the deadline, an independent sitting team will take over. The two-team concept was the result of compromise between Senate Republicans and the Democratic administration. Senate GOP leaders had insisted on the independent panel language while Democrats wanted a DER sitting team.

Funding for hazardous waste site clean up will come from a variety of sources including the capital stock and franchise tax on business, the commonwealth's general fund, hazardous waste transportation and management fees and federal allocations.

Pennsylvania's Superfund program will supplement, not replace, the federal government's Superfund. It was designed to clean up sites that do not qualify for assistance from the federal government and make more money available to accelerate the cleanup of federal Superfund sites located in Pennsylvania.

According to the administration, the new law will result in the cleanup of 250 sites by the year 2000.

\*\*\* **Low Level Radioactive Waste** -- Legislation which authorizes the design, sitting and licensing of a low-level radioactive waste disposal facility in Pennsylvania was signed into law as **Act 12** on Feb. 4, 1988.

**Senate Bill 948** implements the 1985 Appalachian States Low- Level Radioactive Waste Compact. Pennsylvania had agreed in the compact to host a low-level radioactive waste disposal facility. West Virginia and Maryland are the other compact members.

The legislation gives the secretary of the Department of Environmental Resources final authority to select a waste disposal site. The secretary will choose from three sites which have been screened by the disposal facility's operator-licensee and approved by the Environmental Quality Board. DER's approval of a license for the facility will be appealable to the Environmental Hearing Board.

DER will select the operator-licensee after evaluating "Requests-For-Proposal" from interested firms. The RFPs will outline methods to be used for site screening, design and operation plans, plans to meet public participation requirements, minimum host municipality benefits and guarantees, operator qualifications and compliance history and regional impact.

The legislation includes a series of host municipality benefits, including:

- operator-funded, independent facility inspectors who work for the host municipality, or host county;
- direct membership on the Low-Level Public Advisory Commission and Appalachian States Compact Commission;
- guarantees that persons residing within two miles of the disposal facility may sell their homes to the operator at market value;
- periodic sampling of surface and well water within three miles of the disposal facility;
- periodic "whole body radioactivity measurements" for residents of the host municipality and those living within five miles of the disposal facility;
- a guaranteed minimum financial benefit and,
- payment of school district and municipal property taxes for individuals residing within two miles of the disposal facility.

**Senate Bill 948** also includes provisions for post-closure care, emergency care and monitoring of the disposal facility; a requirement that the state receive title to the facility's land and a requirement that the facility be constructed above-grade.

\*\*\* **Certification for Radon Testing** -- Legislation to require state certification of those who test or provide safeguards against radon was signed into law by the governor (**SB 137, Act 43/1987**).

Prior to the legislation, more than 10 firms were engaged in radon testing and mitigation work in Pennsylvania and none were certified. Proponents felt certification was necessary to protect the public health, prevent fraud, and prevent inaccurate results.

\*\*\* **Infectious Waste** -- The state Department of Environmental Resources was required to study and investigate the disposal of infectious and chemotherapeutic waste for at least one year under legislation (**SB 1387**) signed into law as **Act 93** on July 13, 1988.

DER will prepare a plan detailing the present and projected volume of waste production, the adequacy of present facilities and criteria for citing commercial facilities. The plan must be submitted to the Environmental Quality Board within 14 months. DER cannot issue permits for construction or operation of an incineration or disposal facility for infectious or chemotherapeutic wastes until the plan is adopted by the EQB.

DER will develop regulations and standards for the transportation, processing, storage, incineration and disposal of infectious or chemotherapeutic waste; best available technology standards; air quality standards from new on-site and commercial facilities and liability insurance requirements.

A manifest system will be mandatory for waste generators, transporters, handlers and disposers. Transporters must be licensed by DER.

\* **Storage Tanks** -- New and existing fuel storage tanks would have been registered, permitted and monitored under legislation approval (47-1) by the Senate. The bill's introduction followed in the wake of a fuel tank collapse and massive spill into the Monongahela River near Pittsburgh January 2, 1988.

**Senate Bill 1328** would also have created an Underground Storage Tank Fund to help owners and operators of such tanks meet federal financial responsibility requirements.

All existing above-ground storage tanks would have been registered with the Department of Environmental Resources within one year.

Large above ground tanks would have required permits from DER renewable at 10-year intervals. Small above ground tanks and underground tanks would have required authorization from DER.

Fines, civil penalties and permit and registration fees would have gone into a Spill Prevention Trust Fund.

Other provisions of the bill would have:

- required DER inspections of all tanks;
- required underground tank owners to maintain monitoring systems;
- required above ground tank owners to develop site specific Spill Prevention Response Plans; and
- required DER to develop siting regulations for new above ground tanks.

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

\*\*\* **Environmental Hearing Board** -- The Environmental Hearing Board is an independent quasi-judicial agency as a result of legislation (**HB 1432**) signed into law as **Act 94** on July 13, 1988.

The revised board consists of five full-time administrative law judges, each an attorney with five years of practice before administrative agencies.

Board members were to be appointed by the governor and subject to Senate confirmation. Their salaries would be the same as the chairman and commissioners of the Public Utility Commission.

An Environmental Hearing Board Rules Committee was established, consisting of nine attorneys who have practiced before the board for at least three years.

The hearing board will have offices and hearing rooms in Harrisburg and Pittsburgh; a Philadelphia office would be optional.

\*\*\* **Mine Subsidence Assistance** -- Homeowners with mine subsidence damage can receive state grants and loans through the Department of Environmental Resources under a bill signed into law as **Act 82** on July 6, 1988.

Grants under **House Bill 750** will be issued when properties are deemed unsafe for occupancy, and can be used only for temporary relocation until homes are repaired, until subsidence danger ends or until a new residence is found. Loans can be used to repair damaged dwellings, will be available according to the severity of damages and will carry an interest rate of less than three percent.

Grants and loans will not be available to homeowners with mine subsidence insurance, and those receiving funds will be required to purchase subsidence insurance if there is a threat of further damage. Grants cannot be awarded for dwellings within a one mile radius of a site where subsidence has occurred within the past three years. Loans cannot be awarded when subsidence has occurred within a one-half mile radius of a dwelling within the past year. DER must publish notices of subsidence's in local newspapers.

\* **Landslide Insurance** -- The Senate approved legislation (**SB 1146**) which would have renamed the Anthracite and Bituminous Coal Mine Subsidence Fund and expanded the fund's insurance to cover damage from landslides.

Landslide insurance is not available commercially.

**Senate Bill 1146** was in the House Conservation Committee when the session ended.

\* **Emergency Mine Bond Fund** -- The Senate approved legislation (**SB 1344**) which would have made anthracite surface mine operators eligible for assistance under the Emergency Bond Fund to reclaim abandoned mine lands.

Mine operators would have had to prove that three bonding companies rejected their requests for coverage or that their bonds were canceled due to a bonding company's bankruptcy or insolvency.

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

\* **Lead Ban** -- The Senate unanimously approved legislation which would have banned the use of lead in plumbing. The 1986 Federal Safe Drinking Water Act required states to implement such a ban in 1988.

**Senate Bill 1551** would have required that community water systems notify customers who may be affected by lead contamination. The notification would have included potential lead sources in the water, potential health effects, methods to mitigate lead content, steps the water system is taking to deal with lead contamination and the need to seek alternative water supplies.



People requesting a connection to a water system would have been required to certify that materials used in the connection are lead-free. DER would have been required to conduct inspections of public water systems and places where plumbing supplies are sold. Inspections would also have been required during the construction, modification or repair of residential or nonresidential facilities.

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

\* **Water System Interconnections** -- Legislation which would have encouraged interconnections between water systems was unanimously approved by the Senate.

Under current law, connections between water systems require a permit from the state Department of Environmental Resources.

**Senate Bill 1283** would have exempted service connections from the permitting process if the seller has an allocation permit.

The bill was on the table in the House when the session ended.

\* **Sewer Extension Permits** -- Permits would no longer have been needed for sewer extensions which collect the equivalent volume of less than 250 single family dwellings under legislation (**SB 1353**) unanimously approved by the Senate.

The legislation was in the House Conservation Committee when the session ended.

\* **Right-Way-To-Throw-Away Program** -- Legislation designed to encourage the safe disposal of hazardous waste generated by households and small businesses was approved by the Senate, 48-1.

**Senate Bill 610** would have required the state Department of Environmental Resources to divide the state into districts and establish collection points for small quantities of hazardous waste.

**Senate Bill 610** was in the House Appropriations Committee when the session ended.

\*\*\* **Energy Conservation and Weatherization Funding** -- Legislation (**SB 586**) expanding the definition of energy conservation and assistance programs in connection with the distribution of oil company overcharge monies refunded to the state was signed July 9, 1987 by the governor, making it **Act 42** of 1987.

Oil overcharge distributions (\$96.8 million) are no longer restricted to the original federally-approved programs. **Senate Bill 586** expanded the state's program definitions to include new projects and to allow greater flexibility in designing new programs.

\* **Sewage Sludge** -- Counties could have assumed responsibility for monitoring the land application of sewage sludge under legislation (**SB 723**) approved unanimously by the Senate.

The measure would have still required the state Department of Environmental Resources to maintain an inventory of all lands to which sludge has been applied.

**Senate Bill 723** was in the House Conservation Committee when the session ended.

\* **Stage II Vapor Recovery Systems** -- The state Department of Environmental Resources would have been prohibited from requiring the installation of "Stage II" vapor recovery systems on service station fuel pumps under legislation (**SB 875**) approved unanimously by the Senate.

Gasoline vapors are believed to contribute to the destruction of the ozone layer. Stage II recovery systems would collect the vapors through a second hose installed on gas pumps.

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

## Education

### **\*\*\* Education Subsidies; \$18,500 Minimum Teachers' Salary; School Construction Reimbursement**

-- Subsidies to local school districts were boosted by \$154.2 million in fiscal 1988-89 over what was allocated in the prior year and a compromise subsidy formula (**HB 1013**) to provide the \$2.5 billion in aid to schools was adopted (**Act 110/1988**).

The subsidy formula had been debated at length, with Senate Republicans proposing a formula that would have given about 250 school districts less than what Governor Casey originally proposed. The final plan gave all districts subsidies at least equal to the governor's proposal and more.

The complex Equalized Subsidy for Basic Education (ESBE) formula included the governor's suggested increase in the Factor for Education Expense (FEE) from \$2,125 to \$2,230; an increase in the so-called poverty supplement which provides additional funding to districts based on concentrations of children from poor (AFDC) families; an increase in small district assistance from \$75 per average daily membership (a.d.m.) to \$85 a.d.m., and an increase in the minimum guarantee of a district's full entitlement from 1987-88's 90 percent to 95 percent. The latter feature allowed some districts to receive funding increases of more than an eight percent maximum. No district receives less than a 2 percent increase.

Among other features, the conference committee report on **House Bill 1013** also established a statewide minimum teacher's salary of \$18,500 and provided funding to districts with starting salaries below that level. Affected districts were given the option of implementing the higher salary immediately or waiting until existing contracts expire.

The bill also included \$26 million for the "TELLS" student testing and remediation program and \$5 million for the start of Governor Casey's "incentive grant" program to reward schools that demonstrate educational improvements and show a decline in student dropout rates.

The prior year's education subsidy bill (**HB 719, Act 50/1987**), which provided the formula to spend \$2.35 billion in aid to schools in 1987-88, also contained language increasing the level of state reimbursement for school construction. It was the first increase in the level of state support for school building construction costs since the formula for such assistance was first established in 1968.

**Act 50 of 1987** increased the per pupil reimbursement for school construction costs as follows: from \$2,300 to \$3,900 for elementary schools, from \$3,000 to \$5,100 for secondary schools and from \$3,700 to \$6,300 for area vo-tech schools. Under the program, the state reimburses districts for a share of their bond indebtedness for construction projects over the life of the bond issue. The higher level of reimbursement was made retroactive to projects that began on or after July 1, 1984.

**Act 50 of 1987** also provided temporary special aid to school districts which previously had suffered severe tax revenue losses due to the bankruptcy of businesses in the district.

**\*\*\* Home Schooling** -- Requirements for Home Education Programs were established in legislation (**SB 154**) signed into law as **Act 169** on Dec. 21, 1988.

Parents or guardians who plan to educate children at home are required to file yearly affidavits with their school district superintendent.

Home education programs must provide 180 days or 900 hours of instruction at the elementary level and 180 days or 990 hours of instruction at the secondary level. Required courses are specified for each level. Documentation is required to demonstrate that educational progress is occurring.

The legislation also includes provisions for the disposition of unused school district property.

\*\*\* **Teacher Loan Forgiveness** -- Enacted was a measure (**HB 2513, Act 155/1988**) establishing a program of student loan forgiveness for education college graduates who accept teaching positions in under-served rural and urban areas of the state.

Qualifying teachers who have borrowed money through the Pennsylvania Higher Education Assistance Agency would have their loans forgiven at a rate of up to \$2,500 a year, up to a maximum of \$10,000.

The measure is seen as a way to attract teachers to inner city and rural school districts.

\*\*\* **High School Dropout Prevention** -- The state Department of Education was charged with developing a program to reduce the state's high school dropout rate under **House Bill 9** which became **Act 49** of 1987.

School districts that have a higher dropout rate than the state average became eligible for grants. No school district could receive more than 10% of the total funds available, \$750,000 in fiscal 1988-89.

The program, intended to apply to kindergarten through 12th grade students, was to include such things as: remedial education, employment and training services, vocational education and outreach activities.

School districts were required to involve parents and guardians of students enrolled in the programs.

\* **Programs for Latchkey Children** -- The Senate voted (48-0) in favor of a proposal that would assist and encourage local school districts in the establishment of pilot child care programs for so-called "latchkey" children -- children whose parents are not at home before and after the normal school day begins and ends.

Under **Senate Bill 519**, which died in the House Education Committee, a latchkey child was defined as one from age 5 to 12, attending school in Pennsylvania.

\* **Prepaid College Tuition** -- College tuition credits could be purchased in advance under legislation approved by the Senate.

The measure was not considered in the House before the session ended.

**Senate Bill 333** would have created a Tuition Account Program. Participants in the program could have purchased college tuition credits in advance. The credits could not be redeemed until at least six years after the first tuition contract was entered.

\*\*\* **Teacher Drug Offenses** -- Teachers and other school employees who are convicted of drug-related offenses will lose their jobs under legislation (**HB 2485**) signed into law as **Act 191** on Dec. 21, 1988.

The legislation applies to school districts, intermediate units and area vocational-technical schools. It requires the termination of any employee convicted of delivery or possession with intent to deliver a controlled substance.

\*\*\* **Campus Crime Statistics** -- Pennsylvania colleges and universities are required to annually report campus crime statistics to the state police under legislation (**HB 1900**) signed

into law as **Act 73** on May 26, 1988.

Information contained in the reports will be made available to applicants, students and employees. Colleges and universities will also be required to provide applicants, students and employees with information concerning security policies and procedures.

\*\*\* **Agency Shop** -- A decade-long battle for agency shop legislation ended when Governor Casey signed **Senate Bill 291** into law as **Act 84** on July 13, 1988.

The bill began as an effort to clarify the State Board of Education's authority over the State System of Higher Education.

Those provisions -- which state that the board may regulate the state system as a whole, not individual universities -- remained in the bill upon final enactment.

House amendments added provisions which can require non-union state and public school employees to pay a "fair share" of the cost of union representation.

State and public school employees who belong to a bargaining unit receive the benefits of union membership even if they do not join the union. They pay no union dues but still receive wage increases negotiated by the union and can seek union representation in the grievance process.

Agency shop is not mandatory under the new law. It was made a negotiable issue in contract talks with state and public school employee bargaining units. The legislation does not apply to unions representing municipal employees and requires unions to report to non-members how their "fair share" fees are being used.

The fees are expected to total approximately 85 percent of union dues.

The Senate vote on final passage was 28-22.

\*\*\* **PHEAA Loans** -- The Pennsylvania Higher Education Assistance Agency was given additional authority to garnish the wages of loan debtors under legislation (**SB 794**) signed into law as **Act 96** on July 14, 1988.

The legislation allows PHEAA to assess a civil penalty on the employer of a loan debtor whose wages have been garnished if the employer fails to pay PHEAA the amount due within a prescribed period of time. Employers could be penalized if they dismiss a loan debtor as a result of PHEAA's notice of execution or take disciplinary action against an employee as a result of PHEAA's notice of execution.

The legislation also allows PHEAA to retain 35 percent of monies collected from defaulted accounts. Current law permits the agency to retain 30 percent of default collections.

\* **Professional Standards and Practices Commission** -- Legislation which would have re-established the Professional Standards and Practices Commission was approved by the Senate.

**Senate Bill 1067** would have added three members to the commission, bringing its total complement to 19. Commission appointments would require Senate confirmation.

The bill would also have clarified the powers and duties of the commission, made the commission chairman an ex-officio member of the State Board of Education and provided for the appointment of a Director of Professional Standards and Practices.

**Senate Bill 1067** was in conference committee when the session ended. The major item of dispute was the Senate's insistence that commission be subject to confirmation.

\*\*\* **State Board of Academic Schools** -- Legislation (**SB 1068**) re-establishing the State Board of Academic Schools was signed into law as **Act 11** Jan. 28, 1988.

The legislation added two members to the board, bringing its total complement to nine. The board establishes licensing policies, provides annual statistical reports to the House and Senate Education committees and compiles a directory of Private Academic Schools. The board has authority only over schools not under the jurisdiction of other boards.

\*\*\* **State Board of Education** -- Legislation which reestablished the State Board of Education was signed into law was **Act 43** on March 30, 1988.

**House Bill 1735** continued board membership at 21 and required the board to prepare an annual operating budget which includes projected operating expenses for the Professional Standards and Practices Commission.

The legislation also required school districts, intermediate units and vo-tech schools to submit plans for continuing professional development by Jan. 1, 1989.

\*\*\* **Information Technology Education Act** -- Legislation which extended the Sunset date of the Information Technology Education Act was signed by the governor (**HB 783, Act 38/1988**).

The Information Technology Education Act requires PHEAA to establish at least eight regional computer resources centers throughout the state. It is intended to increase teacher computer expertise and help local school districts buy, use and upgrade computer hardware and software. The Act's Sunset date is now June 30, 1992.

\* **School Board Vacancies** -- The Senate unanimously approved legislation which would help ensure that mid-term vacancies on local school boards are filled by election, rather than appointment.

**Senate Bill 1083** would have required school districts to fill mid-term vacancies under the same system now used by municipal governments. Municipal vacancies which occur 60 days prior to a municipal election must be filled during that election. School board vacancies are filled under a similar system, but the 60-day "clock" doesn't begin to run until the school board approves an interim appointment.

Since school boards have 30 days to make appointments, a vacancy which occurs 89 days before an election may not appear on the ballot.

**Senate Bill 1083** was on the table in the House when the session ended.

\*\*\* **State System of Higher Education** -- The General Assembly approved legislation (**HB 1755**) which added four members to the State System of Higher Education Board of Governors and authorized trustees at each SSHE university to establish a rental fee for students living in state-owned or leased facilities. The governor signed the bill into law as **Act 77** on June 23, 1988.

The new board of governors has 20 members, with two additional members from both the Senate and House. The legislation also authorized the SSHE to contract for maintenance work valued at up to \$100,000.

\*\*\* **Student Discipline Hearings** -- The General Assembly approved legislation (**HB 1662**) which exempts student discipline hearings in the State System of Higher Education from the provisions of Title 2. The governor signed the bill into law as **Act 186** on Dec. 21, 1988.

Title 2 outlines procedures for adjudications before state agencies.

\* **Disruptive Students** -- Pennsylvania schools would have been encouraged to provide alternative education programs for "disruptive students" under legislation approved unanimously by the Senate.

According to **Senate Bill 663**, a disruptive student exhibits any or all of the following conditions: chronic truancy, rebelliousness toward school officials, physical disruptiveness while in school or on school grounds, persistent violations of school rules and regulations or misuse of drugs or alcohol during school hours.

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

\* **Habitual Truancy** -- Students could be fined for habitual truancy under legislation unanimously approved by the Senate. Under current law, only the parents may be fined.

**Senate Bill 658** would have retained the current fines of up to \$2 for the first offense and up to \$5 for each subsequent offense. The bill would have also allowed school employees to begin work pending completion of a background check. Pennsylvania residents could work for up to 30 days while the check was being completed; out-of-state residents could work for up to 90 days.

The legislation was in the House Education Committee when the session ended.

\* **Emergency Preparedness Plans** -- All public and private schools would be required to develop severe storm emergency preparedness plans under legislation approved by the Senate.

**Senate Bill 863** would have required annual safety instruction for all students, building and exit procedure instruction for teachers and other school employees and a timetable for school building drills on exit procedures and safety practices. The bill was in the House Appropriations Committee when the session ended.

\* **Steroid Use** -- The Senate approved legislation (**SB 1163**) which would have specifically prohibited the use of anabolic steroids by pupils involved in school-related athletics.

Students who violated the ban, under the bill, would have been punished at the discretion of individual school boards.

**Senate Bill 1163** was in the House Education Committee when the session ended.

\* **English Fluency** -- Legislation (**SB 1256**) requiring that every Pennsylvania institution of higher education certify that its teachers are fluent in English was unanimously passed by the Senate.

Fluency would be established using a standardized test. The bill was in the House Education Committee when the session ended.

\* **Education for Rehabilitative Residence Students** -- The Senate unanimously approved legislation (**SB 664**) which would have increased funding for students adjudicated to private residential and rehabilitative institutions.

The bill would have increased funding by up to 50 percent.

It died in the House Education Committee.

\* **Writing Skills Improvement** -- **Senate Bill 841** (approved 49-0) would have established a program to train potential and existing teachers to improve writing skills of students in public and private schools.

Known as the "Pennsylvania Writing Project," the program would have been under the jurisdiction of the State System of Higher Education (SSHE).

**Senate Bill 841** died in the House Education Committee.

\* **Unused Land Conveyances** -- **Senate Bill 152**, approved (49- 0) by the Senate, would have permitted school boards to convey unused and unnecessary land and buildings to volunteer fire companies, ambulance services, or rescue squads. The measure died in the House Education Committee.

\* **Intermediate Units/State Law** -- **Senate Bill 169**, passed (47-0) by the Senate, would have clarified existing law requiring local school board nomination of individuals serving on intermediate unit boards of directors.

House action on the legislation included amendments to provide for payroll deduction of so-called "fair share" fees.

**Senate Bill 169** was tabled in the House when the session ended.

### Local Government

\*\*\* **Local Tax Reform** -- In a "photo finish" ending to the two-year 1987-88 legislative session, the Senate voted (31-18) in favor of a measure (**SB 442, Act 145/1988**) that -- subject to voter approval of a constitutional change (see following story) -- will provide for the first major overhaul of Pennsylvania's local tax structure in more than 20 years.

After years of study and debate and more study and debate, a vote on the merits of a comprehensive local "tax reform" measure -- one that seeks to restore "fairness" to the local tax structure by giving locally elected officials greater flexibility in meeting revenue needs without imposing tax hardships on citizens -- prevailed.

The final Senate vote, however, did not come easily. With the clock ticking near midnight, November 30, 1988 and the constitutionally required end of the session, the Senate GOP in a blatant partisan attempt to merely thwart another Casey administration victory -- used just about every parliamentary trick in the book to block action. The public interest, however, beat the Senate GOP political interest as four Senate Republicans broke ranks with their leadership and joined a solid block of 22 Senate Democrats in defeating the parliamentary maneuvers.

**Senate Bill 442**, a bill in regular session, had been amended in the House to include the "tax reform" provisions after Senate Republicans walked away from and refused to sign a House-Senate conference committee report hammered out in the special session on tax reform convened by Governor Casey in November 1987.

**Act 145** of 1988 calls for the abolition of virtually all of the major "nuisance taxes", a substantial reduction in residential real estate taxes, and a replacement of lost revenues with levies that are based more on an individual's ability to pay.

Specifically, the legislation would mandate the elimination of local occupation assessment, occupational privilege, per capita and residence taxes. The personal property tax would be phased out over three years.

With a few exceptions -- especially in cases where replacement revenues would not be sufficient to cover revenue loss -- communities opting for tax reform would be required to reduce residential real estate taxes by at least 25 percent.

For school districts and municipalities, lost revenue would be replaced by "capped" local income taxes on wages and unearned interest and dividend income. Counties would be permitted a "capped" local sales tax.

With the exception of Pittsburgh and Philadelphia, school districts would be given the option of imposing an income tax of up to 1.5 percent. Local municipalities, meanwhile, would be empowered to impose a local income tax of up to .75 percent.

County governments would be able to levy a one-half percent sales tax on non-essential purchases.

Philadelphia and Allegheny Counties, meanwhile, would be permitted to enact a sales tax of either one-half or one percent.

And the new law addresses the thorny issue of the Philadelphia wage tax. For city residents, the wage tax would be reduced from 4.96 percent to 4.5 percent but would be expanded to include "unearned" income. For non-residents who work in the city, the wage tax would be cut from 4.31 percent to 3.95 percent.

In Allegheny County, meanwhile, the imposition of a sales tax is intended to enable the county to reduce real estate taxes.

For the city of Pittsburgh, the existing 2.125 wage tax -- which has been blamed for driving people out of the city -- could be reduced by its expansion to cover "unearned" income. The Pittsburgh School District, meanwhile, would be permitted to expand its existing 1.875 percent wage tax to cover unearned income as well.

Other key elements of the legislation include provisions that would:

- require all taxing jurisdictions to form citizen tax study commissions for the purpose of formulating and holding public hearings on local tax reform plans;
- permit local municipalities and school districts to exempt senior citizens with incomes below \$15,000 and other low income individuals from local income taxes and to defer property tax increases for low-income seniors;
- require landlords that receive lower property tax bills to pass the savings on to their tenants;
- provide \$70 million in transitional assistance from the state for municipalities;
- provide additional mass transit assistance from the state in an amount equal to one-half of the current local share;
- allow municipalities to impose a \$20 municipal services tax on residents and non-residents who work in the municipality;
- guard against over taxation by local governments through "anti-windfall" features;
- provide loans to counties (up to \$40 per parcel) to encourage more equitable and uniform assessment of real estate values;
- provide grants to counties that have attained equitable assessment of real estate values; and
- require persons leasing property from the state to make payments in lieu of taxes to taxing jurisdictions where such property is located.

**\*\* Tax Reform Constitutional Change** -- Most all of the provisions of **Act 145** of 1988 cannot become effective until the General Assembly takes second session action in 1989-90 on a proposed constitutional amendment and Pennsylvania's citizens vote by referendum to approve the amendment.

In 1987-88, the constitutional amendment approved by both the Senate and House was contained in **House Bill 14** of the special session on tax reform.



Specifically, the proposal -- if made part of the Constitution of Pennsylvania -- would stipulate that local taxing authorities reduce residential real estate taxes to the extent of additional revenues obtained from personal income taxes."

The intent is to make sure that business and commercial entities continue to pay their fair share of taxes by imposing a constitutional differential in the ratio of real estate tax between commercial and residential property.

As it stands, the Constitution's so-called "uniformity" clause requires that any increase or decrease in real estate taxes affect commercial and residential property in the same manner.

Without a change to permit a differential, commercial entities would unduly benefit from any decrease in real estate taxes caused by a higher level of tax burden on the income of citizens.

Language in **Act 145** of 1988 requires that the constitutional change be made before the various elements of tax reform can become reality. And before the constitutional amendment can take effect, it must be approved again by the General Assembly and then receive a final okay in the form of a majority vote of the electorate on a statewide ballot referendum.

\*\*\* **Municipal Fines Increased** -- Legislation was enacted raising the fines for ordinance violations in most cities, counties, boroughs and townships in the state.

**Senate Bill 356 (Act 85/1987)**, which passed both the House and Senate by overwhelming margins, amends the Third Class City Code to increase the maximum fine from \$300 to \$1,000 for violations of property, health, fire, public safety and pollution codes or ordinances. All other violations would carry a maximum fine of \$600.

The new law affects all cities in the commonwealth except Philadelphia, Pittsburgh and Scranton.

**House Bill 829 (Act 18/1988)**, **House Bill 830 (Act 19/1988)**, **House Bill 831 (Act 20/1988)** and **House Bill 832 (Act 21/1988)** which amended the borough, first and second class township, and third through eighth class county codes respectively allowed the \$300 maximum fine to be increased to \$600 or \$1,000 depending on the type of violation.

\*\*\* **County Tourist Promotion Funds** -- Legislation has been enacted (**HB 66, Act 44/1987**) permitting boards of commissioners from third, fourth, fifth, sixth, seventh, and eighth class counties to increase their tourist promotion agency appropriation from a maximum of 10 cents for each county resident to 35 cents.

This measure is expected to help the state's tourism industry and sponsors believe that for every additional dollar appropriated locally, the state's burden is therefore lessened.

\*\*\* **Second Deputy Treasurer** -- Legislation that permits county commissioners to appoint a second deputy treasurer was signed by Gov. Casey during his first year in office.

The measure (**SB 428, Act 57/1987**) allows counties to deal with various problems that might occur when, for instance, a county treasurer is out of town or incapacitated and the deputy treasurer, for whatever reason, is also unable to fulfill his duties.

County codes had already permitted second deputies in the offices of the prothonotary and recorder of deeds.

\*\*\* **Assessment Appeals Clarified** -- Enacted was legislation (**SB 315, Act 9/1987**) which clarifies how fourth through eighth class county assessment laws can be appealed, and it further

clarifies the law concerning fair market values and ratios when a resident is appealing an assessment.

Similar legislation, applicable to other classes of counties, was enacted last session (**Acts 132 and 194 of 1986**).

\*\*\* **Governmental Agencies** -- Under legislation passed by the General Assembly and signed by Gov. Casey (**SB 514, Act 60/1987**), municipal authorities and commissions operating within second class townships will be required to abide by all township ordinances.

\*\*\* **Philadelphia DA Gets Pay Hike** -- **House Bill 457** underwent several changes prior to being approved in the General Assembly and readied for the governor's signature (**Act 74/1987**).

The end result was legislation which increases the salaries of the Philadelphia District Attorney and part-time district attorneys in third through eighth class counties.

The Philadelphia DA will be paid \$79,000 or \$1,000 less than the salary paid to a Common Pleas court judge. His salary had been \$60,000 a year. Salaries for part-time DA's in third through eighth class counties would be based on a percentage of the Common Pleas Court judge's compensation. The amounts range from 60 percent for third and fourth class county part-time district attorneys to 40 percent for seventh and eighth class county part-time DA's.

\*\*\* **Scranton City Employee Pensions** -- A measure that lifts the "cap" on non-uniformed Scranton city employee contributions to their pension fund in an effort to allow for an increase in pension benefits to retired city workers was enacted.

**House Bill 251 (Act 84/1987)**, which excludes police and firefighters, simplifies (by removing the state legislature from the process) the ongoing need to change payment and contribution rates to reflect current cost of living levels.

Technically, this legislation removes statutory limits on maximum monthly contributions to the pension fund and makes the contributions subject to an ordinance adopted by city council.

The measure permits Scranton to modify its pension system but the bill does not obligate the city to make any changes.

\*\*\* **Township and Borough Meeting Allowances Increased** -- Expense allowances for first and second class township and borough officials attending their respective state association annual meetings has been increased under three bills enacted into law.

Under provisions of **Senate Bill 562 (Act 8/1988)** affecting first class townships, **Senate Bill 563 (Act 9/1988)** affecting second class townships, and **Senate Bill 564 (Act 10/1988)** affecting boroughs, the municipality may cover expenses for lodging plus \$25 for meals, gratuities, and other expenses for each day up to four days.

In addition, registration fees are now included as allowable expenses to be paid by the townships and boroughs.

\*\*\* **Real Estate Identification** -- A four-bill package (**Senate Bills 131, 132, 133, and 134**) that establishes and implements a land parcel identification system has been approved by the General Assembly and signed by the governor.

**Senate Bill 131 (Act 1/1988)** allows recorders of deeds to give every parcel of land a sequence of numbers to be recorded on county tax maps.

Under **Senate Bill 132 (Act 2/1988)**, once a county adopts the numerical identification system, it must maintain a dual system of real estate identification for a four-year period, using the present alphabetical system and the new number identification system simultaneously.

**Senate Bill 133 (Act 3/1988)** requires the land parcel identification number be placed on the mortgage, deed or other real estate transactions, in order for there to be consistent identification.

After a county adopts the number identification system, **Senate Bill 134 (Act 4/1988)** requires county commissioners to pass an ordinance prohibiting any recording of real estate transactions without a numerical identification.

\*\*\* **Bingo Games Restricted** -- Bingo operators in Allegheny County have been restricted on where they may hold their bingo games under legislation approved by the General Assembly.

**House Bill 446 (Act 14/1988)** would restrict licensed bingo game operators to one location within a second class county (Allegheny). The bill further stipulates that the location shall be within the same municipality as the main business office of the volunteer or non-profit organization licensed to conduct bingo games.

\*\*\* **Commissioner's and DA's Dues Increased** -- Legislation hiking the annual assessment for county commissioners, chief clerks, solicitors and district attorneys in third through eighth class counties who belong to an association has been approved by the General Assembly and signed by the governor.

Under **Senate Bill 701 (Act 172/1988)** dues will now range from \$375 a year for association members in eighth class counties to \$1,500 annually for association members in third class counties.

There is no expense to the state; all costs are borne by county governments that hold membership in the state association.

This bill also provides for the county commissioners association to set its own dues annually rather than the state legislature.

\*\*\* **Coroners' Schooling** -- Under legislation recently enacted by the General Assembly, all new county coroners will be going to school.

**Senate Bill 275 (Act 22/1988)** creates a Coroner's Education Board to administer mandatory continuing instruction and tests for all elected coroners and their deputies, except those elected or appointed before enactment of this bill. Costs would be borne by the counties.

\*\*\* **Boroughs Given OK to Trim Council Size** -- Legislation making it possible for smaller populated boroughs to reduce the size of council from seven members to either five or three has been signed into law by the governor.

**House Bill 1099 (Act 40/1988)** permits courts of common pleas to reduce the number of council members in boroughs with a population of less than 3,000. This bill affects more than 650 boroughs. The legislation was needed because many boroughs have difficulty attracting candidates for council.

The measure also allows boroughs to appropriate funds for programs which benefit senior citizens. This includes grants to senior citizen groups and civic organizations which represent senior citizens or provide services to older people.

Additionally, the bill removes the \$750 cap on borough council expenditures for public celebrations, centennials, anniversaries and donations to civic associations.

**\*\*\* D&A Abuse Program Funding Approved** -- The General Assembly and Governor Casey have approved legislation which will permit first class townships to appropriate up to \$5,000 annually for education and development of drug and alcohol abuse programs.

**House Bill 179 (Act 36/1988)** also permits first class townships to spend up to \$750 annually for the observance of holidays, centennials, civic projects, and other related programs.

Prior to this bill's approval, first class townships were not permitted to spend any funds on the above-mentioned projects.

**\*\*\* Traffic Control Devices Protected** -- Legislation has been enacted providing for hefty increases in the fine that can be levied against persons charged with and convicted of willfully destroying traffic control devices that have been placed in construction or maintenance work zones.

This particular issue is addressed by two bills--**House Bill 272 (Act 30/1988)** and **House Bill 95 (Act 28/1988)**. Conviction in a summary proceeding provides for a fine of at least \$200 but not more than \$500 for a first offense. A second or subsequent offense calls for a mandatory penalty of \$500. The previous minimum fine had been \$25 while the maximum was \$100.

A third bill in the package--**House Bill 96 (Act 29/1988)**--amends the Third Class City Code and fixes similar penalties for the willful removal, defacement or destruction of a barricade or warning sign or signal, or for driving, without permission, on a closed street. At the same time, the bill also reduced the term of imprisonment (for failure to pay the fine) from up to 90 days to a maximum of 10 days.

**\*\*\* Municipal Bidding Procedures Changed** -- Legislation has been enacted allowing third class cities, second class counties, class 2-A counties, and second class port authorities to raise the no-bid contract limit from \$4,000 to \$10,000.

**House Bill 1271 (Act 32/1988)**, **HB 1342 (Act 33/1988)**, and **HB 1347 (Act 34/1988)** affect 50 third class cities and the counties of Allegheny, Montgomery, Delaware and the Allegheny County Port Authority.

In addition, **HB 1271** reduces the number of times a request for bids must be advertised in newspapers from three times to two. The advertisement also must be posted at city hall.

**\*\*\* Township Supervisor Benefits** -- The General Assembly has approved legislation aimed at clarifying the eligibility of second class township supervisors participating in township health; life and pension or annuity programs.

Under **House Bill 1577 (Act 41/1988)**, township supervisors who are also employees of the municipality are now eligible to participate in a township pension or annuity program if they receive approval from the township auditors and meet the same qualifications as other township employees.

Elected supervisors who are not township employees are not eligible to participate in a pension or annuity plan because it would be considered illegal compensation.

Also, the legislation provides similar provisions for participation by second class township supervisors in township health and group life insurance plans. Those supervisors who received benefits prior to March 31, 1985 have been granted amnesty.

**\*\*\* Pension System provision Extended** -- Legislation has been approved by the legislature and signed by the governor that extends through 1990 a provision allowing the Pennsylvania Municipal Retirement System to charge, for its administrative expenses, a service fee of up to six-tenths of one percent of the total asset value of a

participating municipality's pension system.

Under **House Bill 1571 (Act 70/1988)**, the monies to pay this service fee come from excess interest earned on retirement funds and are designated to help finance the state municipal retirement system's operating budget of more than \$1 million a year.

\*\*\* **Municipal Service Fees Curbed** -- Legislation (**House Bill 369, Act 30/1987**) has been approved that prohibits any municipality which adopts a Home Rule Charter form of government (presently there are 58 in the state) from retroactively increasing any fee or charge for any municipal service which previously had been provided to residents at a lesser rate.

\*\*\* **Arbitrators to Bear Taxpayer Appeals** -- The General Assembly has enacted legislation permitting county courts of common pleas to refer taxpayer appeals of property assessments to boards of arbitrators or boards of viewers.

**House Bill 1356 (Act 69/1988)** is aimed at avoiding delays and backlogs in the court system. Supporters of the legislation argue that arbitrators and boards of viewers might have more real estate expertise than judges and the appeal process will be less costly to the involved parties if the matter is kept out of court.

Arbitrators and members of boards of viewers will be appointed by the court.

\*\*\* **Municipal Street Lighting** -- Under **House Bill 1549 (Act 75/1988)**, the legislature has shed some light on various methods second class townships can use to pay for municipal street lighting.

This legislation permits townships the option of appropriating general fund monies for street lights, establishing a uniform assessment on all properties benefiting from the street lights, establishing a uniform assessment on the basis of a property's front footage, or a combination of these methods.

Prior to the enactment of this bill, second class townships --of which there are 1,459-- could only charge property owners by using front foot assessments to collect street light funds.

The measure also mandates that municipal street lighting be provided upon petition where at least 70 percent of the residents of a particular area have requested it.

\*\*\* **Sidewalk Repairs Okayed** -- The General Assembly has approved legislation (**HB 691, Act 171/1988**) allowing boroughs to make up to \$500 in emergency repairs to sidewalks, then bill the property owner at a later date.

The maximum had been \$100 but had to be raised to reflect the increased cost of sidewalk repairs.

\*\*\* **Scranton Furloughs Permitted** -- Legislation (**House Bill 2211 Act 100/1988**) was enacted permitting the city of Scranton to furlough police and firefighters for economic reasons. City officials said the legislation was needed because of Scranton's fiscal problems.

\*\*\* **Sewer Rental Fees** -- Under legislation (**House Bill 1053, Act 9/1988**) approved by the General Assembly and signed by the governor, boroughs will have the option to levy their sewer rental charges on a monthly or quarterly basis. Prior to the approval of this bill, boroughs sent out yearly bills. However, because of increasing fees, it's believed monthly and quarterly bills would be easier to pay for residents on fixed incomes.

\*\*\* **Jury Commissioner Vacancy** -- **House Bill 1993 (Act 118/1988)** requires that a person appointed to fill an unexpired term of a jury commissioner be from the same political party as the person who was elected to the office.

\*\*\* **Disabled Police Officer** -- Under legislation (**House Bill 1150, Act 104/1988**) approved by the legislature and signed by the governor, the Third Class City Code has been amended to allow any police officer who becomes totally disabled due to injuries sustained in the line of duty to be deemed fully vested in the police pension fund, regardless of years of service.

\*\*\* **Health Care Center Financing Simplified** -- Legislation has been enacted permitting authorities to finance --loaning or providing funds-- for public works projects presently allowed by the act, such as industrial development, public hospitals or nonprofit hospital corporations, and school building projects and facilities.

**House Bill 1688 (Act 117/1988)** also makes non-profit corporation health centers eligible for authority financing.

\*\*\* **Municipal Planning Code Changes Approved** -- Compromise legislation between builders and municipalities, which implements a variety of changes to the Municipal Planning Code, has been signed into law by Governor Casey.

**Senate Bill 535 (Act 170/1988)** requires municipalities to adopt a comprehensive plan within five years. The changes are intended to encourage planning for future housing and commercial growth needs as well as planning for related roads, sewers and water needs. The measure ties the comprehensive plan and its statement on community development objectives to the zoning process. The updated code will provide a more detailed procedure for adoption of a municipal comprehensive plan and amendments, and it will more fully integrate county and municipal planning.

The bill also authorizes municipalities to conduct water resource surveys as part of their comprehensive plan. It also allows them to address future water resource needs in order to assure adequate water supplies for the municipality's residents and business community.

Any subdivision or land development having water provided other than by private wells will need certification from the Public Utility Commission.

A move to allow municipalities to charge developers "impact fees" to pay for off-site improvements necessitated by the new development was eliminated by the Senate prior to final approval.

\*\* **Lame Duck Appointments** -- Legislation that would have prohibited a "lame duck" municipal governing body from appointing an authority board member on the first Monday in January prior to the reorganization of the newly-elected county, city, borough, or township governing body cleared both the Senate and the House but was not signed by leadership officials in time to send the bill to the governor.

**Senate Bill 1252** also would have provided that the term of an authority board member begin on the first day of February.

That would have given the new municipal governing body an opportunity to make its appointments during January.

\* **No Jobs for Elected Borough Officials** -- Under legislation approved by the Senate, elected borough officials would have been prohibited from serving as an employee of the borough.

**Senate Bill 694**, which died in the House Local Government Committee, was designed to protect boroughs from possible conflicts of interest, and it was aimed at preventing a clique on council from awarding jobs to themselves.

**"V" Township Tax Collector's Salary Set** -- Under a bill which was approved by both the Senate and the House but vetoed by the governor, the rate of compensation would have been changed for first class township treasurers who also perform tax collector duties. Basic compensation for service as township treasurer would have been capped at \$10,000, but additional compensation would have been permitted for service as tax collector based on a percentage of taxes collected.

At present, state law limits total compensation for first class township treasurers/tax collectors at \$10,000 annually.

### Labor and Industry

\*\*\* **UC Fund Debt-Free** -- Pennsylvania's Unemployment Compensation Fund not only is out of debt, it has money in the bank!

Just a few years ago, the state's UC debt to the federal government was approaching the \$3 billion mark. On Nov. 9, 1988, Gov. Casey directed the transfer of \$197,294,185 to the federal Unemployment Compensation Trust Fund, erasing the debt completely and signaling business and industry across the country that Pennsylvania once again is economically sound.

The UC debt payoff provided state employers with the largest single tax reduction in state history because retirement of the debt means that \$475 million in federal UC penalty taxes, or \$126 per worker, won't be due in 1989.

Clearing the way for the payoff was passage by the General Assembly of **Senate Bill 1534**, legislation setting up a "trigger" mechanism in state law to prevent future insolvency in the state's UC Fund.

For 1989, the bill mandates suspension of a .1 percent workers' unemployment compensation tax, the suspension of an employer .5 percent assessment, and restoration of a 5 percent jobless workers' benefit reduction--all of which were imposed in 1983 to restore solvency to the UC Fund.

For the working person, the tenth of a percent reduction means a savings of \$1 for every \$1,000 earned. For business, the savings will total an additional \$40 per worker or an extra \$150 million in savings in 1989. In addition, restoration of the 5 percent benefit will amount to a \$60 million annual increase in compensation for jobless workers.

The "trigger" provision built into **SB 1534** (now **Act 109** of 1988) will allow for automatic adjustments of employer and employee UC taxes and contributions--up or down--depending on the "health" of the UC Fund which now boasts assets in excess of \$1 billion.

**SB 1534** also establishes a back-up UC Trigger Reserve Account, separate from the UC Fund and funded by surplus monies in the State Workers' Insurance Fund. Money can be used from the account to maintain the solvency of the UC Fund, but only as a last resort.

Although some individuals were highly critical of Gov. Casey for not retiring the UC debt long before the Nov. 10, 1988 deadline, the fact is that by waiting until Nov. 9 the governor saved the state \$4.6 million in interest earnings--money that would have been lost by a premature payment.

\*\*\* **Minimum Wage Hiked** -- Although Republicans joined Democrats in support of the UC Fund debt

payment effort that will save employers more than a half-billion dollars in 1989, they weren't nearly as generous to 350,000 Pennsylvanians who have been toiling for the minimum wage of \$3.35 an hour, or about \$134 a week if they work fulltime.

Efforts by Senate and House Democrats to push through a three-step increase to \$4.65 an hour by 1991 were opposed by the majority Senate Republicans. Just days before the end of the two-year session, Democrats settled for a one-shot hike to \$3.70 on the basis that something was better than nothing.

Beginning Feb. 1, 1989, minimum wage workers could earn (if they work fulltime) just under \$600 a month, or about \$200 less than the monthly federal poverty threshold for a family of three.

The minimum wage increase of 35 cents an hour is a nickel more than Republicans originally proposed at a conference committee meeting on **Senate Bill 1222**. Later, in act of "good faith," the GOP added another five cents to the pot, boosting the hourly stipend to \$3.70. Passage of **SB 1222**, which the governor signed Dec. 15, 1988, marked the first minimum wage increase in eight years. During that span, the buying power of minimum wage earners had steadily eroded to the point that in 1981 dollars, the \$3.35 hourly pay was worth only \$2.61.

\*\*\* **Milrite Act Amended** -- **House Bill 1477**, signed into law on July 9, 1987, as **Act 31** amends the Milrite Act of 1978 by authorizing the channeling of grants directly to Area Labor Management Committees rather than through the Department of Commerce. Committees are designated by Milrite Councils to receive grants for the purpose of promoting economic development.

\*\*\* **Workers' Benefits** -- Legislation to ensure continued workers' compensation benefits for injured Pennsylvania longshoremen and dock workers was signed into law April 13, 1988, as **Act 48**.

**Senate Bill 1143**, which cleared the Senate in December of 1987 and was passed by the House in March of 1988, fills a gap created when the Midland Insurance Co., a major underwriter of longshoreman's insurance, was declared insolvent. **SB 1143** amends the Pennsylvania Workmen's Compensatory Security Fund Act, extending it to include longshoremen and dock workers.

\*\*\* **Accessibility Law Updated** -- Legislation that broadens the scope of a 23-year-old state law will require thousands of buildings across the commonwealth to be accessible to the approximately 650,000 Pennsylvanians with physical disabilities.

**Act 235** of 1965 provided for limited regulations, requiring only those buildings constructed or leased with state funds, or the funds of a commonwealth agency, be accessible to the handicapped. **Senate Bill 730**, signed into law Dec. 20, 1988, amends the 1965 law by adding to the list those buildings constructed or leased by a political subdivision and many privately-owned buildings that are open to the public.

For existing buildings, **SB 730** fixes a "degree of conformity" if the structures are being reconstructed or remodeled. In addition, all new construction or remodeling projects initiated after the effective date of the new law must be made accessible to the handicapped.

**SB 730** does offer certain exclusions:

- existing single and multi-family dwellings and townhouses which house 10 or fewer families;
- existing buildings with less than 2,800 square feet of net floor area.

However, at least one parking area must be accessible to a building by placing it at the ground level of the building or by providing an accessibility ramp.

\*\*\* **BVR Reauthorized** -- Also signed into law Dec. 20, 1988, was **Senate Bill 1190**, legislation that re-establishes the state Board of Vocational Rehabilitation under the Department of Labor and Industry.



The bill provides for a 12-member board--the labor secretary (who is designated chairman), an executive director (an ex-officio non-voting member) and 10 persons named by the governor. The panel sets policies and guidelines to administer federal and state funds for rehabilitation services for the disabled. Under the state's Sunset Law, the board would have gone out of existence at the end of 1988 if the General Assembly had not acted.

\* **Pay Raise for Chiefs** -- Fire chiefs and heads of fire departments who are not members of collective bargaining units stood to receive increases in wages and fringe benefits if **Senate Bill 960** had become law. The Senate passed the measure Nov. 21, 1988, but the House failed to act prior to adjournment.

Provisions of the bill did not cover first and second class cities.

\*\*\* **Job Protection Bill** -- Persons who serve as fire police and those who are members of volunteer ambulance units and rescue squads can't be fired from their regular jobs if they lose time because of their volunteer duties. This protection is offered in **House Bill 1011** which was signed into law Dec. 5, 1988, as **Act 131**. Previously, employers were prohibited from dismissing volunteer firefighters because of lost time related to that duty.

**HB 1011** broadens the scope of the law to include the other volunteers. provisions of **HB 1011** are retroactive to Jan. 1, 1988.

\*\*\* **Board Restructured** -- Legislation that continues and restructures the Industrial Board, an arm of the Department of Labor and Industry, was signed into law June 30, 1988, as **Act 80**.

**House Bill 1786** increases membership on the panel from five to seven persons and specifically outlines the board's jurisdiction.

\*\*\* **Minors in Motion Pictures** -- Legislation (**House Bill 2502**) that eliminates age restrictions for minors performing in motion pictures and streamlines the process for obtaining general employment certificates and transferable work permits for minors cleared the General Assembly and was signed into law on Dec. 21, 1988 as **Act 192**.

\*\*\* **Commission Payments** -- The passage of **House Bill 1135** (now **Act 184** of 1988) offers protection to Pennsylvania sales representatives who are terminated from their jobs by out-of-state marketers. The new law gives a company 14 days in which to pay the sales person all commissions that had accrued under the terminated contract and is applicable to contracts entered into or renewed after the effective date of the act (Dec. 21, 1988).

## Law and Justice

\*\*\* **LCB Battle Resolved** -- Pennsylvania's Liquor Control Board, besieged by critics during the early part of the decade, gained a new lease on life in 1987 when the General Assembly passed legislation that would keep the agency in business for at least five more years.

**House Bill 1000** was signed into law on June 29 as **Act 14** of 1987, just 29 hours before a court-imposed "sunset" order would have forced the LCB -- and the State Store system -- out of business.

Efforts to topple the LCB and turn Pennsylvania's liquor business over to private enterprise never caught fire in the General Assembly which voted for retention by wide margins. **HB 1000** cleared the Senate by a

surprisingly easy 39-10 margin and sailed through the House on the strength of a 155-45 vote.

In addition to maintaining state control over liquor and wine sales, the legislation provides for a series of reforms that are expected to benefit both the commonwealth and the consumer.

For example, **HB 1000** shifts responsibility for enforcing liquor laws from the LCB to the Pennsylvania State Police.

The new law addresses the complaints of connoisseurs of premium wines by providing for establishment of a Bureau of Wine to market expensive brands through a network of "specialty shops" in metropolitan areas. At least five percent of all State Stores within a given metropolitan area will be designated as wine specialty shops. Several already have been opened in locations providing the greatest customer traffic and the greatest gross profit, such as supermarkets, department stores, shopping malls, etc.

**HB 1000** also arms enforcement officers with a new weapon to battle so-called "nuisance" bars which, heretofore, have been able to conduct business as usual despite numerous flagrant violations of the Liquor Code.

Until now, licensees appealing fines, suspensions or revocations remained open during the appeal process. Under provisions of **Act 14**, licensees cited for any of three major violations--serving minors, permitting lewd or immoral entertainment, or violating the Controlled Substance, Drug, Device and Cosmetic Act no longer are protected by the appeal process. And, the maximum fine for such violations has been increased from \$1,000 to \$5,000.

Other features of **HB 1000** include:

- The position of administrative law judge is created. ALJ's, who must be lawyers, will preside at enforcement citation hearings.
- Confirmation of LCB members (the number remains at three) requires a two-thirds vote of the Senate.
- Bars and taverns are permitted to sell 192 ounces of beer (two 16-ounce six packs) for takeout (the previous cap was 144 ounces).
- State Stores will be permitted to accept credit cards for liquor and wine purchases.
- Manufacturers, retailers and liquor licensees are banned from advertising prices.
- Two percent of the LCB's annual profits are to be set aside for drug and alcohol programs.
- The uniform pricing policy requirement is eliminated. In the past, such a policy forced the LCB to mark up all products offered in State Stores by a straight 25 percent.

Under provisions of **HB 1000**, the LCB faces another sunset review deadline in 1992.

\*\*\* **Liquor-Laced Candy** -- It is now legal for liquor-filled candy to be produced in Pennsylvania. However, connoisseurs of the delicacy won't be able to buy it in the state.

This bizarre situation is the offspring of **Senate Bill 747** which became law (**Act 61/1987**) when signed by the governor on July 13, 1987.

When **SB 747** was passed by the Senate in May, 1987, it was legislation far removed from authorizing the manufacture of liquor-laced candy. The bill that went to the House would have permitted clergymen to be treated for income tax purposes as self-employed business persons. As such, income taxes would not have to be withheld from paychecks.

However, the House amended the candy provision into the measure and when it was returned to the Senate, the prime sponsor withdrew and sought its defeat.

After the governor's signed the bill, a Pike County firm moved ahead with plans to build a \$10 million factory and warehouse in northeastern Pennsylvania for the production of liquor-filled candy. The company said it expected to employ up to 100 people at the facility.

\*\*\* **Restrictions Eased** -- A House bill that would have permitted production of liquor-filled candy in the state (see above) was used by the Senate to address two Liquor Control Board-related issues that had been dealt with in a pair of Senate-approved bills (**SB 1584 and SB 1543**).

**House Bill 1125** became the vehicle for legislation that clarifies the conflict of interest rules for LCB employees and permits the use of certain ID cards when purchasing alcohol.

One part of the measure eases restrictions in the Liquor Code that heretofore had prohibited LCB and the Bureau of Liquor Control Enforcement employees or members of their immediate families from involvement in the alcoholic beverage business.

The dismissal of a state store clerk because two of his relatives owned a tavern prompted the legislation. Under previous law, the LCB was bound by provisions of ethics restrictions to take the dismissal action, (The employee later was reinstated.)

**HB 1125** basically permits family members of LCB and enforcement bureau workers to work in establishments that sell alcohol as long as they are not owners, managers or major stockholders. The bill also amends language in the law to delete parent, brother, sister and in-laws from the definition of "immediate family".

The bill also amends present law to expand the list of photo identification forms accepted by state stores and other licensees for the purpose of determining age. Additions are: An out-of-state driver's license (with photo); an armed forces ID card; a valid passport; travel visa issued by a foreign country.

Prior to passage of **HB 1125** (now **Act 183** of 1988), presentation of a Pennsylvania driver's license or an ID card issued by PennDOT were the only acceptable forms of identification that could be used for the purchase of alcohol.

\*\*\* **Insignia Ban** -- Legislation (**SB 1066**) prohibiting any group or organization from using or displaying the new insignia of the Pennsylvania State Police became law in Pennsylvania when the governor signed the measure on March 22, 1988 (**Act 25**). The bill had cleared the Senate in October, 1987, and was passed by the House on Feb. 9, 1988.

**SB 1066** amends the Consolidated Statutes by adding the state police to a list that defines "organizations" (such as labor unions, beneficial societies, military and veterans groups, etc.).

Numerous agencies were said to display shoulder patches similar to the previous state police insignia, sometimes resulting in their members or representatives being mistakenly identified as state police officers. Sponsors of **SB 1066** said it was necessary to register the new shoulder patch and thereby prohibit its duplication by other organizations.

\*\*\* **'Private Eye' Amended** -- Legislation amending the Private Detective Act of 1953 became law (**Act 83** of 1987) when **House Bill 80** was signed by the governor on Dec. 3, 1987. The bill specifically excludes telephone, telegraph or other telecommunications companies, or their employees, from requirements of the Private Detective Act in the performance of investigatory duties.

House concurrence in Senate amendments to **House Bill 1254** cleared the way for a second change in the Private Detective Act to be signed into law as **Act 68** of 1988.

The measure adds three offenses to the list of crimes which would preclude a person from holding a private detective's license or that would prevent a licensee from employing an individual. These are: Recklessly endangering another person; making terrorist threats; committing simple assault.

The bill also defines "patrol agency" to specifically include anyone hired to protect property during a labor dispute. The bill also contains language that requires a licensed private detective to be responsible for the

supervision of anyone he or she employs and requires a licensee to be certified under the Lethal Weapons Training Act if he or she carries a weapon. A licensee who knowingly employs a person convicted of a felony or other criminal offenses would be subject to a one-year prison term, a fine of up to \$5,000, or both.

\*\*\* **New Life for Commission** -- Complying with provisions of the state's Sunset Law, the General Assembly passed legislation (**House Bill 238**) re-establishing the Municipal Police Officers' Education and Training Commission. The measure became **Act 180** of 1988 when signed by the governor.

In addition to re-establishing the commission, the bill increases from 50 to 60 percent the reimbursement factor to municipalities for the salaries of police officers while they are attending training schools.

The new law establishes a mandatory in-service program for police officers, provides for minimum physical fitness, education and psychological health standards before a person can be hired by a police department and extends to 520 hours (from 480) the minimum time a new officer must train at a police academy.

\* **Fingerprint Bill** -- Legislation that would have paved the way for the Pennsylvania State Police to set up an automated fingerprint ID system died when the House failed to take action on **Senate Bill 1572** before the end of the two-year session.

Supporters had touted the system as a high technology law enforcement tool because it would have enabled the state police to quickly perform "search and match" procedures with prints taken from crime scenes. It was estimated that equipment and implementation of the system would have cost \$8 million over a five-year period.

## Transportation

\*\*\* **Drivers 'Buckling Up'** -- Operators of motor vehicles in Pennsylvania are required to "buckle up" following passage by the General Assembly of a mandatory seat belt law.

**Senate Bill 637** was signed by Gov. Casey on Nov. 23, 1987, becoming **Act 82** of 1987.

The bill does exclude from the seat belt requirement individuals who have a physical or medical excuse verified in writing by their physician and persons operating or riding in a vehicle manufactured before July 1, 1966. Rural letter carriers and others who make frequent stops and are traveling at a speed of less than 15 miles per hour for the delivery of goods or services also are exempt from using seat belts.

The new law provides for violators to be fined \$10. However, the penalty cannot be imposed unless the driver is also charged and convicted of another motor vehicle violation that occurred at the same time.

Other provisions of the law:

--Invalidate the seat belt usage requirement if Pennsylvania's enactment of the law is used by the federal government to eliminate the development and installation of air bags in new vehicles;

--Prevent insurance companies from charging higher premiums for persons convicted for not using seat belts;

--Require any adult driver (not just a parent or guardian) to place children under four years of age in a child safety seat.

**SB 637** became the vehicle in the House for seat belt legislation. When the bill first cleared the Senate, it provided for an amendment to the Vehicle Code to permit a truck bearing farm registration plates to be operated on a highway for a driver's license test. This provision remains in the bill.

\*\*\* **Axle Tax Replaced** -- Owners of large trucks will continue to help foot the bill for Pennsylvania's ambitious bridge rebuilding and rehabilitation program.

Faced with a U. S. Supreme Court decision that struck down the state's axle tax as unconstitutional, the General Assembly acted in 1987 to replace the lost funds by passing legislation (**Senate Bill 257**) that increases annual registration fees for large trucks and boosts the diesel fuel tax by six cents a gallon.

The additional fees and tax are expected to generate about \$70 million a year, enough to continue the state's program that targets some 3,600 bridges for replacement or repair at a cost of \$2 billion.

The governor signed the bill into law (**Act 56/1987**) on July 13, 1987. Remaining in the bill is language that authorizes municipalities to permit the operation of "electric mobility devices" (such as wheelchairs) on sidewalks and sidewalk areas.

\*\*\* **Predictable Funding** -- Transit authorities in Pennsylvania can now count on predictable funding assistance from the commonwealth as the result of **Senate Bill 516** becoming law.

The measure was signed by the governor on Oct. 16, 1987, as **Act 73** of 1987.

Major beneficiary of a \$210 million appropriation in the 1987-88 budget was the Southeastern Pennsylvania Transportation Authority (SEPTA) which received approximately \$147 million.

Allegheny County Port Authority received about \$53.2 million.

The 1988-89 fiscal package provided \$213 million for mass transit aid, with SEPTA again receiving most of the money--almost \$150 million--while Pittsburgh got \$54 million.

In each fiscal year, the remaining aid funds were distributed to the 20 smaller mass transit systems across the state.

With "predictable funding," transit system operators will know early in the year how much state aid they can expect to receive.

\*\*\* **Bridge Capital Budget** -- **Senate Bill 515**, legislation authorizing additional bridge repair and replacement projects in dozens of counties statewide, became law early in 1988 after the Senate and House adopted a conference committee report. The bill was signed into law as **Act 23** of 1988.

**SB 515** is an amendment to the Highway-Railroad and Highway Bridge Capital Budget Act of 1982-83. It adds hundreds of bridges to the original list of spans scheduled for rehabilitation or replacement, boosting the total cost to more than \$2.5 billion. In all, structures in 55 of the state's 67 counties are on the new list.

\*\*\* **Turnpike Still in Business** -- The Pennsylvania Turnpike Commission will remain in business for another 10 years following passage by the General Assembly of a conference committee report on **Senate Bill 1053**.

The legislation not only re-establishes the commission but also provides a pay increase for its five members. The chairman's new salary is \$28,500 (an increase of \$11,000) while other members will be paid "\$26,000 annually (up from \$15,000).

When the bill first cleared the Senate in January of 1988, it contained language that would have prohibited the state Secretary of Transportation, an ex-officio member, from serving as chairman. This language was deleted

in the conference report.

Because the present chairman also is the PennDOT secretary, he is not compensated for his service on the Turnpike panel.

A provision of **SB 1053**, now **Act 176** of 1988, requires appointments to the commission to be approved by a two-thirds vote of the Senate.

\*\*\* **Law Eased for Buggies** -- The governor signed into law **Senate Bill 157** which exempts operators of animal-drawn vehicles from activating hazard lights when the vehicle cannot maintain a speed of at least 25 miles per hour or can't maintain minimum speed requirements. The measure (**Act 13** of 1987) amends language in the Motor Vehicle Code to provide for use of flashing lights by "motor vehicles and combinations," thereby excluding animal-drawn vehicles.

\*\* **Permit Required** -- Trucks having a gross weight of more than 80,000 pounds would have had to secure a special permit from the Department of Transportation if the vehicle was to be operated on the Pennsylvania Turnpike under a provision of **Senate Bill 1049** which failed to clear the legislature in the 1987-88 session. The measure had been passed by the Senate in November of 1987 and then was amended and passed by the House in November, 1988. The House, however, failed to act on further Senate amendments before the session was adjourned sine die.

The Turnpike Commission presently allows trucks that exceed the 80,000-pound limit to use the toll road without a permit.

However, since many of these overweight vehicles exit the turnpike onto state highways, they are in violation of state law because they have no permit.

\* **Vandalism Fine** -- Persons who damage traffic control devices (signals, stop signs, etc) could have been fined \$50 and required to make restitution had **Senate Bill 256** become law. The measure was passed by the Senate in March of 1987 but died in the House. However, two House bills which were signed into law in 1988 did address a related problem, the destruction of traffic control devices in construction or maintenance work zones. (See Local Government.)

\*\* **Sign of the Times** -- Illuminated signs atop passenger cars would have been permitted under provisions of **Senate Bill 204**. The bill passed the Senate in 1987 and was amended and passed by the House in November, 1988. The Senate, however, did not take further action on the bill prior to adjournment.

\*\*\* **'Official' Locomotives** -- **House Bill 1211** became **Act 89** of 1987 when signed into law on Dec. 18. The bill designates steam locomotives housed in museums in Altoona and Strasburg as the commonwealth's official steam locomotives and designates an electric locomotive at the Harrisburg Transportation Center as the official electric locomotive.

\*\*\* **Signal Arms for Buses** -- All Pennsylvania school buses will be required to have a new safety feature in operation by July 1, 1994 as a result of legislation (**House Bill 1452**) being signed into law on Dec. 19, 1988. The new law provides for a three-step phase-in of a "stop" signal arm on the left side of the vehicle, to be activated when the red flashing lights are in use. The device can be used immediately if a vehicle is so equipped. The law requires that all new school buses purchased after July 1, 1989, be equipped with a stop arm; the device will be a required safety feature as of July 1, 1994.

\*\*\* **Rail Panel Extended** -- The Rail Freight Policy Committee, created by the Rail Freight Preservation

and Improvement Act of 1984, is extended for a five-year period under provisions of legislation (**House Bill 2095**) signed into law Dec. 21, 1988, as **Act 188**. However, the panel's name is changed to the Rail Freight Advisory Committee and its membership increased to 24 persons (from 13). The bill continues the committee for five years until Nov. 30, 1993.

\*\*\* **Out-of-State Auto Dealers** -- Out-of-state automobile dealers will be permitted to take part in Pennsylvania automobile shows in which 50 or more dealers participate as a result of legislation (**House Bill 1552**) being signed into law Dec. 19, 1988 (**Act 164**). The "50 or more dealers" provision would affect only the Philadelphia Auto Show at the present time. This change in the State Board of Vehicle Manufacturers, Dealers and Salespersons Act of 1983 is due to expire Jan. 31, 1991.

### **Banking and Insurance**

\*\*\* **CAT Fund Abolished** -- One of the last acts of the 1987- 88 General Assembly was to set the stage for the March 1, 1989 termination of the controversial state-operated Catastrophic Loss Trust Fund which, for an \$8 annual fee that was about to jump to \$24, provided between \$100,000 and \$1 million in medical expense insurance coverage for seriously injured victims of motor vehicle accidents.

Governor Casey, reluctantly, signed the CAT Fund abolition measure (**Senate Bill 1257, Act 144/1988**). His reluctance was based on the fact that the legislation did not provide for the broad-based auto insurance reform he had proposed and which was introduced earlier in the session. Further, the legislation left unanswered the problem of the CAT Fund's projected unfunded liability of some \$270 million. However, the governor promised to unveil a new legislative initiative in the 1989-90 session to address the unfunded liability dilemma.

In the meantime, Governor Casey took action to assure continued CAT Fund benefits for motorists injured prior to March 1, 1989. After that date, motorists interested in securing such coverage for catastrophic injuries will have to purchase it from a private carrier. Motorists will receive a pro-rated refund on CAT Fund fees that otherwise would have provided CAT Fund coverage beyond March.

\*\*\* **New Banking Investment Policy** -- Legislation has been enacted which allows commercial and savings banks to make investments in new areas that will be outlined in regulations by the state Department of Banking, and to underwrite municipal and mortgage-backed securities. Many of the specific regulations, however, have yet to be developed by the banking department.

Under **Senate Bill 979 (Act 173/1988)**, the financial institutions will be allowed to invest up to one percent of their assets in real estate development, rental or sale.

The legislation, which was gutted in the House, was originally intended to permit state banks and savings and loan associations to charge out-of-state residents a higher interest rate than Pennsylvanians pay on their credit cards. Language in the bill which would have prohibited banks and savings associations from extending loans to South Africa or Namibia or any of their national corporations was also removed.

\*\*\* **Indiana Added to S&L Merger List** -- Legislation adding Indiana to the list of states in which Pennsylvania savings and loan associations can buy or merge with other S&Ls has been signed into law by Governor Casey.

**Senate Bill 980 (Act 174/1988)** adds Indiana to the interstate region for savings and loan associations, which also includes Delaware, Kentucky, Maryland, New Jersey, Ohio, Virginia, West Virginia and Washington, D.C.

Earlier in the session, the governor signed legislation adding Indiana to the states in which Pennsylvania

banks can buy or start new commercial banks, bringing to eight the number of states 'with which Pennsylvania has reciprocal banking agreements.

The measure also gives the Department of Banking authority over holding companies that own S&Ls. It also increases commercial loan authority for savings and loan associations, and makes changes that will streamline their operations.

\*\*\* **Credit Card Interest Rate Set** -- The interest rate on credit card and charge account balances will remain at 18 percent for at least three more years following approval of legislation by the General Assembly and the governor.

If **Senate Bill 167 (Act 15/1988)** had not been enacted into law, the interest rate automatically would have dropped to 15 percent last March.

Most of the negative votes on the legislation in the Senate were cast by Democrats who argued that the prime rate (the figure at which banks borrow money) is about half of what it was three years ago and in 1982 when the 15 percent interest "cap" initially was removed. Supporters of the measure contended that retail operations need the higher rate to remain competitive. They also warned that Pennsylvania banks which still have their credit card operations here would have to move those offices to other states where the interest cap is higher than 18 percent. Such a shift, they argued, would result in the loss of hundreds of jobs.

**SB 167**, which provides for all retail installment agreements to be presented to the buyer "in a clear and coherent manner," also includes language related to lease-purchase agreements. As a result, so-called "rent-to-own" companies will be "held" to the same interest rate as that applying to retail credit businesses.

\*\*\* **Coverage for Psychologists** -- Legislation has been enacted adding licensed psychologists practicing in a hospital setting to the list of health services providers allowed to participate in insurance plan reimbursements for client services.

Prior to **Senate Bill 659 (Act 57/1988)** becoming law, psychologists who were contracted by psychiatrists were included as participating providers and had to accept a negotiated fee from the psychiatrist.

This bill also amends Blue Shield's definition of "Health Service Doctors" to include psychologists who are now eligible to benefit from participating provider agreements. This will allow psychologists the option of billing Blue Shield directly rather than their clients, which will result in the elimination of paperwork, the exchange of money between clients and psychologists, and a lower rate of reimbursement for psychologists who enter into participating provider agreements.

Under this legislation, "Health Services Doctor" includes the following certified nurses: registered nurse practitioner, enterostomal therapy nurse, registered nurse anesthetist, community health nurse, psychiatric mental health nurse, and clinical nurse specialist.

This will allow these nurses to also benefit from participating provider agreements for health services reimbursement.

The bill also amends the definition of "Professional Health Services" to include those services provided by a certified registered nurse at any time other than when the certified registered nurse is acting as an employee of a health care facility or of an anesthesiology group.

\*\*\* **Bank Tax Shelters Protected** -- Legislation has been enacted that requires prior approval by the state Department of Banking before any person can acquire five percent or more of the stock of a financial institution which has operating loss carry-forwards from year to year in excess of 20 percent of its total stockholders' equity.



**House Bill 1992 (Act 65/1988)** is designed to alert financial institutions and corporations controlling banks, trust companies, and other financial institutions that they may lose their tax shelters on loss carry-forwards, under recent changes in the IRS Code, if more than five percent of the institution or corporation's stock is sold and a new entity assumes ownership.

This measure affects stock acquisitions in banks, trust companies, national banks or stock savings banks located in Pennsylvania or shares of corporation controlling a financial institution in the commonwealth.

Prior to approval of this bill, state law required prior approval from the Department of Banking if 10 percent of an institution or corporation's stock was being acquired. That provision remains the same provided the banking institution or corporation is not operating with year-to-year carry-forward losses.

The legislation also includes a reciprocal agreement between Pennsylvania and Indiana allowing their respective banking institutions to conduct interstate business.

\*\*\* **Insurance Surcharges Blocked** -- Governor Casey has signed legislation (**Senate Bill 831, Act 97/1988**) that is intended to restrict the ability of insurance companies to cancel or refuse to renew auto insurance policies for motorists who have committed minor motor vehicle violations.

The legislation will --but for a few limited exceptions-- prohibit insurance companies from canceling or refusing to renew policies for motorists who have committed two or fewer moving violations during a two-year period and when the motorist has an operator's record with five or fewer points.

\* **Battling Insurance Fraud** -- For the second consecutive legislative session, the Senate passed two bills aimed at combating insurance fraud. And for the second consecutive session both bills died in the House Insurance Committee.

**Senate Bills 8 and 9** were similar to a two-bill package (**Senate Bills 1634 and 1635**) passed by the Senate just prior to the end of the 1985-86 legislative session.

Insurers have contended that false injury claims, faked auto thefts and the like are largely responsible for the industry having to charge higher premiums.

**Senate Bill 8** called for establishing a Division of Insurance Fraud within the state Insurance Department and granting it broad investigatory powers. In a move to encourage "whistle-blowing," the bill provided that a person who furnished information on fraud to authorities would not be subject to civil liability.

Submitting false insurance claims would have resulted in a person being charged with a third degree felony and, if convicted, sentenced to a prison term of up to seven years.

A person also would have faced criminal charges if he or she interfered with an investigation and if the defendant had an insurance license, he or she could have lost it for up to one year and be ordered to pay a fine of \$2,500.

**Senate Bill 9** would have amended the Crimes Code to add a definition of insurance fraud. Under the proposal, a person could have been charged with fraud if he or she provided misleading information on an insurance application or claim or aided or solicited another person in filing a false claim. The offense would have been treated as a third degree . felony and the court could order the defendant to make restitution in addition to any other sentence.

The bill further defined fraudulent activity for unlicensed agents and brokers and made such offenses a third degree felony.

This would have assisted authorities in prosecuting cases in which unlicensed agents or brokers attempt to defraud insurers or the public.

\* **Insurance Cancellation Reports Urged** -- In an effort to crack down on uninsured motorists in the commonwealth who are partly blamed for the rising cost of automobile insurance, the Senate approved legislation (**SB 1015**) that would have required insurance companies to report any cancellation or termination of motor vehicle liability insurance.

The proposal would have mandated insurance companies to notify PennDOT within 10 days of a cancellation or termination regardless of the effective date of the policy.

Under current PennDOT regulations an insurer must notify the Department of Transportation of such cancellation or termination only for a policy that has been in effect for six months or less.

The measure, however, died in the House Insurance Committee.

\* **Sheriffs To Seize License Plates** -- Another Senate-passed measure which failed to gain approval in the House would have authorized PennDOT to delegate authority to any sheriff or deputy sheriff to seize the registration plate and card when a person's registration had been suspended or revoked. **Senate Bill 1033** also would have allowed authorities to seize the driver's license of any person when his operating privilege had been suspended or revoked.

Under current law, state police, local police officers and PennDOT employees already have this authority.

This legislation would have also instructed PennDOT to regularly provide each sheriff's office and municipal police department with names of persons residing in their jurisdiction whose operating privilege or registration had been suspended or revoked.

In addition, the measure would have raised the fee from \$25 to \$50 for restoring a person's operating privilege following suspension or revocation. Also, it would have established a \$50 fee for restoration of vehicle registration following a suspension or revocation. The bill, which died in the House Transportation Committee, would have mandated that one-half of the fee be returned to the sheriff's office or police department which confiscated the registration plate or driver's license.

\* **Credit Union Investments** -- Legislation which would have prohibited credit unions in Pennsylvania from investing in corporations that -- either by themselves or through subsidiaries or affiliates -- are doing business in South Africa or Namibia cleared the Senate but died in the House Business and Commerce Committee. The investment prohibition, inserted in **Senate Bill 947**, would have only applied to future investments by credit unions. Existing investments would not have been affected.

Other provisions of the bill would have allowed credit unions to invest their funds in trusts outside of their direct or indirect control and eliminate the existing 25 percent cap on the amount of credit union funds that can be used to finance home mortgage loans.

\* **Liability Coverage; Insurance Disclosure** -- Legislation (**SB 30**) aimed at helping businesses and public entities obtain liability insurance along with a proposal (**SB 193**) that would have required disclosure of certain financial information by insurance companies cleared the Senate but died in the House Insurance Committee.

Under provisions of **Senate Bill 30**, all companies writing liability insurance would have been required to affiliate with a Joint Underwriting Association (JUA) as a condition of doing business in the commonwealth.

The JUA would have replaced the present voluntary Marketing Assistance Plan which excludes

commercial policyholders from its board of directors.

Membership on the nine-person JUA board, according to the measure, would have consisted of five insurers, two licensed agents and two commercial insurance policyholders. The panel would have been chaired by the state Insurance Commissioner.

Municipalities, school districts, authorities and businesses were seen as the beneficiaries of this bill. Those who have had difficulty obtaining liability insurance or who have been rejected for coverage could have applied to the JUA if they could show proof of three refusals by commercial line writers and one refusal from a surplus line writer.

Both **SB 30** and **SB 193** would have required most commercial property or casualty insurers to report to the Insurance Department all loss and expense experience. This data would enable the insurance commissioner to determine if rates charged by companies are excessive, inadequate or discriminatory.

The proposed legislation carried a penalty provision calling for an initial \$5,000 fine and a \$200 daily penalty for failure to file a claims disclosure report.

**\*\* Private Mortgage Brokers/Bankers To Be Licensed** -- Responding to a call by Gov. Casey to protect Pennsylvanians from "unscrupulous and unqualified mortgage brokers and lenders," the Senate and the House moved to require regulation and licensure of private mortgage bankers and brokers. However, the legislation did not go the governor because it wasn't signed by leaders in either chamber prior to the end of the session November 30.

Under **Senate Bill 7**, the state Department of Banking would have had the authority to issue and suspend or revoke the licenses of mortgage companies that did not meet regulatory requirements.

**SB 7** would have exempted state-chartered banks, state or federally-chartered savings and loan associations and credit unions, the Pennsylvania Housing Finance Agency, bank subsidiaries and discount companies from the licensing requirement.

Non-licensees engaging in the business could have been charged with committing a third degree felony and any violation of licensing requirements would have subjected the broker to a maximum fine of \$2,000 for each offense. Licensees would have been required to file annual reports with the department and their records would have been subject to examination by the agency.

**\*\*\* Terminating Insurance Agents Contracts** -- Legislation was signed by the governor establishing certain procedures for terminating contracts of insurance agents who sell property and casualty insurance.

Prior to approving **House Bill 1044 (Act 88/1987)**, termination guidelines existed in the Insurance Act only for agents who sold personal automobile insurance policies.

This measure broadens the act to cover all classes and kinds of insurance.

The legislation permits an insurance firm to terminate its agreement with an agent based on adverse experience, mix of business, or lack of premium volume provided the company first attempts to rehabilitate the agent.

Also, insurance companies will not be permitted to terminate their agreements with agents without first providing the agent and the state insurance commissioner with written notification of at least 90 days prior to the date of dismissal. Agents have the right of appeal to the insurance commissioner.

**\*\*\* Insurance On Rented/Leased Vehicles Enforced** -- Enacted was a measure (**HB 310, Act 45/1987**) that requires insurance companies to cover damage caused when the operator of a rented or leased vehicle is

under the influence of drugs or alcohol at the time of an accident.

The legislation also requires that if a rented motor vehicle is not returned on time, all liability or first party coverage must remain in effect until the vehicle is either returned or reported stolen to the police.

\* **Insurance Company Investments** -- Under legislation proposed by the Senate, the state's insurance law would have been amended to permit investment flexibility for insurance companies.

**Senate Bill 10**, however, died in the House Appropriations Committee.

One of the major goals of the bill was to promote economic development by encouraging insurance companies to invest in new and small businesses.

In a related matter, a measure that would have permitted stock insurance companies to issue different classes of voting stock was approved by the Senate.

**Senate Bill 11**, among other things would have authorized a stock company's board of directors to issue different classes and shares of stock unless articles of the company provide otherwise.

The legislation was amended in the House, passed in the Senate again, but did not go to the governor because leadership in both chambers failed to sign the bill prior to the end of the session.

\* **Insurance Company Pensions** -- The Senate approved legislation which would have permitted stock and mutual insurance companies to grant pensions to directors of the companies. Currently, only directors who are also officers or employees of the company can receive such pensions.

**Senate Bill 61**, however, died in the House Insurance Committee.

\* **Required Insurance Coverage Reduced** -- Echoing the sentiments of some Senate Democrats who claimed the legislation didn't go far enough to reduce auto insurance rates, the House Insurance Committee declined to act on **Senate Bill 1204**.

The ill-fated bill was designed to encourage uninsured motorists, particularly in Philadelphia, to purchase insurance by reducing the levels of required coverage.

Minimum coverage for bodily injury liability would have been reduced to \$10,000 per person in anyone accident (it currently is \$15,000) and to \$20,000 for two or more persons in anyone accident (current minimum is \$30,000). The bill also provided for a reduction in required coverage for first party medical benefits, from \$10,000 to \$2,500. In addition, all other coverage's --losses of income, funeral benefits, uninsured/underinsured-- would have been made optional.

Supporters of the measure contended that insurance rates in Philadelphia would have decreased by 21 to 40 percent depending on the amount of coverage purchase. However, opponents questioned whether the reduction in rates would be proportionate to the reduction in minimum coverage.

In related action, the Senate approved **Senate Bill 1205** which would have established a computerized Index Bureau to aid the state Insurance Department and insurance firms in detecting fraud. However, that bill also died in the House Insurance Committee.

\* **Crackdown on Uninsured Drivers** -- A legislative proposal intended to crack down on uninsured motorists in Pennsylvania cleared the Senate early in 1988 but was not considered in the House.

Upon notification by an insurance company to PennDOT that a motorist's insurance has been canceled or terminated, **Senate Bill 1093** would have required the Department of Transportation to notify the motorist that unless proof of financial responsibility is provided within 30 days the motorist's operating privilege would be suspended.

The measure would have also required that proof of financial responsibility be carried at all times by a motorist and shall be shown upon request from any police officer. Failure to provide proof of insurance would have resulted in a \$250 fine, and the motorist would have had his car impounded until proof of insurance was furnished to PennDOT.

\* **Long-Term Care Insurance Restrictions Proposed** -- Legislation designed to protect the elderly from unscrupulous insurance agents who prey on the fears of senior citizens and entice them to purchase long-term care insurance which doesn't meet their needs and straps them with unnecessary costs was approved by the Senate but was not considered by the House.

**Senate Bill 1023**, known as the Long-Term Care Insurance Act, would have required that all group long-term care insurance policies be approved by the state Insurance Commissioner. The commissioner would have been authorized to adopt regulations that require full and fair disclosure of the policy's contents by insurance companies. In addition, the commissioner would have been authorized to set performance standards for policies including provisions for cancellation and non-renewal, for waiting periods, for pre-existing conditions and for the right of policyholders to return their policy and receive a refund.

In effect, this measure would have required insurance companies to spell out the policy's coverage to the prospective customer and, although it wouldn't have mandated custodial care in the coverage, the legislation specified that long-term care insurance policies may not be limited to skilled nursing care.

\* **Corporate Directors' Liability** -- Legislation was cleared by the Senate that would have extended coverage under the Directors' Liability Act by adding to the definition of a business corporation those corporations that are subject to the Insurance Company Law of 1921. Under **Senate Bill 792**, fraternal societies providing health and related benefits subject to the Fraternal Benefits Society Code would have been added to the definition of a non-profit corporation.

The bill died in the House Insurance Committee.

\* **Insurance Company Dues Increase Proposed** -- This bill would have permitted certain assessments on insurance companies to be increased from \$50 to \$200 annually. Under **Senate Bill 1156**, the dues imposed to help pay for administrative costs and other general expenses not related to an impaired or insolvent insurer would have been increased. The legislation would have conformed with the National Association of Insurance Companies Life and Health Association Model Act. However, the legislation was not acted on in the House.

\* **Insurance Agent Disclosure** -- Legislation was passed by the Senate which would have required the state Insurance Commissioner to disclose to insurance companies certain information related to agents who are making application for additional standard licensure.

Under **Senate Bill 1208**, disclosure could have been made only if the agent specifically consented in writing within 15 days of receipt of the request for disclosure by the insurance department. If the agent agreed to disclosure, the insurance commissioner would have had to provide the information to the company within 10 days of consent.

That which the commissioner would have been required to disclose includes information that the agent has engaged in any activity that would disqualify him from obtaining additional licenses; been penalized or fined or had a license refused or suspended or revoked by the department, or has such action pending; been indicted or involved in criminal proceedings or received written notification of termination of prior appointments due to an

account being in dispute with an insurance company.

The bill cleared the Senate just one day prior to the end of the session and was not sent over to the House for action.

\* **Auto Insurance Proof To Be Required** -- Legislation which would require a police officer investigating an accident to request each driver to provide proof of automobile insurance was passed by the Senate but died in the House Insurance Committee.

If either driver would be unable to provide information relating to financial responsibility, the accident would be considered reportable to the state Department of Transportation, regardless of injury or death or amount of damage to the vehicle.

Under **Senate Bill 1573**, after an accident is reported, PennDOT would have been required to determine whether the owner of the vehicle maintained insurance at the time of the accident.

If the owner did not maintain insurance at the time of the accident, then the registration of the vehicle would have been revoked and, where the owner was the driver, the operating privilege of the owner would be suspended.

Under current law, a driver involved in an accident who does not have auto insurance is not subject to revocation of registration or suspension of license.

### **Public Health and Welfare**

\*\*\* **Job Training** -- A three-bill package (**House Bills 4, 8 and Senate Bill 805**) of job training and education initiatives for welfare recipients and displaced workers passed the General Assembly and was signed by the governor.

Under **House Bill 4 (Act 65/1987)**, so-called transitionally needy cash assistance recipients and welfare clients enrolled in drug and alcohol treatment programs are eligible for job training and work experience programs.

The legislation authorizes the Department of Public Welfare to provide grants to private industry councils, public or private schools and businesses for the establishment of work experience projects, training projects, and on-the-job training programs for eligible participants. Wages and stipends paid to participants in the training programs will be subsidized by the state for up to six months. The various programs are also required to provide day care, transportation and "supportive counseling services."

Under **House Bill 8 (Act 66/1987)**, dislocated workers -- persons who have lost their jobs because of plant closings -- are entitled to receive a support payment, equal to a cash assistance grant, for up to two years while they are participating in job training programs under the federal Job Training Partnership Act (JTPA). The payment is for those persons who are not receiving any other wage and who have exhausted unemployment compensation benefits.

**Senate Bill 805 (Act 62/1987)**, a companion measure to **House Bill 4**, targets single parents with young children, single parents who have been receiving welfare payments for more than two years, and individuals with inadequate reading skills. It established a program in the Department of Public Welfare to coordinate job training, job placement and other services including basic education -- for welfare recipients. The new system involves a "one stop" concept so that all programs can be made available to eligible recipients at a "single point of entry" into the system. Additionally, the measure extends medical assistance benefits for persons participating in training programs and for state-subsidized health insurance coverage once an individual becomes employed. The low-

cost insurance is available to individuals who no longer qualify for medical assistance and who are not receiving full insurance coverage from their employer.

\*\*\* **Smoking Restrictions** -- Pennsylvania has joined a growing number of states that have passed laws regulating smoking in public places. As the two-year session neared an end, the Senate and House passed and the governor signed a conference report on **Senate Bill 26** that restricts smoking to designated areas and requires restaurants that seat 75 or more persons to establish separate smoking and non-smoking areas.

**SB 26** requires employers to develop and implement a smoking policy for the workplace and designates the state Department of Health to enforce the new law. Pittsburgh, which has its own law regulating smoking, is exempt from provisions of the bill.

The law also targets school students, prohibiting them from using tobacco products in school buildings and buses and on school property.

Proprietors or persons in charge of public places are responsible for establishing smoking policies. This covers buildings or areas owned by the state or local governments, the workplace, educational facilities, auditoriums, arenas and theaters.

Private social functions, factories, warehouses and similar workplaces not generally frequented by the public are exempt under the new law as are bar areas, lobbies and hallways, and hotel and motel rooms.

**SB 26** had cleared the Senate in May of 1987 as legislation requiring hotels, motels and public lodging houses to provide special smoke detector devices that would alert the deaf and hearing impaired in the event of fire. This provision remains in the bill which became the vehicle for the no-smoking amendment on the House floor. It went to a conference committee when the Senate non-concurred in House amendments.

Another House amendment that remains in the bill requires owners of Class IV buildings (apartments, boarding houses, hotels and motels) to install automatic fire detection devices in each unit, hallways and stairwells. **SB 26** also gives municipalities the option of installing teletypewriters in police stations to serve as a line of communication with deaf or hearing impaired persons in times of emergency. The state Department of Labor and Industry would reimburse some of the costs associated with these projects.

\*\*\* **Medical Assistance Coverage for Detoxification Units** -- Medical assistance coverage will be expanded over the next five years to cover non-hospital detoxification and rehabilitation treatment for recipients with drug or alcohol addictions (**HB 585, Act 152/1988**). The Medicaid program, funded with state and federal dollars, previously only covered in-hospital treatment.

Because most rehabilitation facilities are in non-hospital settings, thousands of low-income Pennsylvanians have been unable to obtain treatment.

The estimated cost of the expanded program is expected to reach \$23.2 million annually. The measure also prohibits discrimination in admissions on the basis of medical assistance eligibility.

Similar provisions were contained in **Senate Bill 415** which unanimously passed the Senate but failed to receive House action.

**House Bill 585** was amended in the Senate prior to final passage to reauthorize the Ben Franklin Partnership Fund for an additional 10 years. (See Community and Economic Development for further Ben Franklin Partnership information.)

\* **Expanded Medical Assistance** -- Legislation (**SB 1155**) extending medical assistance (Medicaid)

coverage to thousands of low-income pregnant women and young children who previously did not qualify for such health care coverage, unanimously passed the Senate (47-0) and was sent to the House.

On the heels of the Senate's action, Governor Casey took administrative action to accomplish the same thing -- effectively eliminating the need for House action on **SB 1155** since the new eligibility guidelines were previously authorized by federal law.

Coined "Healthy Beginnings" by the governor, the expanded program -- which went into effect in April, 1988 -- qualifies children under the age of five and pregnant women whose incomes are 100 percent of the federally-determined poverty level for medical assistance. Previous income eligibility guidelines for pregnant women and infants were capped at an effective rate of 56 percent of the poverty level.

According to administration data, the approximate doubling of income eligibility guidelines allows an additional 6,900 pregnant women and 23,000 children to qualify for Medicaid in Pennsylvania.

Another provision of the expanded program allows for "presumptive eligibility" for pregnant women. Community health centers and clinics can now make temporary initial -determinations of Medicaid eligibility for pregnant women.

Medicaid in Pennsylvania is funded with 57 percent federal and 43 percent state dollars.

\*\*\* **Personal Care Boarding Homes** -- Legislation (**HB 1278**) designed to protect the rights and welfare of personal care boarding home residents overwhelmingly passed both Houses and was signed by the governor as **Act 185/1988**.

Under the legislation, residents must be given specific information from home owners concerning their rent costs. For residents receiving Social Security or Supplemental Security Income (SSI) benefits, the measure limits the amount of money a home owner can claim from monthly allotments.

Residents must also be notified if the personal care home is cited for any serious violations by the Department of Public Welfare and relocated if potential life-threatening violations are discovered.

Pre-admission screenings and complete medical examinations of residents followed by yearly screenings and medical examinations are required under the new law.

The legislation also increases the licensing fee for personal care homes and upgrades qualifications of home administrators to meet age and training requirements.

Residents must be relocated from the personal care facility by the Department of Public Welfare if potentially life threatening violations occur. Many of the provisions of **HB 1278** were also contained in **SB 786** which unanimously passed the Senate but died in the House Appropriations Committee.

\*\*\* **Rape Crisis; Domestic Violence** -- A transportation bill (**HB 2061**) related to bridge inspections was amended in the Senate to provide the funding base for rape crisis centers and domestic violence shelters by re-imposing a \$10 surcharge on persons convicted in Pennsylvania courts. Governor Casey signed the measure as **Act 44/1988**.

The surcharge, originally enacted by the legislature in 1982, was terminated by a sunset provision resulting in the loss of an estimated \$1 million annually for victim support services. Renewal of the charge ensures funding for vital counseling and advocacy services at a time when the number of reported rapes and domestic violence cases is on the upswing.

The new law also establishes a mechanism whereby PennDOT will be credited for the cost it incurs to inspect county and municipal bridges. The amount of the inspection fee would be deducted from the Liquid Fuels



Tax payments due either a county or local municipality.

\*\*\* **Emergency Medical Services** -- **Act 121** of 1988, unanimously passed by both the House and Senate as **HB 2473**, exempts ambulance services operated by volunteer fire departments, ambulance, or rescue services from state-mandated minimum staffing requirements until July 3, 1990. As amended in the Senate, the bill also included provisions of **SB 1376** which places an additional \$25 fine on persons convicted of driving under the influence and entering an Accelerated Rehabilitative Disposition Program. The fines will provide funding for emergency medical service providers for equipment, maintenance, training and educational purposes.

\* **Living Will** -- Two attempts by the Senate to enact "living will" legislation failed in the House. A living will is a declaration duly executed by a competent adult that contains his or her wishes regarding the withdrawal or withholding of life support systems when terminally ill. Both measures required continued treatment for pregnant patients to permit the continuing development and live birth of unborn children unless such treatment would be physically harmful or unreasonably painful to the patient, or if severe pain which cannot be alleviated by medication is prolonged.

**Senate Bill 210**, containing these provisions passed the Senate 43-6 but never received House consideration. In the closing days of session the Senate gutted the provisions of **HB 6** and inserted "living will" language. That bill passed the Senate (40-9) but was not acted on by the House before the end of session.

\*\*\* **Cemetery Liability** -- A conference committee report on legislation (**HB 1075**) making cemetery companies liable for reinternment costs when they place a casket in the wrong lot was adopted by the General Assembly and was signed as **Act 68** on July 13, 1987.

Under the measure, cemetery officials are required to notify the next of kin about exhuming the body and reburial in the correct plot. All costs of the reburial process will be borne by the cemetery under the new law.

\*\*\* **Mental Health Commissioner** -- A bill (**HB 526**) allowing non-doctors to be considered as candidates for the position of Commissioner of Mental Health in the Department of Public Welfare passed the Senate (47-1) and was signed by the governor as **Act 32** on July 9, 1987.

Previously, only a psychiatrist with administrative capability and training and experience in caring for mental patients could be considered for the position.

\*\*\* **PA Cancer Control, Prevention and Research Advisory Board** -- The life of the Pennsylvania Cancer Control, Prevention and Research Advisory Board has been extended through June of 1992 under **HB 2307** which passed both the Senate and House and was signed by the governor as **Act 126** on November 26, 1988. The 11- member board had legally gone out of existence in June of 1988 under sunset provisions.

\* **Mentally Ill Children** -- Legislation (**SB 919**) that would have established residential treatment facilities for mentally ill children passed the Senate (26-23), but never received House action. The mental health system, which does not currently provide intermediate treatment for children whose illnesses are not severe enough for state mental hospitals, would have established five regional treatment facilities under the measure.

\*\* **Restaurant and Bar Licenses** -- Legislation (**HB 2355**) which would have given second class townships and home rule municipalities the option of issuing licenses to eating and drinking establishments unanimously passed both the House and Senate but was not signed in either body prior to the end of the legislative session. Lacking the signatures of the presiding officers of the House and Senate, the measure died.

\* **Pet Therapy** -- Legislation (**SB 185**) allowing pets to be boarded in nursing home facilities as therapy for the residents passed the Senate (47-0) but never received House action.

The intent of the measure, to provide long-term health care residents with the companionship of a pet, was contained in an identical bill which passed the Senate in the previous session, but died in the House.

\* **Family Preservation Program** -- Legislation (**SB 1385**) that would have established a program of state grants to counties for the development of family preservation programs cleared the Senate unanimously, but died in the House.

The measure was aimed at providing intervention services to families in an effort to preserve the family unit and cut down on the incidence and length of out-of-home placement of children in foster care or group homes. The program would not apply in cases where children are "at imminent risk" of sexual or physical abuse by a family member.

### **Community and Economic Development**

\*\*\* **Economically Distressed Communities Aided** -- The state's economically "distressed municipalities" were receiving financial aid as a result of legislation signed into law by Governor Casey.

Areas devastated by industrial decline, mostly in western Pennsylvania, were the primary beneficiaries of the measure (**SB 864, Act 47/1987**) providing for low-interest loans and grants.

**SB 864** authorized the state Department of Community Affairs to review the financial condition of a municipality and determine if it is "distressed." If so, the DCA then would develop a plan aimed at resolving the town's economic problems, making it eligible for a grant or loan.

In addition, legislation was enacted creating the Financially Distressed Municipalities Revolving Aid Fund within the state treasury.

**Senate Bill 136 (Act 157/1988)** provided that principal payments on all loans made under **Act 47** of 1987 be deposited in the newly-created fund. Also, any interest earned on monies in the fund shall be deposited in the fund.

The legislation also provides that any unused funds appropriated for emergency aid to distressed municipalities shall be transferred into the revolving aid fund.

\*\*\* **Tax Exemptions for New Business Construction** -- Legislation has been enacted giving local taxing bodies the authority to provide tax exemptions for new construction of certain industrial, commercial, and other business property in deteriorated areas of economically depressed communities.

**House Bill 389 (Act 90/1988)** also allows tax breaks for properties adjacent to impoverished and blighted areas if new construction in such areas would encourage, enhance, or accelerate improvement of deteriorated properties.

Tax exemptions will be permitted on real property taxes and the assessed valuation of new construction.

\*\*\* **PERF-Funded Economic Development** -- Continuing an effort to revitalize Pennsylvania's economy, the General Assembly approved a package of bills extending Pennsylvania Economic Revitalization Fund (PERF)

programs. A total of \$59 million was appropriated for PERF programs in fiscal 1987-88; \$63.2 million was appropriated in fiscal 1988-89.

**Senate Bill 939 (Act 40/1987)** extended the Pennsylvania Conservation Corps program to June 30, 1989, **Senate Bill 940 (Act 41/1987)** expanded and extended the business incubator grants and loan program to 1989, **House Bill 1476 (Act 33/1987)** extended the business infrastructure program to June 30, 1989, **House Bill 1478 (Act 34/1987)** extended the capitol loan fund program to June 30, 1989, **House Bill 1479 (Act 35/1987)** extended the grant program for engineering schools to purchase equipment to June 30, 1989, **House Bill 1481 (Act 36/1987)** extended the employee-ownership assistance program until June 30, 1989, and **Senate Bill 200 (Act 55/1987)** extended the program to acquire and- develop recreational land until June 30, 1988.

**\*\*\* Loans for High Tech Equipment; Machinery** -- A Senate Democrat initiative designed to stimulate investment by Pennsylvania manufacturers in technologically-advanced equipment and machinery was amended into a **House bill (HB 2415)** and became law (**HB 120/1988**) as part of the final compromise on a 1988-89 state budget.

Under the new law, a machinery and equipment revolving loan fund was created to assist industrial, manufacturing and mining operations with low-cost loans, of up to \$500,000, for the purchase of high tech equipment.

The new program, created as part of the PERF program, received a startup appropriation of \$3 million in fiscal 1988-89.

The measure was seen as an attempt to help Pennsylvania's manufacturing sector retool to remain competitive both nationally and abroad.

**\*\*\* Hardwood Industry Boosted** -- Legislation (**SB 945, Act 116/1988**) aimed at helping Pennsylvania's hardwood industry was signed into law by the governor.

This measure established the Hardwoods Council within the Department of Commerce and sets forth its responsibilities, powers and duties.

The council's objectives include creating jobs in the hardwood industry; promoting basic research in wood characteristics, product potential, new product development and marketing strategies. It also encourages the processing of quality hardwoods for use in furniture, houses and other hardwood crafts.

**\*\*\* State Authority To Aid Industrial Development** -- Legislation was enacted creating a new state authority known as The Pennsylvania Economic Development Authority.

The measure (**HB 2, Act 48/1987**) permits the state financing authority to serve as a resource to local industrial and commercial development authorities by accessing money markets that may not be available to them, and by pooling small bond issues of local industrial development authorities that may, otherwise, be unable to obtain financing.

The state authority will not replace the local authorities; rather it will supplement the local authorities.

It's believed the state financing authority can assist local economic development by serving as a central agency to "collect" local projects that are too small to be financed separately, and by acting as a vehicle to money markets -- either tax free or taxable -- that may be unavailable to local authorities.

**\*\*\* Minority Business Authority Retained** -- Legislation (**SB 1082, Act 6/1988**) was enacted reauthorizing the Pennsylvania Minority Business Development Authority (PMBDA) for 10 more years.

The PMBDA, which was established in 1975, offers low interest loans to prospective minority business people. The authority provides long-term loans of up to 75 percent of the total cost or a maximum of \$200,000 for the purchase of land, buildings, equipment or cash flow. The PMBDA also provides short-term loans to help minority businesses bid on state contracts.

The measure also permits legislators who are members of the PMBDA to designate representatives to attend authority meetings, and it provides that public members of the authority who miss three consecutive meetings except for illness be disqualified from the board.

\*\*\* **Ben Franklin Given New Life** -- Legislation has been enacted which reauthorizes the Ben Franklin Partnership Fund for an additional 10 years.

**House Bill 585 (Act 152/1988)**, which started out as legislation to expand Medicaid coverage for drug treatment, provides that of the two members appointed to the Ben Franklin Partnership Board by the President Pro Tempore, one must come from each caucus. The Speaker of the House must also appoint one member from the majority party and one from the minority.

The Ben Franklin program is designed to boost the state's economy and create a supportive environment for business by providing state grants for research and development of new products, helping companies market their products, and helping start-up firms launch viable businesses.

In a provision of the bill unrelated to the Ben Franklin Partnership Fund, the new state law expands Medicaid to cover non-hospital drug and alcohol treatment for medical assistance recipients (See Public Health and Welfare).

\*\*\* **PIDA Renewed for Another 10 Years** -- The Pennsylvania Industrial Development Authority will stay in business at least until 1998, under legislation enacted by the General Assembly.

**House Bill 1727 (Act 95/1988)** permits PIDA to provide low interest loans to local industrial development agencies which funnel the funds to businesses and industries which want to locate in critical economic areas in the commonwealth or which want to expand their existing operations.

The legislation made several changes in the PIDA Act including requiring the authority to determine if a business which has received a loan has achieved its projections in increased employment.

\*\*\* **Export of Pa. Products Encouraged** -- Legislation (**SB 1215, Act 111/1988**) has been enacted to boost the export of Pennsylvania products in foreign markets.

This measure appropriated \$100,000 to the state Department of Commerce for the purpose of providing matching grants of up to \$20,000 to local development groups, both public and private.

The "Export Development Matching Grant program is intended to encourage regional export development programs and expertise by providing state grants for activities such as foreign trade studies, surveys, consultant fees, trade show displays, and printing costs.

The legislation gives priority in the awarding of grants to public and private groups and industries which form a consortium to promote the exporting of state products.

**SB 1215** was part of a six-bill package aimed at boosting Pennsylvania products in foreign markets, but it was the only measure to pass both chambers and be signed by the governor.

\*\*\* **Rural Economic Development** -- Enacted were two measures (**SB 551, Act 15/1987; HB 689, Act 16/1987**) that allowed for the expenditure of \$2,750,000 appropriated in the fiscal 1986-87 state budget for rural

economic development programs.

**Senate Bill 551** was designed to expend half, or \$1,375,000, of the appropriation while **HB 689** would expend the other half.

**Act 15** stipulated funding allocations as follows: \$500,000 for the development of a rural marketing and industrial development program, \$175,000 for rural tourism promotion, \$200,000 to encourage growth in Pennsylvania's hardwood industry, \$100,000 for a research and development program involving wastewaters produced in conjunction with oil and gas operations in the state, \$350,000 for rural education programs, and \$50,000 for feasibility studies pertaining to the potential development of two rural county recreational complexes.

**Act 16** provided for expenditures of \$700,000 to establish a center for rural research at Penn State University; \$225,000 to the State System of Higher Education to establish rural education programs; \$50,000 for Clarion University to establish a center for rural librarianship; and \$400,000 to establish a regional center for the continuing education of health science practitioners at the University of Pittsburgh.

### Consumer Protection

\*\*\* **Generic Drugs** -- Pennsylvanians are expected to reap millions of dollars in savings at the drug store as a result of legislation (**HE 2261, Act 154/1988**) intended to encourage physicians to prescribe lower-cost "generic" instead of "brand name" drugs.

The new law replaces the previous two-line prescription form with a one-line form containing the following language: "In order for a brand name product to be dispensed, the prescriber must handwrite 'brand necessary' or 'brand medically necessary' in the space below."

If there is no such notation on the prescription, then pharmacists would be in the position of substituting a less costly generic equivalent.

The state Department of Aging estimated that the new law could save the lottery-funded senior citizen prescription drug assistance program, or PACE, as much as \$30 million each year while state residents who pay for their own prescriptions could save another \$70 million.

\*\*\* **Small Business Advocate** -- Small businesses will have their own voice before the Public Utility Commission and other state agencies and courts under legislation signed into law as **Act 181** on Dec. 21, 1988.

**House Bill 265** created an Office of Small Business Advocate.

The office will be located in the Department of Commerce and, as with the state's Consumer Advocate, funded by assessments on utilities.

The Small Business Advocate will represent the interests of small businesses in rate cases and other matters before the PUC.

The advocate may also act on behalf of small businesses on any other matter before a court or agency.

Annual reports on the advocate's activities must be submitted to the governor and General Assembly.

\*\*\* **Gasoline Additives** -- The General Assembly passed legislation (**SB 29**) which the governor signed into law (**Act 24/1987**) requiring retail service station dealers to post signs stating the maximum percentage by volume of methanol, ethanol, or co-solvents present in the gas. Manufacturers must provide this information to the

dealers. Violators could be fined up to \$100 for the first offense and up to \$200 for subsequent offenses.

\*\*\* **Fuel Delivery** -- Trucks delivering fuel and tanks receiving fuel must be equipped with devices to ensure that the correct fuel is transferred under legislation signed into law as **Act 85** on July 13, 1988.

**Senate Bill 738** gives the state police authority to specify the types of nozzles or adaptors which must be used. Failure to comply is a summary offense.

\*\*\* **Railroad Crossing Inspections** -- periodic inspections of railroad highway crossing safety devices are required under legislation signed into law as **Act 81** on June, 30, 1988.

**Senate Bill 321** specifies, in detail, items which must be inspected on a monthly, quarterly and annual basis.

An unrelated provision exempted the transportation of students to and from school-related activities with their chaperones from the definitions of "common carrier by motor vehicle" and "contract carrier by motor vehicle." Individual school districts would determine the number of chaperones required.

\*\*\* **Foreign Coal Use/Fire Standby Charges** -- Legislation designed to discourage the use of foreign coal in co-generation facilities and prohibit standby charges for structures with automatic fire protection systems was signed into law as **Act 83** on July 6, 1988.

**Senate Bill 1022** contains a series of restrictions on cogeneration facilities and other small power producers which use foreign coal.

The standby charge provision applies to residential structures.

\*\*\* **Financial Interest In Medical Services** -- Doctors and other health care professionals are required to disclose their financial interest in health care facilities under legislation (**SB 803**) signed into law as **Act 66** on May 26, 1988.

Patients must be told about any such financial interests when they are referred to a facility which provides any health related service. Doctors and health care professionals may make recommendations, but are required to tell patients that they have the freedom to patronize a facility of their choice.

Violations are punishable by a civil penalty of up to \$1,000. Enforcement is handled by the licensing boards in the Bureau of Professional and Occupational Affairs.

\*\*\* **Pennsylvania Emergency Management Agency** -- Legislation which reorganizes the Pennsylvania Emergency Management Agency and re-establishes the agency for five years was signed into law as **Act 87** on July 13, 1988.

**Senate Bill 1167** makes the state PEMA director responsible for the agency's day to day operations. The office of Pennsylvania State Fire Commissioner within PEMA coordinates information and education concerning fire prevention and control.

The PEMA director and fire commissioner are both appointed by the governor.

Other provisions of the bill:

- created a statewide firefighting training and certification program;
- created a Volunteer Loan Assistance Program to help volunteer fire, ambulance and rescue services modernize or purchase equipment;

--authorized compensation for volunteers injured in the line of duty;  
--created an integrated flood warning system; and required PEMA to establish two regional emergency supply warehouses.

\* **Pennsylvania Emergency Management Agency Loans** -- Water rescue vehicles would have been eligible for PEMA loans under legislation (**SB 1169**) approved by the Senate. The measure would have also raised the loan ceiling for firefighting equipment, ambulances and rescue vehicles.

**Senate Bill 1169** was in the House Local Government Committee when the session ended.

\* **Tele-Communications Deregulation** -- The state Public Utility Commission would have been prohibited from de-regulating tele-communications utilities under legislation approved by the Senate.

**Senate Bill 710** was designed to allow de-regulation only upon the specific direction of the General Assembly. It was in the House Consumer Affairs Committee when the session ended.

\*\*\* **"Dial-A-Porn"** -- An access code was to have been required for use of telephone message services as a result of legislation signed into law as **Act 37** on March 30, 1988.

**House Bill 429** was directed primarily at sexually explicit "dial-a-porn" services. Under the measure, messages were to begin with a warning about the service's cost. A warning about content was also to have been required when a sexually explicit message was being offered.

Before the message begins, the caller was to have been required to enter a personal identification number of at least nine digits. Message services were to have issued identification numbers only in response to written requests, and sexually explicit services could not issue numbers to minors.

\* **Telemarketing Restrictions** -- Unsolicited non-personal phone calls would have been prohibited between 9 p.m. and 9 a.m. under legislation unanimously approved by the Senate.

**Senate Bill 1017** applied to calls "made on behalf of a person, corporation or association soliciting business, sales or contributions or promoting a product or service or a political, religious or ideological viewpoint." The restrictions in the bill would have included calls made using a recording device.

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

\* **Church Electric Rates** -- The Senate unanimously approved legislation (**SB 918**) which would have allowed churches, synagogues, meeting-houses or other places of worship to choose between demand load or residential meter electric rates.

Places of worship are currently charged on a demand load basis. Volunteer fire companies and nonprofit senior citizen centers already have the ability to choose between demand load and residential rates.

The bill was in the House Consumer Affairs Committee when the session ended.

\*\*\* **Unclaimed Laundry** -- Retail dry cleaners and laundries may dispose of unclaimed garments under legislation signed into law as **Act 178** on Dec. 21, 1988.

**Senate Bill 1275** permits the disposal of garments which are not claimed within 90 days. The garment's owner must be notified twice of the pending disposal, once by certified mail and once by first class mail.

Garments unclaimed for one year could be donated to charity.

Owners of garments donated to charity would receive a single notice through regular mail.

\*\*\* **Containers & Shopping Carts** -- **Senate Bill 19** became law (**Act 37/1987**) which provides for the registration of shopping and laundry carts, bakery trays and baskets, dairy cases, egg baskets and poultry boxes with the Department of Agriculture.

It further states that anyone who removes these containers from the owner's premises without his permission would be fined up to \$300 or sent to jail for up to 90 days.

\* **Reconditioned Lemons** -- Future purchasers of cars returned under Pennsylvania's Lemon Law would have been protected by legislation (**SB 1078**) approved by the Senate.

The bill would have required manufacturers to provide new car (12-month or 12,000 mile) warranties to persons who purchase a rebuilt or reconditioned vehicle returned as defective by the original owner.

**Senate Bill 1078** was in the House Consumer Protection Committee when the session ended.

\* **Lemon Law for Leased Vehicles** -- Legislation approved by the Senate would have extended the protection of Pennsylvania's Automobile Lemon Law to people who lease defective new motor vehicles.

**Senate Bill 290** was in the House Consumer Affairs Committee when the session ended.

\* **Motor Vehicle Parts** -- Parts replaced during a motor vehicle's repair would have to be returned to the vehicle's owner under legislation (**SB 810**) unanimously approved by the Senate.

The Motor Vehicle Repair Act would have required automotive repair shops to keep all replaced parts and return them to the vehicle owner upon request.

**Senate Bill 810** was being considered in the House Consumer Affairs Committee when the session ended.

\*\*\* **Social Workers' Licensing** -- Social workers will now be licensed. Legislation (**SB 56**) was enacted (**Act 39/1987**) establishing a statewide licensing process for social workers. It created a seven-member state Board of Social Work Examiners to establish licensing procedures, adopt rules and regulations, preside at complaint hearings and determine the qualifications of license applicants. To qualify for a license, an applicant must have a master's degree and pass an examination. provisional license applicants must have a bachelor's degree in social work and three years experience working under the supervision of one holding a Master Social Workers degree.

\*\*\* **Athletic Agents** -- Legislation (**HB 1879**) which regulates the activities of athletic agents was signed into law as **Act 187** on Dec. 21, 1988.

Agents are prohibited from entering into an oral or written contract with a student athlete who still has college athletic eligibility; giving or promising anything of value to an athlete or his or her family and giving anything of value to a college official or employee to help sign a college athlete.

\* **Health Clubs** -- A bill creating the Pennsylvania Health Club Law -- legislation that would regulate the



industry and offer safeguards for the consumer -- was approved by the Senate.

**Senate Bill 628** would have required a bond or letter of credit for each health club location, to be used exclusively for buyer refunds. It also spelled out requirements for health club contracts and provided exceptions for private clubs owned and operated by members, for nonprofit institutions and for health clubs owned and operated by governmental entities.

The bill reached second consideration in the House.

\*\*\* **Nursing Home Administrators' Licensing** -- The State Board of Nursing Home Administrators must promulgate standards of professional conduct and practice under legislation (**SB 45**) signed into law as **Act 38** on July 9, 1988.

The commissioner of professional and occupational affairs must provide monthly updates of the status of the regulations.

\*\*\* **Radiological Procedures** -- Legislation (**HBs 216; 217**) was passed (**Acts 2; 3/1987**) delaying the implementation of restrictions on radiological procedures by auxiliary personnel, easing a requirement that medical or osteopathic physicians be in the room while such procedures are taking place. However, the supervisory personnel must be on the premises when such services are offered for therapeutic purposes.

Another bill (**HB 286**) was passed (**Act 4/1987**) extending those requirements to the offices of podiatrists and dentists.

This measure also requires the Commissioner of the Bureau of Professional and Occupation Affairs to submit written reports every 30 days concerning the progress of the regulations.

\*\*\* **Vehicle Shows** -- **House Bill 210**, approved by the Senate and signed by the Governor (**Act 27/1987**), exempts vehicle shows held in cooperation with charitable organizations from certain notification requirements of the State Vehicle Manufacturers, Dealers and Salespersons Act.

\*\*\* **Pilotage Requirements** -- Legislation (**HB 324**) became law (**Act 12/1987**) increasing the pilotage rate for vessels using the Delaware River and requiring all vessels using the Port of Philadelphia to be accompanied by a state-licensed pilot.

\* **Respiratory Care Practitioners** -- The Senate approved legislation (**SB 311**) which would have licensed and regulated Pennsylvania's respiratory care practitioners.

The bill would have established an eight member Committee for the Practice of Respiratory Care under the State Board of Medicine.

**Senate Bill 311** was in the House Consumer Affairs Committee when the session ended.

\* **Auctioneer Recovery Fund** -- Legislation which would have established an Auctioneer Recovery Fund was unanimously approved by the Senate.

**Senate Bill 184** would have required each auctioneer, apprentice auctioneer, auction company, auction house and new licensee to pay a \$50 fee to the Auctioneer Recovery Fund. The fund would have been used to pay unpaid court judgments against licensees convicted of fraud or misrepresentation regulated by the Auction Licensing Act.

The bill was in the House Professional Licensure Committee when the session ended.

\* **Optometrist Drug Treatment** -- Optometrists could have used drugs to treat ocular diseases under a bill (**SB 657**) approved by the Senate. Under current law optometrists may use drugs only for diagnostic purposes.

The bill was in the House Professional Licensure Committee when the session ended.

\* **Mental Health Service Providers** -- The Pennsylvania Composite Board of Examiners for Mental Health Service Providers would have been created by legislation (**SB 964**) unanimously approved by the Senate.

The board would have licensed and regulated various forms of counseling and therapy.

The bill was in the House Professional Licensure Committee when the session ended.

\*\*\* **Psychology License Grace Period** -- People who missed a previous deadline to apply for licenses to practice psychology have an additional grace period under a bill (**SB 1176**) signed into law as **Act 88** on July 13, 1988.

The grace period applies to people who were enrolled in a graduate degree psychology program as of Sept. 30, 1986. Those people may apply for licensure until Dec. 31, 1994.

\* **Surveyors** -- The Senate approved legislation which would have included land surveying under the Professional Engineers Registration Law and required that a professional engineer or land surveyor be in "responsible charge" of work which affects public safety, health or welfare.

**Senate Bill 1430** was not considered in the House before the session ended.

### State Government

\*\*\* **Off-Track Betting** -- **SB 769**, originally written to create stepparents day, was used as a vehicle to achieve final passage of legislation authorizing off-track betting in Pennsylvania. In a game of legislative football, the House amended the Senate bill in June of 1988, inserting the betting language. The Senate voted 26-18 to concur with the House version on November 15 and sent the bill to the governor. The governor vetoed the bill based on his opposition to the expansion of gambling in the commonwealth. Five days later the House and Senate both voted to override the veto with the necessary two-thirds majority votes. Proponents contended the legislation was needed to maintain the economic health of the horse racing industry in the state. The measure was enacted as **Act 127** of 1988.

Nearly 25 off-track betting parlors where horse races would be televised or simulcast from the track could be created under the law. Either the State Horse Racing Commission or the State Harness Racing Commission must approve the siting of an off-track facility which must resemble a clubhouse and offer amenities such as "high class restaurants."

Under the measure, only an existing racetrack can operate off-track parlors within 35 miles of that track; beyond that distance any licensed track can site parlors with approval of the appropriate commission.

\*\*\* **Deferred Compensation** -- Pennsylvania became the 48th state to enact a measure (**SB 209, Act 81/1987**) to permit a deferred compensation program for public employees.

Under the legislation, state and local government employees and elected officials can defer receiving a portion of their pay -- and the federal income tax owed on it -- until termination of their public employment or retirement.

The State Employees Retirement Board is responsible for overall administration of the deferred compensation program which would be completely separate from the contributory pension system. Deferred compensation investment plans will actually be run by private firms screened by the board.

**"V" Ethics Commission** -- Legislation (**HB 1733**) that would have extended the life of the state Ethics Commission until December 31, 1992 passed the General Assembly but was vetoed by the governor based on concerns that certain language contained in the reauthorization measure would have weakened ethical standards for public officials.

As a result, unless new action is taken on an alternative reauthorization measure early in the 1989-90 legislative session, the Ethics Commission will officially terminate June 30, 1989.

**"V" Regulatory Review** -- Unless reauthorized early in the new session, Governor Casey's veto of **SB 202** puts the state's Independent Regulatory Review Commission (IRRC) out of business as of June 30, 1989. **Senate Bill 202**, which would have extended the life of the commission until the end of 1991, was vetoed by the governor based on his view that the panel had been given powers that interfere with the constitutional duty of the executive branch to execute state law.

The IRRC is an five-member independent agency charged with oversight authority of executive regulations that implement state laws. First created in 1982, the commission carne under fire last year for holding meetings via telephone conference calls. **SB 202** would have required the commissioners' physical presence at meetings to constitute a quorum.

However, the measure also would have expanded the commission's authority to review not only proposed agency regulations, but also certain statements of policy, guidelines, manuals or handbooks which prescribe public, procedural, or property rights, duties and liabilities. Other provisions which would have expanded commission authority to rescind the governor's emergency regulations and extend the time period for commission review were seen by the governor as usurping executive authority "under the guise of curtailing excessive regulation."

With the winding down of the IRRC, the regulatory review process was grinding to a halt due to procedural uncertainties.

Because the governor's veto carne after the end of session, the legislature had no override authority. New legislation was expected to be introduced early in the 1989-90 session to reauthorize the IRRC. However, the governor indicated in his veto message that he would only support a bill that gave the commission limited powers.

The IRRC previously fell victim to the state "sunset" law on December 31, 1985, but was eventually renewed first in February, 1986 and again in November, 1986.

\* **Art Commission "Sunsets"** -- The Senate passed a bill (**SB 1057**) that would have changed the name of the State Art Commission to the State Architectural Review Commission and reauthorized the renamed commission until December 31, 1992. The bill would also have eliminated the commission's review of municipal and school district building projects. A package of bills (**SB 1058; SBs 1060-64**), which would have changed the name of the commission where it appears in existing state law, was also passed by the Senate. Because the House took no action on **SB 1057**, the commission was on its way out of existence.

\*\*\* **Notary Publics** -- Notaries are required to have more legible stamps under **HB 722**, enacted as **Act**

**78** of 1988. Because notary seals are often difficult to read, the new law requires the use of rubber stamps. The embossed impression of "notary public" and the name of the notary are still required.

\*\*\* **Turnpike Commission Audits** -- Legislation (**HB 188**) signed by the governor as **Act 122** of 1988 requires the Auditor General to conduct a financial and compliance audit of the Pennsylvania Turnpike Commission once every four years and to submit the audit to the transportation committees of both the House and Senate.

The measure also requires the Department of Agriculture to promote the manufacture and use of denatured ethyl alcohol and establish a licensing system for manufacturers of the fuel. The department is also required to license poultry dealers and transporters under the bill.

"**V**" **Professional Wrestling Regulation** -- A measure which would have removed professional wrestling exhibitions from the control of the State Athletic Commission and reduced the gross receipts tax on these exhibitions from 5 percent to 3.5 percent, was approved by both the House (193-0) and Senate (48-1) and vetoed by the governor.

**HB 1729** would also have required promoters of professional wrestling exhibitions to post surety bonds, and have a physician and sufficient security personnel in attendance at all events.

\*\* **Amateur and Professional Boxing** -- Legislation (**HB 1728**) that would have established the Pennsylvania Athletic Code, regulating amateur and professional boxing in the state, was passed by the House and amended in the Senate. In the closing days of session, the House failed to act on the amended Senate version and the bill died. The measure would have made the Department of State responsible for enforcing boxing regulations, and establishing safety, medical, licensing and officiating provisions governing the sport.

\* **Absentee Ballots** -- The Senate unanimously passed a bill (**SB 1000**) that would have increased criminal penalties for the fraudulent casting of absentee ballots. Under the proposal, absentee ballot fraud would have been a misdemeanor of the second degree, punishable by a jail term of up to two years and/or a fine of up to \$5,000. Currently, such fraud is punishable by a jail term of up to one year and/or a fine of up to \$1,000.

Legislation (**SB 166**) that would have allowed county election boards to mail absentee ballots to service personnel stationed overseas 45 to 90 days prior to an election also passed the Senate on a 38-6 vote. The House failed to take action on either bill prior to adjournment.

\*\*\* **False Affidavits by Candidates** -- Any candidate for elective office who files a false affidavit regarding his eligibility or qualifications for office will face penalties under provisions of an amendment to the Pennsylvania Election Code (**HB 392, Act 91/1987**).

Under the legislation, candidates removed from the ballot as a result of litigation based on the filing of a false affidavit are liable for court costs, including filing fees, attorney fees, investigation fees and similar costs, in an amount up to \$10,000.

\* **Ballots For Judicial Races** -- A bill (**SB 289**) that would have removed "county of residence" information on statewide judicial candidates from primary election ballots cleared the Senate (35-12) and was referred to the House where it died in committee.

\* **Simplify Petitions** -- A bill (**SB 416**) that would have simplified nominating petitions by eliminating the

requirement that signers list their occupations passed the Senate (48-0) but was not acted upon by the House prior to the end of session.

**\*\* Disabled Voters** -- Passing the Senate and the House in slightly different versions was a bill (**SB 542**) designed to bring state law into compliance with federal law for the purpose of providing voting assistance to persons who are blind, disabled or unable to read or write. The bill would have required an elector's disability to be listed on his or her voter registration card and would have permitted the elector to select the person of his or her choice for assistance -- except that the person could not be the elector's employer or union representative. House passage of the amended bill came in the closing hours of session and a concurrence vote was never taken in the Senate.

**\* Absentee Ballot Lists** -- A bill (**SB 529**) that would have required county boards of elections to keep a listing of every absentee ballot sent to voters passed the Senate (46-2) but never received House action.

**\*\*\* Designated Polling Place** -- A second class borough can designate a building it owns in an adjoining second class township as a polling place when no accessible building is available in the borough under a measure (**HB 152**) that was passed by the General Assembly and signed as **Act 20** on July 1, 1987.

**\*\*\* PA Historic and Museum Commission** -- The Pennsylvania Historic and Museum Commission was reauthorized under **Act 72** of 1988 to continue through 1997. Under the state's "sunset" statute, the commission would have expired on June 30, 1988.

The legislation (**HB 1731**) updated the commission's scope of responsibilities and limited the terms of commission members to four years.

**\*\*\* U.S. Constitution Bicentennial Celebration** -- Unexpended Capitol preservation funds were transferred to the Legislative Bicentennial Subcommittee under legislation (**HB 88, Act 7/1987**) enacted for Pennsylvania's celebration of the 200th anniversary of the United State Constitution. The Legislative Bicentennial Subcommittee sponsored numerous events in 1987 in commemoration of Pennsylvania's historic role in the development of the U.S. Constitution. The events included a debate contest among high school students, a reenactment of Pennsylvania's signing of the document, and a special joint session (authorized by **HB 87, Act 19/1987**) of the General Assembly in Philadelphia on September 18, 1987 to commemorate the first reading of the constitution 200 years earlier.

**\*\*\* Legislative Eisenhower Centennial Commission** -- Activities to commemorate the 100th anniversary of the birth of President Dwight D. Eisenhower will be coordinated by the Legislative Eisenhower Centennial Commission as created by **Act 165** of 1988 (**HB 2506**). The 100th anniversary will occur on October 14, 1990 with activities planned for the Gettysburg area where the late president and his wife made their home.

**\*\*\* Board of Claims** -- The Board of Claims, which arbitrates contract claims involving the commonwealth, can once again appoint three, two-member hearing panels under **HB 2547/Act 143** of 1988. The bill also increased per diem compensation for panel members.

**\*\*\* Official State Fossil** -- **Act 138** of 1988 established the Phacops rana, a creature extinct for 500 million years, as the official state fossil. The idea for the designation originated with the second-grade class at Valley Elementary School in Bucks County.

**\*\*\* Official State Insect** -- The Photuris Pennsylvania De Geer, a species of firefly, is now the official state insect.

Although the firefly was previously named state insect, **Act 130** of 1988 designates the species most commonly found in the state.

\*\*\* **U.S. Niagara Official State Flagship** -- A 19th Century warship, which saw battle during the War of 1812, will be known as the Flagship of Pennsylvania under **Act 61/1988**. The U.S. Niagara will represent the commonwealth in commemorating significant events of our maritime and naval heritage. The ship's official home port will be in Erie.

The measure (**HB 1071**) also established the Morris Arboretum, located in Philadelphia and Montgomery Counties, as the Official Arboretum of Pennsylvania.

### **Aging and Youth**

\*\*\* **Children's Trust Fund** -- A new source of funding, expected to reach \$1.2 million annually, has been created by the enactment of **HB 19** establishing a Children's Trust Fund. Signed into law as **Act 151/1988**, the measure creates a funding mechanism for community-based programs to aid in the prevention of child abuse and neglect.

The Children's Trust Fund will use proceeds from a \$10 surcharge on all applications for marriage licenses and on all divorce decrees for grants to local child abuse prevention programs.

A 15-member Children's Trust Fund Board will be created to develop a statewide plan for distributing funds and coordinate information on the creation and maintenance of abuse prevention programs. An assortment of child abuse prevention programs ranging from parenting educational services to early identification of families where the potential for child abuse and neglect exists would be entitled to receive funding under the legislation.

\*\*\* **Senior Citizen Protective Services** -- Legislation (**SB 5**) designed to protect senior citizens from abuse, neglect, exploitation or abandonment passed the General Assembly and was signed by the governor as **Act 79** of 1987.

Under the act, the state's 51 Area Agencies on Aging are responsible for providing protective services for persons 60 years of age or older and for investigating reports of elderly abuse.

Among other things, protective services include: homemaker services, home-delivered meals, attendant care, emergency shelter or food, and legal aid.

The legislation requires Area Agencies on Aging to initiate investigations of reports of suspected elderly abuse within 72 hours of receiving such reports. The agencies are granted the authority to petition the courts for emergency protective service orders.

As originally written, funding to implement the senior citizen protective services program was to be derived from the state lottery. Prior to enactment, however, the bill was amended to stipulate that funding "be provided by an annual appropriation by the General Assembly." The state's 1988-89 budget included \$2.4 million in funding for this program.

\*\*\* **PACE Extended** -- Legislation (**SB 334**) continuing the copay prescription drug assistance program for senior citizens with emphasis on cost containment measures passed the General Assembly and was signed as **Act 17** of 1987 by the governor.

The new Pharmaceutical Assistance Contract for the Elderly (PACE) places a heavy emphasis on the

use of generic drugs to lower the costs of the program which have skyrocketed, largely the result of higher drug costs. Under the program, eligible senior citizens 65 years of age or older pay only the first \$4 of a prescription's cost.

Under the law, doctors were asked to prescribe generic drugs whenever possible. If patients want the name brand higher-priced drugs, then they are required to pay the cost difference between the two drugs.

Pharmacists receive an additional \$1 fee per prescription when they can document they convinced a physician to prescribe a generic drug.

The Department of Aging was required under the law to issue a report to the General Assembly within 18 months on the success of program cost reduction initiatives.

The Department of Aging is also required to establish a program to ensure senior citizens are given the proper combination of drugs.

\*\*\* **Child Abuse Reports** -- Legislation (**SB 140**) permitting teachers and others who are required to report suspected cases of child abuse to be notified regarding the outcome of the investigations into such cases, cleared the General Assembly and became law (**Act 80/1987**). Previous law required such reporting of suspected child abuse, but in many instances individuals required to make such reports were never informed whether the suspected case was substantiated -- let alone what corrective action was taken by authorities.

Additionally, **Act 80** added funeral directors to the list of those required to report suspected cases of child abuse. Another provision permits child day care workers to be temporarily employed while background checks are being completed. Temporary employment cannot exceed 30 days or, in the case of an out-of-state applicant, 90 days, and temporary employees must be supervised at all times.

\*\*\* **Department of Aging Reauthorized** -- The state Department of Aging, the only department-level agency subject to sunset review, has been reauthorized to continue coordinating services and programs for older citizens through December 31, 1997 under **Act 153** of 1988. The legislation contains a number of provisions which place special emphasis on the provision of long term care.

In addition to reauthorizing the department, which was due to go out of existence at the end of 1988, the legislation (**HB 2015**) required the department to establish and administer a state long term care ombudsman program. The program will be responsible for investigating and resolving complaints involving the health, safety or rights of older citizens residing in long term care facilities.

Under the new law, the department and Area Agencies on Aging are required to develop community-based service and housing options for older citizens who are ill or impaired, with the goal of avoiding or delaying institutional care.

The Pennsylvania Council on Aging, a part of the governor's office, is expanded under the measure from 19 to 21 members whose appointments are subject to Senate confirmation.

\* **Child Abuse** -- The definition of child abuse would have been expanded to include pregnant women whose drug or alcohol use caused their children to be born with fetal alcohol syndrome, neonatal abstinence syndrome or the systemic presence of a controlled substance, under **SB 1525**. The measure received unanimous Senate approval but fell victim to the clock in the House where it failed to receive final consideration.

## Military and Veterans Affairs

\*\*\* **Veterans Assistance** -- Enacted was a bill (**SB 1133, Act 60/1988**) that not only re-established the state Veterans' Commission for 10 more years, but provided for an increase in emergency financial assistance for eligible veterans and boosted educational gratuities for the children of veterans who were killed or disabled.

Under the measure, eligible veterans and their families who suffer a sudden unexpected loss of income because of sickness, unemployment or other cause beyond their control are now eligible to receive a maximum payment equal to that received by public assistance recipients.

Meanwhile, children of veterans who were killed or disabled will see gratuity payments for their education at approved institutions more than doubled. The new law increased the per term or semester education gratuity for eligible children of veterans from \$200 to \$500 -- the first increase since 1959.

Another provision of the new law, meanwhile, extended an exemption from real estate taxes for totally disabled veterans to unmarried surviving spouses upon the death of the eligible veteran. And **Act 60** also provided for the creation of a Veterans Memorial Trust Fund to accept contributions for the construction of a war veterans memorial at Indiantown Gap National Cemetery.

\*\*\* **Veterans Health Commission** -- Legislation to create a Vietnam Veterans Health Initiative Commission was unanimously approved by the General Assembly and signed by the governor (**HB 942, Act 67/1987**).

Designed to look into general health matters affecting Vietnam veterans, the new commission replaced the Vietnam Veterans Herbicides Information Commission, which gathered information on the health effects of exposure to herbicides containing dioxin, such as Agent Orange.

The new commission is to serve in an advisory capacity to the state Department of Health and oversee programs for veterans that are currently administered by several state agencies.

\*\*\* **Soldier's Grove** -- The area between the Forum Building and the Finance Building on the grounds of the state capitol is now known as Soldier's Grove as a result of legislation (**HB 78**) signed into law as **Act 75** on Oct. 30, 1987.

The Department of General Services was made responsible for fabricating bronze plaques and dedicating trees in the area in honor of veterans. Soldier's Grove was dedicated on May 30, 1988.

\*\*\* **POW/MIA Flag** -- The official POW/MIA flag will be flown in Soldier's Grove on the capitol grounds as a result of legislation (**HB 459**) signed into law as **Act 87** on Dec. 18, 1987.

The flag will be flown until "all paws and MIAs return or are accounted for."

\*\*\* **Pearl Harbor Remembrance** -- **House Bill 279** established December 7th as "Pearl Harbor Remembrance Day". Under the measure, the governor was authorized to issue an annual proclamation calling on Pennsylvanians to remember those who fought and died at Pearl Harbor.

Unanimously approved by the House and Senate, **House Bill 279** was signed by the governor July 1, 1987 as **Act 22**.

\* **Scholarships** -- In addition to the increase in education gratuity payments to eligible children of veterans who were killed or disabled -- enacted along with the reestablishment of the state Veterans Commission -- the



Senate passed (49-0) a bill (**SB 873**) to extend higher education scholarships to a child whose parent was a member of the armed services and was killed, held as a prisoner of war, held as a prisoner of a terrorist group for more than 10 days, or who was reported missing in action, in the course of service. Final action in the House never materialized.

\* **State Park Availability for Former POW's -- Senate Bill 613**, approved by the Senate (48-0), would have permitted former prisoners of war to obtain a trailer camp permit, tent, electrical services, and cabin rentals at no charge at state park camping facilities, if the veteran plans to stay at the campsite for three days or less.

The bill died in a House committee.

\*\*\* **Gettysburg 125th Anniversary Commission** -- The Gettysburg 125th Anniversary Commission was created by legislation (**HB 98**) signed into law as **Act 76** on Oct. 30, 1987.

The 11-member commission was responsible for coordinating programs to observe the 125th anniversary in 1988 of the Battle of Gettysburg and Lincoln's Gettysburg Address. **Act 76** included a \$210,000 appropriation to finance the observance.

\*\*\* **Grave Marker Damage** -- Legislation which changes Second Class County Code penalties for damaging grave markers was signed into law as **Act 62** on May 13, 1988.

The Second Class County Code was overlooked when penalties were revised under previous legislation. **House Bill 542** corrected that oversight.

The revised penalties vary the grade of offense in relation to the dollar amount of damage.

\* **Veterans Civil Service Preference** -- Veterans could accept temporary civil service employment without losing their veteran's preference for permanent employment under legislation unanimously approved by the Senate.

**Senate Bill 1007** was prompted by an April 1987 directive by the executive director of the state Civil Service Commission. The directive stated that veterans who accept temporary positions would no longer lose their veteran's preference for permanent positions.

The bill was in the House Military and Veterans Affairs Committee when the session ended.

## Judiciary

\*\*\* **Abortion; Mandatory Sentences for Drug Trafficking; Drivers' License Suspension for Underage Drinking** -- The governor signed into law (**Act 31/1988**) legislation (**HB 668**) designed to further restrict or discourage abortion. The law provides the following requirements:

- Women under the age of 18 must have the "informed" consent of at least one parent or guardian or a court order before being allowed to have an abortion.
- Physicians performing abortions must "orally" inform women of the nature of the procedure and risks and alternatives to the procedure;
- Women made pregnant by rape or incest must report the crime to police in order to receive state funding for an abortion;
- Legal service organizations cannot use public funds to counsel pregnant women on whether or not to have an abortion.

**Act 31** of 1988 also contained language marking an attempt to address the issue of underage drinking.

Under the law, persons under the age of 21 who are found in possession of any alcoholic beverage will lose their drivers' licenses for 90 days for a first offense, for one year for a second offense and two years for a third offense.

New mandatory and more severe jail sentences for persons trafficking in illegal drugs were also a part of the measure.

Persons convicted of selling drugs to minors will face a mandatory jail term of at least one year. If the offense occurs within 1,000 feet of a school or college, an additional two year minimum jail sentence will apply for persons convicted of delivering drugs to minors.

The law also contained provisions establishing a range of new penalties for the sale of specific amounts of drugs.

Additionally, on an unrelated matter, the bill made it unlawful for haulers of trash and garbage to dump their loads on a street, road, highway or private land.

\*\*\* **Smuggling Contraband into Jails; Child Pornography; Sexual Abuse** -- The governor signed into law (**Act 158/1988**) legislation (**SB 245**) which strengthens the current law's guidelines for convicting persons attempting to smuggle contraband into prisons and jails.

Amendments to the legislation expanded its scope to create more comprehensive guidelines for the possession of firearms and expand child protection laws.

The initial intent of the measure was to specifically include marijuana as one of the narcotics not allowed in prisons.

Marijuana does not fall into the previous law's definition of narcotics. The law changes the Pennsylvania Crime Code to enable law enforcement officers to more easily convict persons who try to smuggle marijuana into jails and prisons.

Two amendments to the bill establish guidelines for firearms. One amendment consolidates all special firearm permits into one "sportsman firearm permit" which would allow a person over 18 to carry a firearm relevant to hunting, trapping or any other such activity in conjunction with a valid hunting license.

The other amendment would set uniform guidelines for issuing a license to carry concealed firearms for self-defense, employment or other related activities. The requirements include:

- being 21 years or older;
- no convictions of a violent or drug-related crime;
- a 45-day period for the county sheriff to access any records relevant to granting the permit.

Other amendments would protect the welfare of children by:

- expanding the definition of "prohibited sexual abuse";
- mandating that any person who disseminates or possesses child pornography is guilty of a third degree felony:
  - upgrading the offense of simple assault between an adult (21 or older) and a child (12 and under) from a second to a first degree misdemeanor which would carry a potential sentence of up to five years imprisonment; and
  - upgrading the offense of endangering the welfare of a child from a second to a first degree misdemeanor.

\*\*\* **Waiting Period For Divorce Lessened** -- Since **SB 409** became law (**Act 13/1988**), persons seeking a unilateral no fault divorce will wait only two years rather than three years.

Other provisions of the law give better economic protection to dependent spouses because judges will be able to consider child custody when the marital property is distributed.

Judges also will have greater discretion in awarding alimony. Under previous law, judges had to award alimony for a specific period of time. The new law permits judges to award alimony for an indefinite period.

\*\*\* **Rape Crisis Centers and Domestic Violence Shelters Et Al.** -- The General Assembly passed and the governor signed legislation (**HB 1308, Act 79/1988**) that provides funding for rape crisis centers, domestic violence shelters, emergency medical services, the Crime Victims' Compensation Board and the Commission on Crime and Delinquency.

The measure removed a cap on funding for crime victims' and emergency medical services.

Another provision expands and defines the types of property that the state attorney general could seize from drug dealers as well as set the conditions under which the property could be seized.

\*\*\* **Legal Services for the Poor** -- The governor signed a Senate-House Conference Report (**SB 426, Act 59/1988**) which permits attorneys to deposit certain trust funds in an interest bearing account that will be used to help fund legal assistance for the poor.

The interest would be used to help defray the legal costs of the poor; lawyer participation in the program is voluntary.

The conference report also included contained language to prohibit the use of such funds for counseling either for or against abortions.

\*\*\* **Property Desecration** -- **Senate Bill 235 (Act 103/1988)** makes the desecration of a church, synagogue, cemetery, school, municipal building or courthouse facility a third degree felony no matter what the amount of damage caused.

Previous law stipulated damages must exceed \$5,000 for the crime to be a third degree felony.

Desecration is defined as defacing or otherwise damaging a facility in a way that the actor knows will outrage the sensibilities of persons likely to observe or discover the action.

A third degree felony carries with it a jail term of up to seven years, a fine of up to \$15,000 or both.

\*\*\* **Expansion Of The Protection From Abuse Act** -- The governor signed legislation (**HB 418, Act 56, 1988**) which makes several changes in the Protection From Abuse Act.

Some of the changes include:

- broadening the definition of abuse from that of causing or attempting to cause bodily injury to include acts of rape, spousal sexual assault, involuntary deviate sexual intercourse and other violent acts;
- broadening the definition of a family or household member to include former spouses, individuals who have lived as spouses or current or former sexual intimate partners;
- educating local law enforcement officers about provisions of the law; and
- clarifying the courts' responsibilities in abuse cases.

It also specifies that district justices can order a defendant to stop abusing a person and also evict the abuser from jointly owned premises.

\*\*\* **Easing The Oath Of Witnesses For Uncontested Wills** -- Legislation (**HB 524**) facilitating the administering of the oath for witnesses of uncontested wills was signed (**Act 99/1988**) by the governor.

Previous law required a witness to appear before the recorder of wills in the county in which the will is

registered.

This law permits the witness to take the oath from the recorder of wills in the county in which he or she (the witness) resides.

The law also permits a trustee of an estate more freedom to invest trust funds.

\*\*\* **Wrongful Birth/Wrongful Life** -- Legislation (**SB 646**) containing a potpourri of issues became law (**Act 47/1988**) with the governor's signature.

The controversial part of the measure outlaws lawsuits in which parents claim an act or omission by a doctor resulted in the birth of an abnormal child. It also prohibits a child from suing his parents on the basis that he or she should not have been born.

The original section of the law permits the President Judge of the Philadelphia Municipal Court to appoint qualified attorneys as bail commissioners during emergencies, provided the President Judge declares the emergency in writing.

Other provisions of the law will:

- Streamline the Post Conviction Relief Act;
- Restrain arbitrary dismissal of cases at the preliminary hearing level due to the absence of the victim or prosecuting attorney;
- Establish a minimum three-year sentence for crimes committed while impersonating a law enforcement officer.

\*\*\* **Electronic Surveillance Extended And Expanded** -- State law enforcement officials have another six years to use electronic surveillance in their investigations because of legislation (**SB 797**) signed (**Act 115/1988**) by the governor.

The new law extends and broadens the scope of the previous wiretap law that was due to expire on December 5, 1988.

The measure extends from two 20-day periods to 30-day periods the time that a Superior Court Judge can authorize wiretapping at the request of a district attorney or the attorney general.

It also permits court approved wiretapping on an unlimited basis for law enforcement. After an initial 30-day approval, an enforcement official can obtain permission for additional taps in 30-day periods by showing evidence of possible continued criminal activity.

A district attorney or the attorney general can authorize a wiretap without court approval when a hostage situation might arise.

The new law also deals with electronic devices that were not in existence when the original law was written.

This version of the law comes under a six-year Sunset Review rather than the two-year review of the previous law.

\*\*\* **Adoption Expenses** -- The General Assembly passed (**HB 836**) and the governor signed (**Act 7/1988**) legislation that makes adoptive parents responsible to third parties for the payment of certain expenses incurred for the care of a pregnant mother and her child before, during and after the child's birth.

Third parties (hospitals, agencies aiding unwed mothers, etc.) can collect various medical and other costs

incurred prior to the adoption of the child from adoptive parents.

\*\*\* **Sentencing Guidelines** -- The governor signed legislation (**SB 1130, Act 26/1988**) which requires a disapproval of sentencing guidelines recommended by the sentencing commission from both the General Assembly and the governor before a rejection is valid.

The law is the result of an October 1987 state Supreme Court decision which ruled that the first draft of the Pennsylvania Sentencing Commission's guidelines were invalid because only the General Assembly and not the governor had rejected them.

The measure also expedites a review process for the re-enactment of the second set of guidelines which the General Assembly approved but were invalidated because the court said the first set of guidelines were not properly rejected.

\*\*\* **Corporate Law** -- The General Assembly passed and the governor signed legislation (**SB 1200, Act 177/1988**) which updates Pennsylvania Corporate Law. The measure seeks to modernize the state's law to make incorporation easier in Pennsylvania and to compete with the state of Delaware.

\*\*\* **Hostile Takeovers** -- The governor signed into law as **Act 27** of 1988 legislation (**HB 2031**) that is designed to protect companies from hostile takeover.

In general, the law discourages corporate raiders by giving directors of businesses incorporated in Pennsylvania stronger legal protection against attempts to buy sizeable blocs of a company's stock, take control and then sell off the firm's assets.

Pennsylvania corporations can use shareholder-rights plans (poison pills) to defend against hostile takeovers. Poison pills allow a corporation facing a hostile takeover to offer its stockholders the option of buying newly issued stock at a low price. This weakens the ability of the hostile buyer to control the corporation.

This law also prohibits a hostile buyer from merging and selling assets for five years, thus preventing a corporate raider from breaking up a company to retire junk bonds that are often used to finance the takeover.

\*\*\* **Judgment Liens, Civil Suits, Death Sentences** -- **Senate Bill 1304** became **Act 179/1988** which permits only properly filed final judgments of a Pittsburgh Magistrate's Court to be used as liens on real property.

Another provision of the bill exempts volunteers in a public service or non-profit event from civil suit for damages incurred by another person as a result of the services rendered by the volunteer. However, if the volunteer's services were proven substantially below accepted standards, he could be held liable.

Another provision amends the state's death penalty law to permit the state Supreme Court to lessen death sentences to life imprisonment in cases where there is insufficient evidence to support aggravating circumstances permitting the imposition of the death sentence.

\* **Death Penalty Re-imposition** -- Legislation (**SB 956**) which would have allowed death sentences which are overturned on appeal to the state Supreme Court to be reargued and re-imposed in certain circumstances was passed by the Senate (43-2) but died in the House.

The measure was in response to an October 16, 1987 state Supreme Court decision invalidating the death sentence imposed on Allegheny County murderer Christopher Caldwell who had been convicted of the brutal January, 1985 robbery and murder of an elderly Pittsburgh couple.

The legislation would have broadened the term "torture" -- one of a series of aggravating circumstances

required for the imposition of the death penalty -- to include "the killing of one family member in the presence of another family member." The high court, in overturning the Caldwell death sentence, had opined that the victims of the murder that Caldwell was convicted of were not tortured prior to their death.

The House Judiciary Committee failed to act on **Senate Bill 956**.

\*\*\* **Sentence Alternative -- House Bill 196**, signed by the governor (**Act 21/1987**), established criteria for district justices to follow when requiring a person charged with a summary offense to participate in a community public service program as an alternative to sentencing. This alternative sentencing was previously authorized by **Act 60** of 1985.

When the individual successfully completes the program, the charges against him are dismissed and he is relieved of any payment of fines or obligations or serving time in jail. A public service agency or charitable organization participating in the program as well as the district justice is granted immunity from any civil action resulting from the service. An exception to this last provision is grossly negligent action. Motor vehicle and game law violations are two exceptions to this law.

The law also allows a person to sign final documents (e.g. contracts) at any time as long as his or her lawyer verifies the signature in the presence of a notary public and then signs the document and records his Supreme Court identification number in the notary's presence.

The law amends an unrelated section of the Consolidated Statutes dealing with the jurisdiction of municipal police officers. Current law permits local officers to assist other local, state and federal officers upon request. This law extends that jurisdiction to park police upon their request for assistance.

\*\*\* **Support Payments** -- The governor signed into law (**Act 35/1988**) legislation (**SB 1454**) which amends the Domestic Relations Law by providing for judgments and the procedure for filing judgments when support payments are in arrears.

\*\*\* **Noise Control & Shooting Ranges** -- The legislature passed (**HB 1818**) and the governor signed legislation (**Act 74/1988**) that exempts owners of shooting ranges from civil or criminal prosecution from noise control ordinances that were created after the range was in existence. Owners must comply with noise control ordinances that were in existence before or during the construction of the range.

\*\*\* **One Time Fee For Constables** -- **House Bill 362**, now **Act 46**, 1987, limits constables to a one time reimbursement for mileage when transporting more than one defendant in a single trip.

\*\* **Coroner's Juries** -- Both houses passed but the session went sine die before presiding officers had a chance to sign legislation (**HB 278**) that would have increased the compensation for persons serving on a coroner's jury from \$7 to \$.9 per day for the first three days and \$25 per day for every day thereafter and 17¢ per mile travel allowance.

\* **Protection From Abuse Act** -- The Senate amended and passed (49-0) legislation (**HB 732**) that would have permitted district justices from all counties as well as Philadelphia Municipal Court Judges to hear cases dealing with emergency relief at night or on weekends. The measure also would have permitted district justices in counties with less than four judges to hear emergency relief cases during regular business hours if a judge is not available.

The House failed to act on the measure.

\* **Judicial Reform** -- The Senate passed (32-12) a proposed constitutional amendment (**SB 1**) that would have provided for changes in the state's judiciary.

All justices, judges and judicial employees would have been required to adhere to financial disclosure no less stringent than those that apply to members of the General Assembly.

The Judicial Inquiry and Review Board would have been renamed the Judicial Conduct Board and would have been expanded to 11 members. The board would have the authority to order the suspension, removal, discipline, censure or retirement of a justice or judge. Under present law the board can only recommend action which may be imposed or rejected by the Supreme Court.

The measure ended in the House Appropriations Committee which failed to act on it.

\* **Child Victims and Sexual Abuse** -- Legislation (**SB 213**) passed (45-3) the Senate which would allow out-of-court statements by children under 12 years of age who had been victims of sexual abuse to be admissible in criminal court proceedings under certain circumstances.

The measure died in the House Judiciary Committee.

\* **Child Rape** -- The Senate voted (50-0) to pass a measure (**SB 213**) which would extend the crime of rape to include sexual intercourse with a child 10 years or younger. It failed to get action from the House Judiciary Committee.

\* **Assessed Confinement** -- Legislation (**SB 251**) passed (49-0) the Senate that would have permitted prisons to assess short term inmates for the cost of their confinement .. The costs would apply to inmates spending weekends or other short periods each week.

The measure failed to receive action from the House Judiciary Committee.

\* **Illegal Drug Forfeiture** -- Legislation (**SB 306**) that would have extended current law to provide for the forfeiture of anything of value used to facilitate an illegal drug transaction passed the Senate by a 49-0 vote. Current law specifies only money, negotiable instruments and securities in the commission of such offenses. The House Judiciary Committee failed to act on the measure.

\* **Additional Offenses for Controlled Substance Act** -- The Senate passed (48-1) legislation (**SB 401**) that would have added three additional criminal offenses to the Controlled Substance, Drug, Device and Cosmetic Act: the use of a communication facility (e.g. telephone) to commit a felony, an attempt to solicit or conspire to violate the act and engaging in a continuous enterprise to violate the Controlled Substance Act.

The bill died in the House Judiciary Committee.

\* **Prisoner Segregation** -- The Senate unanimously (49-0) passed **Senate Bill 408** which would have required the segregation of any prisoner who commits an act of violence, including sexual assault, against another prisoner or employee of a penal institution. The House Judiciary Committee did not act on the measure.

\* **Jail Sentence Reduction** -- The Senate passed (38-7) but the House failed to act on legislation (**SB 424**) which would have permitted prisoners in county and state prisons to reduce their jail sentences by earning time for good behavior.

\* **Prisoner Exchange** -- Legislation (**SB 543**) passed (49-0) the Senate that would have permitted the

Department of Corrections to contract with the federal government for the housing of inmates in federal correctional facilities. The provisions of this bill would have been used by the department for those inmates who may be involved in the murder of a guard or another inmate. The House Judiciary Committee did not act on the measure.

\* **Loan-sharking** -- The Senate unanimously (49-0) passed legislation (**SB 678**) that would have rendered creditors guilty of loan-sharking if they charged an interest rate of more than 25 percent. The bill would also have prohibited the threat of bodily harm as a means to obtain delinquent payments from a debtor.

The House Judiciary Committee did not act on the measure.

\* **Motion Pictures** -- Legislation (**SB 725**) passed (36-12) the Senate that would have given the attorney general and distributors the authority to file charges against violators of the Feature Motion Picture Fair Business Practice Law and prohibited the state's 67 county district attorneys from taking action in an effort to insure consistency in determining what constitutes a violation.

The bill died in the House Appropriations Committee.

\* **Drunk Driving Victim's Bill of Rights** -- The Senate passed (47-0) a bill (**SB 758**) that would have established a "bill of rights" for the victims of traffic mishaps caused by drunken drivers.

In the event of the death of the victim, the "legal victim" would have been defined as the next-of-kin.

The House Judiciary Committee did not act on the measure.

\* **Liability For Land Surveyors** -- Legislation (**SB 830**) that would have designated the time period land surveyors are liable for their work passed the Senate by a 47-0 vote.

The measure died in the House Judiciary Committee.

\* **Civil Action Exemption for Volunteers** -- The Senate passed (44-0) Senate Bill 844 which would have exempted volunteers end of non-profit associations from civil damages for their actions in public service programs.

The measure died in the House Judiciary Committee but the content was amended into **Senate Bill 1304** which became **Act 119**.

\* **Probation and Parole Officer Protection** -- **Senate Bill 846**, passed by the Senate by a 43-0 vote, would charge with aggravated assault persons threatening or causing bodily injury to probation and parole officers. The House Judiciary Committee did not consider the measure.

The content of **Senate Bill 846** was amended into **Senate Bill 219** which passed the Senate and House but they failed to sign the measure.

\* **Elimination of Judicial Auditing Agency** -- The Senate passed (49-0) legislation (**SB 869**) which would eliminate the judicial Auditing Agency and require the Auditor General to audit the state's judicial system annually or more frequently if he deemed it necessary.

The House Judiciary Committee did not consider the bill.



\* **Clarification of DUI. Charges** -- **Senate Bill 881** which would require that only one substance be named in a report charging a person with driving under the influence of alcohol or controlled substance passed by the Senate by a 45-0 vote.

Current law requires that the report state all substances when charging a person with driving under the influence of alcohol or a controlled substance.

The measure did not receive consideration from the House Transportation committee.

\* **Penalties for Flight to Avoid Apprehension, Trial or Punishment** -- The Senate passed (47-0) legislation (**SB 882**) that would establish penalties for persons who willfully flee with the intent to avoid apprehension, trial or punishment for a conviction. The measure died in the House Judiciary Committee.

\* **Bail Denial** -- A bill (**SB 884**) which proposes an amendment to the Constitution which would expand circumstances under which judges could deny bail for defendants who could receive a death sentence, life imprisonment or pose a danger to the community passed the Senate by a 38-11 vote.

The House Judiciary Committee failed to act on the measure.

\* **Post-Conviction Relief** -- The Senate passed (48~1) legislation (**SB 886**) which would limit the circumstances under which an individual would be able to obtain post-conviction relief.

The bill died in the House Judiciary Committee.

\* **Centralized Intelligence Source** -- The Senate unanimously passed a bill (**SB 973**) that would permit a centralized source to collect intelligence, investigative and treatment information which would be used by all law enforcement agencies. The measure died in the House Judiciary Committee.

\* **Resident Counties Pay Costs of Juveniles** -- Legislation (**SB 1171**) requiring resident counties of youths who escape from a detention facility to pay the costs of apprehending and/or prosecuting those youths passed the Senate by a 48-0 vote.

The House Judiciary Committee failed to act on the measure.

\* **Funding the State's Judicial System** -- **Senate Bill 1223**, passed (30-17) by the Senate, would amend the state's constitution and authorize the General Assembly to determine whether the state should fund all or part of the cost of county court systems.

The measure was a response to the state Supreme Court's decision in a suit brought by Allegheny County against the state which directed the commonwealth to fund the entire court system.

The bill died in the House Rules Committee.

\* **ARD Fees Paid to County** -- Legislation (**SB 1235**) that would require all administrative fees of the ARD program be paid to the county passed the Senate by a 49-0 vote. The session went sine die occurred before the bill made it to the House.

\* **Elect or Appoint Philadelphia Judges** -- Legislation (**SB 1267**) designed to let the people of

Philadelphia County choose whether judges of common pleas court should be appointed or elected passed (39-10) in the Senate but died in the House Appropriations Committee.

\* **Lethal Injection** -- Legislation (**SB 1386**) that would replace the electric chair with a lethal injection in carrying out the death penalty passed (36-11) the Senate and died in the House Judiciary Committee.

\*\* **Administration of the Commonwealth's Courts** - The Senate passed (27-23) legislation (**SB 1399**) that would amend the state's constitution to change the administration of the state's judiciary system.

The measure was not considered by the House Judiciary Committee.

\* **Use of Body Armor in Committing a Felony** -- Persons wearing body armor in the act of committing or attempting to commit serious offenses would have been guilty of a third degree felony under legislation (**SB 1422**) passed by the Senate. The bill died in the House.

\*\* **Parent Notification and Bearing for Juveniles** -- Both houses passed differing versions of legislation (**HB 1593**) that would have required district justices to notify parents or guardians when juveniles are charged with a summary offense.

### **Agriculture and Rural Affairs**

\*\*\* **Farmland Referendum - Senate Bill 153 (Act 70/1987)** contained the question of whether or not the commonwealth should be authorized to borrow \$100 million to save prime farmland in Pennsylvania from commercial and residential development.

The voters approved the referendum in the 1987 primary election.

The measure also stipulated the state will provide the money in the form of grants rather than loans to counties for conservation easement purchases.

\*\*\* **Implementation of Farmland Preservation** -- Legislation (**HB 442/Act 149/1988**) that is the product of a House-Senate Conference Committee report establishes procedures for county governments to buy development rights of farms in designated agricultural areas of 500 or more acres to protect the land from being used for purposes other than farming.

The bill establishes a 17-member board (State Agricultural Land Preservation Board) operating within the Department of Agriculture to administer the program on the state level. It also stipulates that each county will have a county Agricultural Board to operate on the local level.

At least \$10 million in bond money will be available annually. However, if a heavy demand occurs, up to \$20 million can be distributed in any given year. Half of the money made available to counties will be determined primarily by a formula based on realty transfer tax collections for the previous year.

The other half will be made available according to the county's agricultural base.

Counties will receive \$8 for every \$1 of their own money if their agricultural sales total at least 2 percent of the state's agricultural activity. If a county's agricultural sales are less than 2 percent, the county will receive \$4 for every \$1 matched.

Finally, the law appropriates \$75,000 in program start-up money for the state Department of Agriculture.

\*\*\* **Disbursement of Proceeds from Sale of State Farmland** -- Governor Casey signed legislation (**SB 1072/Act 64/1988**) that directs monies obtained from the sale of state farmland to be put into a restricted account known as the Agricultural Conservation Easement Purchase Fund. The measure also stipulates that proceeds from the Woodville State Farm be credited to the Farm Products Show Fund rather than the Conservation Easement Fund.

\*\*\* **Enforcement of Rabies Vaccination Law Official** -- **House Bill 483, Act 23/1987**, made September 1, 1987 the first day for enforcing the state's rabies vaccination law. Owners of dogs and cats, convicted of not having their pets inoculated with a rabies vaccine after that date, can face a \$300 a day fine.

In addition to setting the enforcement deadline, the law protects veterinarians who participate in low-cost clinics from civil suits and authorizes operators of animal shelters and nonprofit kennels to vaccinate their animals upon being certified by the state Department of Agriculture.

\*\*\* **Animal Health and Diagnostic Commission** -- Legislation (**HB 441**) was signed into law (**Act 148/1988**) by the governor which creates an Animal Health and Diagnostic Commission to investigate and diagnose disease in farm animals.

The measure stipulates a 15-member commission made up of government officials, veterinarians and farmers operating under the Department of Agriculture.

Some of the duties of this commission are to award grants to eligible applicants devoted to animal health, coordinate animal health research and animal disease diagnosis and make recommendations to the General Assembly and the Department of Agriculture concerning animal health research and animal disease diagnosis.

\*\*\* **Fair Dealership Law** -- Governor Casey signed **Senate Bill 429 (Act 86/1987)** creating the Pennsylvania Fair Dealership Law which regulates the franchising practices between farm equipment dealers and manufacturers.

If a dealer goes out of business, wholesalers, manufacturers or distributors are required to purchase certain stock that a dealer agrees to maintain while he is in business.

\*\*\* **Marketing Act Amended** -- **House Bill 62** was the first piece of legislation (**Act 1/1987**) signed into law by Governor Casey.

It provided for the four advisory boards that existed under the Agricultural Commodities Market Act to become Commodity Marketing Boards.

Each board has a minimum of five members whose commodities are subject to a marketing program. Each board (dairy, potato, vegetable and peach) is charged with adopting written procurement procedures for all marketing contracts.

\*\*\* **Liability for Rural Electric Coop Directors** -- In order to conform with the Directors' Liability Act (**Act 145/1986**), the General Assembly passed a bill (**HB 365, Act 29/1987**) limiting the personal liability of directors of non-profit rural electric cooperatives. Directors can only be held personally liable for negligent acts or omissions which are willful or reckless. The liability limitation does not apply unless approved by shareholders. Liability is not limited in cases involving criminal conduct.

\*\*\* **Agricultural Vandalism** -- Enacted was a measure (**SB 1109, Act 86/1988**) creating the criminal offense of "agricultural vandalism" for persons who destroy or damage farming equipment.

Persons convicted of agricultural vandalism will be responsible for repairing or replacing damaged property and could face fines of up to \$15,000.

\*\* **Canine Health Certification Regulations** -- The Senate and House passed differing versions of legislation (**HB 76**) which would have required persons who buy a dog to be given assurance of the dog's health by the buyer. **House Bill 76** died when time ran out on the session as the House was to receive the Senate amended version.

\* **Capital Improvements for Agricultural Fairs** -- A bill (**SB 854**) was passed (49-0) by the Senate which would have appropriated \$1.9 million to erase the current debt for capital improvements for agricultural fairs.

The bill would put capital improvements for fairs on a pay-as-you-go basis. It would require all applicants to apply for and obtain approval for improvements from the Department of Agriculture prior to beginning a project.

The bill died in the House Agriculture and Rural Affairs Committee.

\* **Family Nutrition Program** -- The Senate passed (49-0) legislation (**SB 1382**) which would have provided eligible participants with coupons to purchase unprocessed or farm processed food at farmer's markets for a three-month period beginning July 15 and ending October 15.

The House Agriculture and Rural Affairs Committee failed to act on the measure.

\* **Disposition of Animals** -- A bill (**SB 890**) that would have prohibited humane societies from disposing of live or dead animals for testing, research or experimentation passed the Senate (47-1).

The House Agricultural and Rural Affairs Committee did not consider the bill.

## **Urban Affairs and Housing**

\*\*\* **Urban Redevelopment Loans** -- **Senate Bill 931 (Act 39/1988)** amended the Urban Redevelopment Law to permit redevelopment authorities to make direct or indirect, secured or unsecured loans for residential or commercial/industrial rehabilitation or demolition projects.

\*\*\* **Gentrification** -- The governor signed into law (**Act 146 /1988**) legislation (**SB 1182**) that provides for tax relief for long-time homeowners in Philadelphia and Allegheny Counties.

Urban homeowners have seen their property taxes skyrocket because of the renovation and refurbishment of surrounding properties as a result of what became known as the "gentrification" of city neighborhoods.

Philadelphia and Allegheny County's governing bodies will designate the neighborhoods eligible for the tax relief.

A property qualifies for a special tax break if it is the principal residence of the owner/occupant (one who has owned and occupied the dwelling for 10 years or more) or if it was acquired with government or non-profit housing program assistance by the owner/occupant (one who has owned and occupied the dwelling for at least

five years).

Allegheny County can use financial need and age of the owner/occupant as criteria for eligibility.

\* **Landlords and Lease Termination** -- The Senate passed (48- 1) legislation (**SB 269**) which would have prohibited a landlord from terminating or not renewing a lease because a tenant had filed a justifiable complaint with a government agency concerning health, safety or security. The House failed to act on the legislation.

\* **Garbage Service For Condominiums** -- **Senate Bill 360**, which would have required Philadelphia to provide garbage service for condominium owners, passed the Senate by a 47-2 vote but died in the House Urban Affairs Committee.

Current law does not mandate this service for condominium complexes with more than six units.

\* **Divide Philadelphia** -- The Senate passed (27-21), along party lines, legislation (**SB 381**) that would have allowed counties with a population in excess of 1,500,000 (Philadelphia) to divide and create a new county from an existing county.

A companion bill (**SB 382**), also passed (27-21), contained a protection clause for current Philadelphia employees whose residences happen to lie within the portion of the county that could secede under provisions of **Senate Bill 381**.

The House failed to act on either of the measures.

\* **Updating the Uniform Condominium Act** -- Legislation (**SB 1265**) to fine tune the Uniform Condominium Act was passed (48-0) by the Senate.

Some of the provisions of the bill would have:

- more clearly defined the expenses shared by condominium owners;
- created a procedure for merger or consolidation of condominiums; and
- required a written agreement approved by at least 80 percent of the unit owners to terminate a condominium.

The bill was not acted on by the House.

\* **"Cooperative" Ownership** -- Legislation (**SB 1266**) that would have created the Real Estate Cooperative Act passed the Senate (48-0) but failed consideration in the House.

The bill would have enabled a buyer to purchase an "ownership interest" in a real estate cooperative rather than real property.

\* **Municipal Homesteading** -- A measure (**SB 1397**) designed to give local governments more control in the rehabilitation of residential property passed the Senate by a 50-0 vote.

The bill would have created a Municipal Homesteading and Rehabilitation Act, granting municipalities the right to create a Homestead Board as well as specify the board's duties and responsibilities.

The House failed to act on the legislation.

## Game and Fisheries

\*\*\* **Game Fund Land Acquisition** -- Legislation (**HB 1453**) authorizing the Pennsylvania Game Commission to purchase land was enacted as **Act 93** of 1987. The commission was authorized to use \$2,752,000 in the Game Fund for land acquisition in the following counties: Bedford, Cambria, Centre, Chester, Clinton, Huntingdon and Lackawanna.

In 1988, the Game Commission was again authorized to purchase land under **SB 865** signed by the governor as **Act 165**.

The bill authorized the purchase of 10 parcels at a total cost of \$3,003,000 in the following counties: Blair, Butler, Carbon, Cumberland, Elk, Huntingdon, Lackawanna, Luzerne and Warren.

\*\*\* **Exotic Wildlife** -- People who fail to properly restrain their exotic animals (lions, tigers, wolves and other wild animals) can be prosecuted under **Act 52** of 1988. The legislation, **HB 167**, makes it unlawful for anyone to fail to exercise due care in safeguarding the public from attack by such wildlife.

\*\*\* **Bow and Arrow Hunting** -- The release of two or more narrows simultaneously on a single full draw of a bow is now illegal under legislation (**HB 1258**) signed into law as **Act 52** of 1988. Another portion of the bill provided for an exclusion so that someone who lawfully kills a big game animal may reenter the field carrying a loaded handgun provided the person has been issued a permit to carry a concealed weapon.

\*\*\* **Hunting Safety Zones and Licensing provisions** -- Several provisions of **HB 1652**, which hung in a deadlock between differing House and Senate versions, were amended into **HB 1714** and signed into law as **Act 125** of 1988. The bill allows military personnel domiciled in Pennsylvania, but residing outside the state on duty, to be considered "residents" for hunting license purposes. Active duty armed forces residents are exempt from quota limitations or application deadlines under the new law.

The measure also defines "loaded firearm" and clarifies the distinction between hunting unlawfully and unlawfully killing wildlife, in order to alleviate some confusion among District Justices regarding the terms. Another provision designates the area within 150 yards of school playgrounds, nursery schools or day-care centers as safety zones where hunting is prohibited.

Non-residents who sell fur pelts in the state are required to be licensed by the Game Commission so a record can be kept on the origin of state furs.

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