

Senate of Pennsylvania

SENATE DEMOCRATIC WRAP-UP FOR THE 1993-1994 LEGISLATIVE SESSION

FOR EDITORIAL BACKGROUND

On the heels of the March 10, 1994, death of veteran Allegheny County Democratic Sen. Eugene F. Scanlon -- and a federal judge's controversial invalidation of the Nov. 2, 1993 election of Philadelphia Sen. William G. Stinson -- Senate Republicans grabbed control of the operational apparatus of the Senate March 15.

Using their 25 votes to the Democrats' 23 votes, with two seats empty at the time, the first order of business for the Republicans was to elect one of their own as president pro tempore.

Just moments after the new Republican president pro tem had promised "a new beginning" and talked about reopening "communications" and reestablishing "cooperation," however, the Senate GOP proceeded to ram through new rules -- and then break them -- and cut off Senate debate on the people's business six times.

What there was of any intent at bipartisanship on the day the Republicans took over quickly evaporated as they forced through (25-23) a resolution declaring that even though the 2nd District seat was empty it was, in their view, not vacant. What's more, Democrats noted, the new rules (SR 102) -- requiring that members who are voted while on capitol leave must be tending to other legislative business within 10 miles of the Capitol -- were broken as a GOP senator running for governor was included in the Senate tally, on the first vote on the rules, while campaigning in Philadelphia.

The political tension only heightened, meanwhile, in subsequent days as the Senate Republicans held what Democrats called a "kangaroo court," on a Republican appeal to the Senate of Sen. Stinson's election. Absent legal representation on behalf of Sen. Stinson at an April 27 appeal hearing before a special 7-member, GOP-controlled Senate subcommittee, Republicans approved (4-3) the drafting of a resolution declaring GOP candidate Bruce Marks the new senator. Over Democratic objections, that resolution was adopted by the 25 Senate Republicans the next day, and Marks was seated as the 26th GOP senator that very afternoon.

Aiding the Republican power play was an unprecedented federal court order, still under appeal as of this writing, that declared Marks a senator without an official vote count. While there were charges of absentee ballot fraud, there was never a full accounting of which absentee ballots were properly or improperly cast. The Nov. 2, 1993, had been called to fill the seat left vacant by the May 31, 1993, death of long-time Philadelphia Democratic Sen. Francis J. Lynch.

Meanwhile, a May 10, 1994, special election in Allegheny County resulted in the election of Democratic Sen. Jack Wagner to fill the seat left vacant by the death of Sen. Scanlon, bringing to 24 the number of Senate seats currently held by Democrats.

Democrats had controlled the Senate for 16 months (Nov. 13, 1993 to March 15, 1994) prior to Republicans regaining control.

During that time period, more than 200 laws were enacted -- many of them landmark proposals -- including measures to provide health care for thousands of uninsured children, to maintain the solvency of the state's senior citizen state Lottery Fund, to guarantee people with physical disabilities equal access to institutions of higher education, to require that consumer contracts be written in plain language, to encourage the development of a statewide fiber-optics telecommunications network, to impose tough new criminal penalties on stalkers and car-jackers, and to provide a new dedicated funding stream to repair and improve state parks and recreation facilities.

Other major successes under Senate Democratic control included early enactment, in May, of a no-tax-increase 1993-94 state budget, and the reform of Pennsylvania's workers' compensation system -- saving Pennsylvania's job-producing businesses an estimated \$300 million in premium costs.

Following the 1994 seesaw of organizational control to the Republicans, Democrats continued to work in a constructive fashion toward other accomplishments as well.

The first half of the second year of the two year session witnessed the early enactment of a new 1994-95 state budget that -- not only held the line on taxes -- but provided tax relief for businesses and low-income working families.

Welfare "reform" passed both houses and was signed by the governor, as were new Sunny Day appropriations to spur economic development and job growth.

The Legislature also concluded first session approval of a proposed constitutional amendment that would allow for closed-circuit television testimony from children who are the victims of crime, and passed new laws cracking down on graffiti vandalism, promoting safety on rides at amusement parks, speeding up the permit review process at DER, and regulating out-of-state insurance companies that do business in Pennsylvania.

These and many other new laws and bills are highlighted in the summary that follows.

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

BUDGET & FINANCE

*** 1994-95 State Budget -- Business tax cuts for jobs and a measure that imposes tough new restrictions on welfare were the focal points of a 1994-95 state budget plan enacted two weeks in advance of the July 1 start of the new fiscal year.

The final bipartisan compromise had been hammered out in negotiations between Senate Republicans, Senate Democrats, House Republicans and the governor's office.

For the most part, except for some additional tax reductions and more money for schools, it largely resembled the budget blueprint proposed by Gov. Casey on Feb. 8, 1994.

Getting the job done was accomplished when the Senate amended the provisions of the \$15.646 billion General Fund spending plan and companion \$188.4 million tax cut proposal into two House-passed bills.

The 227-page spending document (HB 1262), which when combined with federal and other special funds totals some \$30.5 billion, passed (42-8) the Senate June 14. It was concurred in (141-58) by the House June 15 and signed by the governor as Act 6A/1994 on June 16.

Tax Reductions & Welfare Reform

The tax reduction measure (HB 868, Act 48/1994) -- which slashes the rate of the Corporate Net Income (CNI) tax from 12.25 percent to 9.99 percent over four years, restores the CNI Net Operating Loss (NOL) carry-forward provision and provides for a wide-range of additional business and other tax relief (see Tax Cuts, next article) -- was a key priority of many Democrats and Republicans alike.

Further highlighting the 1994-95 budget debate was Gov. Casey's proposal to reduce welfare cash assistance to only two months every two years for recipients deemed able to work.

The final budget incorporated cost savings of approximately \$90 million in fiscal 1994-95 as a result of the welfare reform proposal (HB 1392) approved by the Senate (38-11) and the House (141-59) and signed by the governor as Act 49 of 1994 (See Welfare Reform, Public Health & Welfare section).

People Programs

Even with the cuts, however, the 1994-95 General Fund calls for spending \$5.2 billion on welfare department programs, an increase of some \$216 million over fiscal 1993-94. Of that amount, \$3.3 billion has been allocated for medical assistance and cash assistance, with the lion's share for medical assistance. Funding for cash grants totals \$664.5 million, a decrease of \$60.1 million from the prior year.

Coupled with an anticipated new stream of federal dollars, meanwhile, funding for county child welfare services was expected to total \$357.5 million, a 6 percent increase over the prior year.

The budget included \$423.7 million, a 9.3 percent increase, for mental health services and \$386.6 million, an 8 percent increase, for community mental retardation services.

A total of \$32.5 million was appropriated for the state's New Directions job training and placement program and \$5 million for emergency homeless shelters.

School Funding

In the area of education, the budget provided more than \$3.2 billion in school subsidies -- which includes an additional \$123 million equity supplement for poorer and growing school districts. The final equity supplement was \$15 million higher than that originally proposed by the governor.

Under the subsidy and equity formula, school districts are provided a basic level of support of \$4,700 per student, additional dollars are provided to districts with a high percentage of low income families, added funds go to districts that have witnessed a significant increase in enrollment, and every district is guaranteed at least a 1 percent increase in funding over fiscal 1993-94. The budget also includes \$5 million to aid districts declared financially distressed.

Funding for special education was boosted by 6.1 percent to a total of nearly \$590 million. Funding for early intervention services was increased by 9.9 percent to \$55.7 million. Funding for approved private schools -- institutions that serve severely handicapped children -- totaled \$49.07 million, approximately \$8 million more than originally recommended by the governor.

Higher Education

In the area of higher education, the budget allocated \$372.1 million for the state's 14 state-owned universities which make up the State System of Higher Education, \$550.1 million for state-related universities (Penn State, Pitt, Temple & Lincoln), \$147.6 million for the state's 15 community colleges and \$71.2 million for eight Philadelphia area state-aided colleges and universities.

The state-owned and state-related universities were to share an additional \$31.8 million, equating to an extra \$200 for each full-time Pennsylvania resident student, if they hold tuition increases -- under the state's Tuition Challenge Grant Program -- to no more than 4.5 percent.

The budget also included a 10 percent increase in funds, to a total of \$206.3 million, for Pennsylvania Higher Education Assistance Agency (PHEAA) grants to qualifying full-time students.

Corrections

Costs associated with an expanding state prison system and prison population continue to skyrocket. The 1994-95 budget included a whopping 20 percent, or \$117 million, increase in funds to keep criminals behind bars. For the first time, the \$721 million allocated in the new fiscal year for the operation of the state prison system outstrips the amount spent for welfare cash grants.

The budget included additional funds, as well, for intensified probation and parole services, youth development centers and \$2.9 million for the state's operation of a new maximum security facility to house violent juvenile offenders.

Economic Development, Transportation; Miscellaneous

Other elements of the budget provided:

-- \$149.8 million for state economic development initiatives through the Department of Commerce, the Pennsylvania Economic Revitalization Fund and the newly constituted Ben Franklin/Industrial Resource Center Partnership Fund;

-- \$564 million for highway maintenance, \$171.4 million for highway construction and \$245 million for mass transit assistance;

-- a new \$4 million appropriation for an expansion of community based family centers, to aid in early childhood development and parenting skills;

-- a 7.4 percent increase in funds, to a total of \$16.2 million, for state health centers;

-- a 38 percent increase in state funding, to a total of \$7.4 million, for AIDS programs and services; and

-- an 8 percent increase, to \$7.9 million, for domestic violence programs as well as a 3 percent increase, to \$3.3 million, for rape crisis centers; and

-- additional funds for attendant care for older citizens and those with disabilities.

Provisions of the 1994-95 budget also officially ended the practice, commenced during the prior Thornburgh administration, of borrowing from the state's senior citizen Lottery Fund to pay for Welfare Department nursing home costs. With Gov. Casey's last budget, all nursing home costs were back to being funded by the General Fund.

*** Tax Cuts -- Some \$188.4 million in tax relief is on the way to businesses, low-income working families and others as a result of the Legislature's final approval of a tax reduction measure (HB 868). Passed (49-1) by the Senate (49-1) and the House (181-18), the bill was signed into law (Act 48/1994) by the governor June 16.

Aimed, in large part, at improving the state's tax climate for business growth and job development, the legislation cuts the state's highest-in-the-nation Corporate Net Income (CNI) rate from 12.25 percent to 9.99 percent over four years.

Retroactive to the beginning of 1994, the CNI was reduced to 11.99 percent. The legislation calls for the CNI's further reduction to 10.99 percent in 1995, to 10.75 percent in 1996, and to 9.99 percent in 1997 and thereafter.

The legislation restored the state's CNI net operating loss (NOL) carry-forward provision with a \$500,000 cap on losses that can be deducted in any given year.

The legislation increased the allowable exemption under the capital stock and franchise tax from \$50,000 to \$75,000, a move which was viewed as particularly beneficial to small businesses.

At the same time, the legislation closed a loophole in prior law that had enabled certain businesses to escape payment of corporate taxes through the formation of business trusts. Effective in 1995, the new law will require business trusts, with the exception of regulated investment companies and real estate investment trusts, to pay the Corporate Net Income and Capital Stock and Franchise taxes.

In addition to business tax relief, the legislation also included an estimated \$52 million tax cut for the working poor by increasing, under the tax forgiveness provisions of the state income tax, the income exemption for family dependents. The exemption was increased from \$1,500 to \$3,000 for the first dependent and from \$1,000 to \$3,000 for each additional dependent.

As many as 500,000 additional low-income Pennsylvanians were expected to qualify for tax relief as a result of the expansion of the tax forgiveness eligibility guidelines. For example, the change fully exempts a family of five, earning up to \$18,300 a year, from any state income tax payment. The extent of tax forgiveness varies depending on an individual's income and family size.

The tax reduction measure also provided for the phased elimination of the so-called "widows tax", cutting the 6 percent levy on interspousal inheritance in half to 3 percent July 1, 1994, to 2 percent July 1, 1995, to 1 percent July 1, 1996 and totally eliminating the tax effective July 1, 1997.

Among other provisions, the measure eliminated the state's 6 percent sales tax on magazine subscriptions and on office janitorial service labor costs. The new law also requires suburban employers of Philadelphia residents to withhold and remit wage taxes owed the city.

*** Glitch Fixed -- The Senate and House moved quickly to repair a drafting mistake in the tax reduction legislation that, if left uncorrected, threatened the loss of some \$90 million in mass transit funding.

The glitch had occurred when -- in the process of providing for the deletion of a 3 percent tax on the leasing of heavy trucks effective in April of 1995 -- the drafters of the original 70-page tax cut bill inadvertently suspended other taxes dedicated to funding mass transit. The technical correction was contained in Senate Bill 713 which became Act 67/1994.

*** Non-Preferred Appropriations -- As part of the 1994-95 state budget, the General Assembly approved 37 so-called non-preferred appropriations bills (HBs 2791-2827), which became Acts 13A-49A/1994, providing \$629.1 million in state funding for state-related and state-aided colleges and universities, health and research centers, and museums.

The bulk of the funding went to the four state-related universities (Penn State, Pitt, Temple and Lincoln) as well as the University of Pennsylvania. Penn State received \$259.2 million; Pitt, \$139.8 million; Temple, \$141.1 million; Lincoln, \$10.1 million; and Penn, \$35.5 million.

The state-related schools were also expected to split an approximate \$17 million in added funding, under the state's tuition challenge grant program, if they hold tuition increases for Pennsylvania resident students to less than 4.5 percent.

For the first time, the non-preferred appropriations bills required Penn State, Pitt, Temple and Lincoln to disclose, with the exception of individual faculty and staff salaries, their expenses. Private colleges that receive

substantial state assistance were also required to add state appointees to their boards of trustees. Some portions of the appropriations were also specifically earmarked for minority higher education enrichment programs.

*** Sunny Day -- During the course of just over six months, the Legislature enacted three separate bills providing some \$85 million in Sunny Day financing for 16 major economic development projects expected to create nearly 6,400 new jobs throughout the commonwealth.

Senate Bill 1192, which became Act 50A/1994 on July 1, allocated \$10 million for three projects as follows:

-- \$2.5 million to J & L Specialty Steel Inc. to assist in the purchase of machinery and equipment for a facility in Beaver County, expected to produce 120 jobs;

-- \$5 million to Starbucks Coffee Company for the construction of a new facility in either Franklin or York counties, expected to create 275 new jobs;

-- \$2.5 million to Mascotech Sintered Components, Inc. for the purchase of machinery and equipment for a facility in Ridgway, Elk County, expected to result in the creation of 110 jobs.

House Bill 2679, when signed as Act 3A/1994 on April 22, appropriated \$45.2 million for five projects as follows:

-- \$15 million to BRW Steel Corporation to assist in the company's acquisition and modernization of portions of Bethlehem Steel's former Bar, Rod and Wire Division in Johnstown, Cambria County, expected to create 1,000 jobs;

-- \$10.75 million to National Westminster Bancorp (NatWest) to assist the world banking company in relocating components of its New York operations to Montage Business Park, Lackawanna County, expected to create 1,800 jobs;

-- \$10 million to Cephalon Inc., a biotechnology research and development company, for permanent location of its world headquarters at Brandywine Business Center, Chester County, expected to create 650 jobs;

-- \$5 million to Buffalo Molded Plastics Inc., a plastic injection molding operation, for expansion of its operations in Vernon Township, Crawford County, expected to create 243 jobs; and

-- \$4.5 million to C-COR Electronics Inc., an advanced technology manufacturer of communications equipment, for an expansion of its Centre County facilities, expected to create 385 jobs.

House Bill 1692, when signed as Act 47A/1993 on December 22, 1993, provided nearly \$30 million for eight projects as follows:

-- \$7 million to AEG Westinghouse Transportation Systems Inc. for the consolidation of its propulsion and automatic train control equipment manufacturing operations at the Southpointe Business Park in Washington County, expected to create 350 new jobs;

-- \$2.4 million to Agramer Ceramics, Inc. for the location of a new ceramic tile manufacturing facility in Hopewell Township, Beaver County, expected to create 160 new jobs;

-- \$4.5 million to Union Switch and Signal for

construction of a new engineering and research facility at the Pittsburgh Technology Center, expected to create 250 jobs;

-- \$1.5 million to BioScience Contract Production Corporation for the purchase of machinery and equipment at a new facility to be located at the Penn State Research Park, Centre County, expected to create 100 jobs;

-- \$3 million to Carol Cable for the expansion of its Montoursville, Lycoming County, facility to accommodate new product lines, expected to create 200 jobs;

-- \$2.7 million to Mack Trucks Inc. for the purchase, upgrade and installation of machinery and equipment at its assembly plant in Lower Macungie Township, Lehigh County, expected to create 140 jobs;

-- \$2 million to Saratan, Inc. for the purchase of machinery and equipment to be used at a new facility in Allegheny Industrial Park, McKean County, expected to create 139 jobs; and

-- \$6.825 million to CONFAB/ICD Industries to start up a new diaper line and consolidate existing operations to a new facility in King of Prussia, Montgomery County, expected to create 455 new jobs.

The state's Sunny Day Fund provides financial incentive, in the form of low-interest loans, to large firms that agree to locate or expand their operations in Pennsylvania. Sunny Day appropriations must be recommended by the governor and approved by a two-thirds vote in both houses of the General Assembly. To qualify for a Sunny Day loan, a project must cost at least \$10 million and create at least 100 jobs.

*** (Item Veto) Capital Budget -- A fiscal 1994-95 capital budget bill (SB 690) authorizing more than \$2.2 billion for some 650 infrastructure and public facility improvement projects was trimmed to \$1.06 billion for a total of 310 projects by the governor's item veto.

Before signing the measure as Act 74/1994, the governor slashed \$1.19 billion from the bill and totally eliminated funding for 338 projects -- citing fiscal constraints and/or duplication of authorization in previous capital budget acts.

The capital budget is separate from the state's General Fund and is primarily financed through the sale of government bonds.

As finally approved, the measure authorizes \$424.8 million for public improvement projects, \$13.4 million for furniture and equipment, \$178.9 million for transportation assistance, \$394.3 million for redevelopment assistance, and \$27 million for flood control projects.

On a related matter, the Senate passed (50-0) a bill (SB 1591) authorizing more than \$1.2 billion in highway capital projects. That bill was still awaiting action by the House.

*** 1994-95 Debt Limit -- Enacted was legislation (HB 1992, Act 50/1994) setting the maximum amount of debt which can be issued in fiscal 1994-95. The measure authorizes the sale of bonds throughout the year, up to a maximum of \$474 million, for capital projects which are already under design or construction.

*** PUC, Consumer Advocate; Miscellaneous Budgets -- Enacted were a series of bills providing for the 1994-95 operating budgets of the Public Utility Commission (HB 2624, Act 7A/1994), the Office of Consumer

Advocate (HB 2625, Act 4A/1994), the Office of Small Business Advocate (HB 2626, Act 5A/1994), the State Employees Retirement System (HB 2828, Act 8A/1994), the Public School Employees Retirement System (HB 2829, Act 9A/1994)), the state's workers' compensation program (HB 2830, Act 10A/1994), and the state Bureau of Professional and Occupational Affairs and other professional licensure boards (HB 2831, Act 11A/1994).

House Bill 2624 established a \$37,032,000 operating budget

for the PUC, a 6.43 percent increase over the prior year's \$34,795,000 budget.

House Bill 2625 authorized the consumer advocate's budget at \$3,803,000, an increase of \$73,000 over the prior year.

House Bill 2626 set the small business advocate's budget at \$788,000, an increase of \$49,000 over 1993-94.

House Bill 2828 gave the State Employees Retirement System a budget of \$14.8 million while House Bill 2829 established the Public School Employees' Retirement System budget at \$23.7 million.

Nearly \$41.6 million was appropriated to the workers' compensation program under House Bill 2830.

House Bill 2831 appropriated \$14.8 million for the operation of the Bureau of Professional and Occupational Affairs, \$2.2 million to the State Board of Medicine, \$444,000 to the State Board of Osteopathic Medicine, \$139,000 to the State Board of Podiatry and \$262,000 to the State Athletic Commission.

Funding for the PUC, the consumer advocate and small business advocate comes from assessments on regulated utilities. The budgets of the state and school retirement systems are financed by earnings on investments. Workers' compensation program costs are paid for by assessments on insurers and self-insurers. The professional boards are financed by fines and fees paid by licensees.

**** Local Tax Reform Constitutional Amend -- Returned to the House for concurrence in Senate amendments was a proposed constitutional amendment (HB 217) that, if finally approved in two legislative sessions and okayed by the voters in a statewide referendum, would allow for a homestead or universal property tax exemption on a portion of the market value of real estate.**

The proposal, which cleared the Senate (50-0), was but one part of a renewed effort aimed at restructuring Pennsylvania's local tax system.

The constitutional provision would alter the state's so-called "uniformity clause" to permit certain exclusions from real estate taxes when and if the burden of local taxation is shifted from real estate taxes to a greater reliance on individual citizen wage or personal income taxes.

The constitutional amendment is aimed at assuring that large business property owners do not gain an unfair, windfall tax break when and if the tax shift from real estate taxes occurs.

Actual local tax reform legislation (HB 2202), meanwhile, stumbled in the Senate, in part, because its provisions were not conditioned on prior approval of the homestead or universal exemption constitutional guarantee. Just prior to the Senate's adjournment for the summer, House Bill 2202 was rejected on a bipartisan vote (26-24) and laid on the table.

*** Park & Recreation Funding -- By a two to one margin in the November 2, 1993 election, voters throughout Pennsylvania approved a ballot referendum, dubbed "Key 93," authorizing a \$50 million bond issue to help pay for long-overdue repairs and improvements to state and community parks, recreation facilities, forest lands, public libraries, historic sites, and zoos.

Placement of the bond issue question before the voters was contained in legislation (HB 52, Act 50/1993) which also stipulated dedication of 15 percent of revenues from the state's Realty Transfer tax, effective July 31, 1994, to a special Keystone Recreation, Park and Conservation Fund. The bond issue was designed to fund immediate improvements while dedication of an estimated \$20 million annually from the state's Realty Transfer tax was intended to provide long-term financing.

*** Allegheny County Sales Tax -- Enacted was a measure (HB 659, Act 77/1993) granting Allegheny County the optional authority to impose a 1 percent county sales tax to finance regional assets and to eliminate or reduce nuisance and other taxes.

Final approval came on a 34 to 13 vote in the Senate and a 122 to 76 vote in the House.

Prior to its enactment, Philadelphia had been the only other county in Pennsylvania authorized to impose a 1 percent local sales tax.

Act 77 of 1993 requires that Allegheny County use 50 percent, or \$53 million, of the estimated \$106 million in new annual revenue from the county sales tax to support regional assets such as the Pittsburgh Zoo, the National Aviary in Pittsburgh, the Conservatory, Three Rivers Stadium, the Carnegie Library System and other Pittsburgh area cultural amenities and attractions.

The bill called for the creation of a 7-member Regional Asset District (RAD) board, appointed by the county commissioners and the mayor of Pittsburgh, to distribute funds to the regional assets.

The legislation required that the other 50 percent of the revenue raised, which would be divided equally between the county government and its municipalities, be used to eliminate all personal property taxes in the county, slash Pittsburgh's amusement tax from 10 percent to 5 percent or less, freeze real estate tax assessments for long-time senior citizen homeowners with incomes under \$15,000 annually, and -- to the extent possible -- provide for other county, city and municipal tax reductions.

In the first full calendar year of local sales tax disbursements, the county and city of Pittsburgh are required to use all of their allocations to reduce taxes. Other municipalities would be required to use at least two-thirds of their allocations for tax relief.

The county levy will be collected and distributed back to the county by the state. And like the state's sales tax, the purchase of food, clothing and other items of necessity are exempt.

While intended to eliminate or reduce unpopular local taxes, a primary goal of the measure was to broaden the base of financial support for Pittsburgh and Allegheny County-based tourist attractions.

As much as 25 percent of the new local sales tax revenue, or \$26.5 million, was expected to come from out-of-town visitors to Pittsburgh and Allegheny County.

The new method of support for Pittsburgh area cultural, recreational, sports and other attractions was also expected to free up money in both city and county budgets for public safety and other essential services.

Prior to the county sales tax option, Pittsburgh and Allegheny County taxpayers provided as much as \$40 million annually to support regional assets.

"V" Allegheny County Reassessment "Cap Trap" -- Despite Senate Democratic concerns over the true impact of the measure, the Republican-controlled Senate passed (25-23) a bill (HB 2495) that could have had the effect of only exacerbating inequities in property assessments in Allegheny County.

As approved and sent to the governor, the bill -- as applied and implemented in conjunction with an existing Allegheny County ordinance -- would have placed an arbitrary, countywide 5 percent cap on increases in property assessments for people who have lived in their homes for three years or more.

Although not as draconian as an earlier Senate Republican proposal that top lawyers said would have violated the uniformity clause of the state constitution, the final version of the legislation still raised serious questions as to whether it would have granted an unfair tax break to a small number of wealthy homeowners in affluent areas whose homes are significantly underassessed.

The governor agreed and vetoed the bill.

House Bill 2495 would have altered a 1988 law, authorized by a 1984 constitutional amendment, that granted Philadelphia and Allegheny counties the ability to provide special tax relief to longtime homeowners in areas where property values have skyrocketed because of surrounding redevelopment and refurbishment of properties.

A longtime homeowner under House Bill 2495, however, would have been defined as anyone who had lived in their home for only three years or more, instead of the existing definition of 10 years or more.

Further, the measure would have required all school districts and municipalities in Allegheny County to abide by the across-the-board 5 percent assessment cap as provided for in the existing county ordinance. Currently, the so-called gentrification program is not a mandate -- municipalities and school districts are instead given the option to participate.

The legislative broadening of the program's guidelines, Senate Democrats warned, could have had the effect of undermining the original intent of the gentrification program -- that of granting real tax relief to those most in need.

In fact, they said, House Bill 2495 -- if it would have been enacted -- could have boosted the actual tax burden on many of those the gentrification law was supposed to help by emasculating efforts to achieve accurate assessments and granting unjustified tax breaks in affluent areas of the county.

* Cap Windfall Reassessment Revenues Instead -- Without opposition, the Senate passed a bill (SB 709) that would require Allegheny County, its municipalities and school districts to lower tax rates if reassessment of property values generated more than a 3 percent increase in tax revenues over the prior year.

The bill, intended to prevent any Allegheny County taxing jurisdiction from gaining an automatic "windfall" in tax revenues as a direct result of property reassessments, would also have extended the time period for appeals of Allegheny County property assessments for the current tax year. Passed on a vote of 46 to 0 by the Senate, final House action was still pending.

*** Tax Exemptions -- Non-profit organizations that support youth athletics and people who have investments in certain mutual funds were granted tax exemptions under legislation (SB 565) unanimously approved by the Senate and House and signed into law (Act 68/1993).

The measure exempts food and beverages sold by non-profit school sports and youth athletic organizations from the six percent state sales tax.

The legislation also excludes the payment of state income tax on earnings from mutual fund investments in tax-exempt government bonds. Under prior Pennsylvania law, earnings from U.S. government obligations were not subject to state tax if held directly by individuals or corporations, but were subject to taxation if received as a distribution from a mutual fund.

*** Out-Of-State Lottery Tickets -- Passed by both houses and signed into law was legislation (HB 559, Act 8/1993) intended to protect lottery-funded senior citizen programs by prohibiting the sale of out-of-state lottery game receipts in Pennsylvania. As of early 1994, however, implementation of the ban on out-of-state lottery receipts had been thwarted by a federal court order.

The legislation marked an attempt to stop the drain of up to \$1 million or more annually in lost revenues to the state's Lottery Fund because of the unregulated sale of out-of-state lottery receipts at some 300 locations throughout Pennsylvania.

Although the sale of the actual ticket from an out-of-state lottery was previously prohibited, a loophole in the prior law permitted the sale of receipts for tickets purchased in other states.

House Bill 559 provided that such sales would be strictly prohibited in Pennsylvania unless reciprocal compacts are established with other states that agree to allow the sale of Pennsylvania lottery tickets within their borders.

The measure also increased the fine for violations of lottery ticket sale laws from a maximum of \$500 to \$2,000.

* Lottery Raid Ban -- Future governors would be barred from raiding the state's senior citizen state Lottery Fund to pay for general government, General Fund programs under legislation (SB 242) passed (48-0) by the Senate.

The measure, still pending in the House, would prevent the kind of action that occurred under former Gov. Dick Thornburgh when the prior Republican administration used monies from the Lottery Fund to pay for Welfare Department nursing home costs. Since taking office in 1987, the Casey administration has been transferring nursing home costs back to the General Fund where they belong.

Gov. Casey's 1994-95 state budget, his administration's last, finally ended the nursing home cost drain on the Lottery Fund in its entirety.

*** Discounted Cigarettes -- Passed by the Senate (46-2) and by the House (199-1) was legislation (Act 46/1993) increasing penalties for the sale of under-priced cigarettes. The law prohibits retailers from purchasing cigarettes below the state's "minimum price."

*** Suburban Philly Employer Withholding -- The Senate voted (26-23) to pass a bill (SB 753) requiring suburban employers of Philadelphia residents to withhold and remit wage taxes owed the city.

Although Senate Bill 753 was still pending in the House, its provisions were inserted as part of the tax reduction measure (HB 868, Act 48/1994) enacted as part of the 1994-95 state budget. The proposed mandatory withholding provision for those who live in the city but don't work there is part of Philadelphia's five-year financial recovery plan, approved by the Pennsylvania Intergovernmental Cooperation Authority.

While all workers who live in Philadelphia are required to pay the city's wage tax, the automatic withholding of the tax by suburban employers was expected to promote compliance with the law. The measure could help to generate as much as \$8 million annually for the city.

*** Erie "Sunny Day" -- Enacted as Act 2A of 1994 was a bill (SB 1237) expanding authorization for a previously enacted (Act 1A/1992) Sunny Day loan to Plastek Industries for the construction of a new plastic injection molding plant in Erie County. Originally authorized for location in the city of Erie, Senate Bill 1237 allowed the company to use the funding to build its plant in Millcreek Township, Erie County, instead. The Plastek project was expected to result in the creation of 500 new jobs.

** Tax Returns, Unpaid Municipal Bills, etc. -- Still awaiting a concurrence vote by the House was legislation (HB 353) making numerous changes in the state's fiscal code, including a provision authorizing the state Department of Revenue to permit the electronic filing of any tax return or document.

The bill also provides for new penalties for filing late or fraudulent returns or for the failure by certain entities to make payments via electronic fund transfer.

The measure requires local governments and school districts that are 45 days late in making payments for contracted goods and services from small businesses to make interest payments on the principal amount of the late bill. The interest rate for such late payments would be established by the state Secretary of Revenue. Exempt from the latter requirement would be bills that haven't been paid because of the failure of either the state or federal governments to provide funds for a specific project or if the municipality or school district was designated as financially distressed.

The bill, as amended by the Senate, would also change the definition of the "basic cost" of cigarettes for state tax purposes from the invoiced cost less trade discount to the manufacturer's list price to the dealer plus federal taxes, freight and handling charges.

* Finance & Revenue Board Makeup -- The state secretary of revenue would be removed as a member of the state Board of Finance and Revenue under legislation (SB 1371) passed (48-1) by the Senate. Removal of the revenue secretary marks an attempt to eliminate the potential for a conflict of interest on the board since many of the board's judgements involve settlements between taxpayers and the Department of Revenue. The bill, however, adds the governor's general counsel as a member of the six-member board. House action was still pending.

"V" Capitol Annex Restoration -- Passed unanimously by both houses, but vetoed by the governor, was a bill (SB 248) that would have transferred responsibility for the restoration and preservation of the state Capitol

Annex, adjacent to the main Capitol Building, from the state Department of General Services to the Capitol Preservation Committee.

* Retirement Buy-Back for Law Info Unit -- Passed by the Senate was a measure (SB 1660) that would allow employees of a federally-funded law enforcement information system under the state attorney general's office, known as the Middle Atlantic-Great Lakes Organized Crime Law Enforcement Network (MAGLOCLEN), to buy additional retirement credit in the Pennsylvania Employees' Retirement System for the time when they were employees of the New Jersey State Police. All additional costs would be borne by the employees and the federal government. Final House action was still pending.

*** Defense Supply Access Road -- Enacted was a bill (SB 1404, Act 11/1994) granting PennDOT specific funding authorization for construction of a truck access road to service central Pennsylvania's Defense Distribution Region East (DDRE) complex, formerly the New Cumberland Army Depot. The measure provided \$400,000 in state matching funds to draw down as much as \$1.6 million in federal highway funding and another \$5.7 million U.S. Department of Defense funding to build the access road connecting the Pennsylvania Turnpike with the Fairview Township, York County, military supply facility. The project was viewed as critical to protect some 4,000 jobs and the future viability of the facility.

PUBLIC HEALTH & WELFARE

*** Welfare "Reform" -- A controversial proposal (HB 1392) imposing tough new restrictions on welfare benefits passed the Senate (38-11) and the House (141-59) and was signed into law (Act 49/1994) by the governor.

Gov. Casey had argued that without system changes and benefit reductions, soaring costs could eventually lead to the total elimination of the safety net for the neediest of citizens.

The proposal was expected to save an approximate \$90 million in fiscal 1994-95, and reduce budget costs by as much as \$112 million the following year.

Provisions of the new law provided for the following:

-- the elimination of age as a factor for chronically needy assistance, cutting year-round monthly benefits for so-called able-bodied adults between the ages of 45 and 65 to only two months of cash assistance every two years;

-- a reduction in benefits for those previously identified as transitionally needy, or able-bodied, from three months of cash assistance every year to only two months of assistance every two years (retroactive to apply to those who received benefits in the prior 12 months);

-- a restructuring of the chronically needy category to include and provide full cash assistance benefits to persons with serious physical or mental handicaps, parental caretakers in two-parent homes, caretakers of seriously ill or disabled individuals in the home, pregnant women, students between 18 and 21 enrolled full-time in a secondary school, domestic violence victims, and persons being treated for substance abuse (domestic violence victims and persons being treated for substance abuse would be limited to only nine months of assistance);

-- the elimination of prescription assistance for the transitionally needy;

- an end to coverage for dental services and medical supplies for all general assistance recipients;
- the abolishment of medical assistance coverage for infertility therapy;
- a 60 day Pennsylvania residency requirement for those seeking assistance;
- a requirement that welfare recipients sign agreements stating they will meet certain stipulated conditions in order to receive assistance;
- a "Learnfare" demonstration program in seven urban, rural and suburban areas of the state whereby Aid to Families with Dependent Children (AFDC) payments could be reduced by \$65 for each child with a poor record of school attendance;
- creation of a pilot computer fingerprint program for recipients in three areas of the state;
- an increase in penalties and fines for welfare fraud;
- an exemption of educational savings accounts from income eligibility limits for general assistance; and
- reenactment of the state's tax credit program for businesses that hire welfare recipients, extending the program through 1999.

Enacted as part of the 1994-95 state budget, Senate Democrats secured provisions appropriating \$5 million for emergency homeless shelters in an effort to cushion the impact of the welfare cuts. More money was included in the budget, as well, for job training and placement.

Estimates indicated that the bill would reduce or eliminate cash assistance benefits for some 68,000 recipients.

*** Welfare Liens Abolished -- Jobless individuals who are forced to seek public assistance will no longer have a welfare lien placed against their homes under legislation (HB 200) signed by the governor (Act 17/1993).

Proponents of House Bill 200 had contended Pennsylvania's prior welfare lien requirement was punitive and unfair. Only homeowner-recipients were faced with repaying their benefits, while others who rented or had other living arrangements had never been required to make repayments. What's more, such liens had often prevented homeowners who had temporarily received public assistance from being able to obtain credit to make home repairs even after they were back to work.

Passage of the repeal legislation, on votes of 39 to 8 in the Senate and 127 to 70 in the House, followed a 15 year effort. When enactment finally came, only two other states still imposed welfare liens.

While the law prevents new welfare liens from being imposed, the state Department of Public Welfare announced in December, 1993, that it had removed all prior years' liens against the property of homeowners who had received public assistance.

Originally expected to take as long as five years, the department said it had completed removal of a total of 165,000 liens of record totaling \$700 million within four months of enactment of the new law.

*** Drug & Alcohol Treatment-- The governor signed into law legislation (SB 263, Act 65/1993) mandating that the Department of Health fund residential drug and alcohol treatment programs for addicted pregnant women and mothers with dependent children.

Treatment programs receiving funds must be licensed and provide a wide array of services aimed at treating the mother's addiction, teaching the mother to be a better parent, preventing the child from also becoming an addict or alcoholic in later life, and helping the mother re-enter society as a productive member through education, job training and after-care services.

Senate Bill 263 also called for the establishment of demonstration programs to train staff of certain social service and public health agencies in identifying pregnant women and mothers addicted to drugs and alcohol and to develop referral networks so that women identified as addicted can be referred to the proper treatment program.

* Unexplained Child Deaths -- Passed unanimously by the Senate was a bill (SB 569) that would establish a Child Death Review Panel in the Department of Health to investigate unexplained and/or unexpected deaths of children under the age of 15. The intended purpose is to find out more about cases of Sudden Infant Death Syndrome and other unexpected deaths of children to help prevent future occurrences where and whenever possible. Senate Bill 569 is in the House Aging and Youth Committee.

*** Health Care Cost Containment Council Continued -- The governor signed into law legislation (SB 1052, Act 34/1993) which will continue The Health Care Cost Containment Council until June 30, 2003. Without the reauthorization, the council was scheduled to sunset on June 30, 1993.

Senate Bill 1052 also required that meetings of the Health Care Cost Containment Council are subject to the Sunshine Act and, therefore, open to the public.

* DES Info Program-- Passed (46-0) by the Senate was a bill (SB 1396) to establish a Department of Health public information and education program on Diethylstilbestrol, or DES.

DES was a drug taken by an estimated 4.8 million women in the United States between 1941 and 1971 to help prevent miscarriages.

Today, after being linked to reproductive health problems and cancer in the offspring of women who took the drug, it is no longer prescribed for such purposes.

Senate Bill 1396 provides for the establishment of a voluntary statewide registry for women who took DES and their children, for the purpose of education, screening and follow-up care and treatment of long-term problems associated with exposure to Diethylstilbestrol.

The measure also prohibits insurance companies from canceling or refusing to renew health care policies for persons who have been exposed to DES. Final House action is still pending.

** Human Services Development Fund Established -- Returned to the House for concurrence in Senate amendments was a bill (HB 287) that would establish the Human Services Development Fund as a separate

entity administered by the Department of Public Welfare. The measure would allow county officials to determine and meet local social service needs, including categorical, generic and specialized services.

** EMT & Paramedic Training -- Passed by the Senate was legislation (HB 1474) providing for a continuing education and training program for paramedics and emergency medical technicians. The bill was returned to the House for concurrence in Senate amendments.

EDUCATION

*** School Subsidies -- The 1994-95 state budget included a \$3.09 billion basic education subsidy to schools districts, plus an extra \$123 million equity supplement bringing the total to more than \$3.2 billion. The subsidy formula was contained in the General Fund appropriations measure (See 1994-95 State Budget, Budget & Finance Section).

*** Help With Winter, Telecommunications Gear -- Pennsylvania schools got some flexibility to deal with this past year's harsh winter -- and some help establishing distance learning programs

-- under legislation signed into law as Act 12 of 1994.

State law requires schools to be in session for 180 days in order to receive full state reimbursement. State law also requires 900 hours of instructional time for elementary students and 990 hours for secondary students.

Senate Bill 375 gave school districts two new options which applied only to the 1993-94 school year.

The first option let schools schedule classes on one Saturday per month. The second let schools compute instructional time on an hourly basis. In practice, the second option let schools add time to their school day, and did not penalize schools which provide the required hours of instruction but fail to get in 180 days.

Students were excused from the additional class time permitted under Senate Bill 375 if they participated in a program of advanced learning, leadership development activities, an academic or skills competition or observing or participating in a religious activity or function.

Senate Bill 375 also expanded the state's efforts to encourage distance learning. The bill created a Center for Rural Pennsylvania to coordinate distance learning programs and train teachers, school administrators and business people. The center can provide grants to institutions to provide local technical support and training coordination.

The measure gave school districts the authority to contract with the state Public School Building Authority to lease, purchase, install, operate or maintain school buildings and education telecommunications and distance learning equipment. School districts may also lease equipment from government or nonprofit organizations.

*** Distance Learning -- Schools were encouraged to offer "distance learning" programs under legislation (SB 801) signed into law as Act 45 of 1993.

Distance learning programs are intended to use modern technology for audio and video links between classrooms in different parts of the state. Senate Bill 801 permits contractual agreements for distance learning programs between the Department of Education, school districts, intermediate units, educational institutions, businesses and other appropriate agencies.

*** Engineering School Equipment -- Legislation (HB 1609) that extends a state program which lets the Department of Commerce give engineering schools grants to buy or upgrade equipment was signed into law as Act 41 of 1993.

The Engineering School Equipment Act is administered by the Ben Franklin Partnership Board. The legislation extends (until June 30, 1995) the board's ability to reallocate unused funds allocated for the program.

*** Computer Grant Program Renewed -- A grant program which helps school districts purchase computer equipment and train teachers was reenacted under legislation signed into law as Act 80 on Dec. 22, 1993.

House Bill 1512 reenacts the 1984 Information Technology Education Act. The grant program will be administered by the Pennsylvania Higher Education Assistance Agency (PHEAA).

PHEAA will be required to establish regional computer resource centers to help school districts buy and use computer equipment and train teachers. The 1993-94 General Fund budget contains \$2 million to fund the program.

*** Child Care Worker Loan Forgiveness -- College graduates who work full-time in a state-approved child care center or group day care home could have portions of their guaranteed student loans forgiven under legislation signed into law as Act 73 on Dec. 17, 1993.

Under Senate Bill 880, full-time employees of state-approved child care centers or group day care homes may have portions of their guaranteed student loans forgiven. The bill created the Early Childhood Education Professional Loan Forgiveness Program. The program will forgive up to \$2,500 a year of a Pennsylvania Higher Education Assistance Agency Guaranteed Student Loan. The maximum total loan forgiveness will be \$10,000.

Participants in the loan forgiveness program must successfully complete an undergraduate program at an accredited college or university; have a bachelor's degree and state certificate in Early Childhood Education or associate's degree in early childhood education or child development; have borrowed money through PHEAA's Guaranteed Student Loan Program; be a Pennsylvania resident; earn less than \$18,500 per year; and not be in default on a student loan.

* Business College Licensing -- Pennsylvania business colleges would be licensed and regulated under legislation approved by the Senate, 47-1.

Senate Bill 813 would require the state Board of Education to adopt regulations for business colleges. The colleges would have to be certified by the state Department of Education, have net assets of \$500,000, post a \$500,000 bond with the state and have a faculty consisting of at least eight regular time professors.

The bill is now in the House Education Committee.

* Geographic Alliance Recognized -- The Pennsylvania Geographic Alliance would be formally recognized and funded under legislation unanimously approved by the Pennsylvania Senate.

Senate Bill 1022 would recognize the Pennsylvania Geographic Alliance as the entity to lead and promote geography education throughout the state and give it a \$150,000 state appropriation. The Alliance would have primary responsibility for in-service training, increasing public awareness, developing educational materials and targeting new populations for geography education.

The Pennsylvania Geographic Alliance is based at Indiana University of Pennsylvania.

Senate Bill 1022 would also conditionally exempt gas stations in moderate ozone nonattainment areas from complying with federal regulations concerning fuel vapor emissions.

The bill is now in the House Appropriations Committee.

** Expanded Eligibility for PHEAA Scholarships -- The Senate has unanimously approved legislation which would expand eligibility for Pennsylvania Higher Education Assistance Agency scholarships.

House Bill 2372 would let half-time students apply for PHEAA scholarships. It would also let students enrolled in five-year undergraduate programs receive aid for their fifth year of school.

The measure would prohibit scholarships for prison inmates. It is the House Rules Committee.

* Campus Police Logs -- College and university campus police would have to maintain a daily activities log, and make the log available to the public, under legislation unanimously approved by the Senate.

Senate Bill 638 would require that the log contain the names and addresses of individuals charged and arrested by the campus police as well as those arrested on campus by other law enforcement agencies. Juveniles would not be listed in the logs unless charged as an adult.

The bill is in the House Education Committee.

* Independent Counsel for SSHE -- The State System of Higher Education could appoint its own legal counsel under legislation unanimously approved by the Senate.

Senate Bill 660 amends the Commonwealth Attorneys Act to make SSHE an independent agency. The bill is in the House Education Committee.

* Expanded Eligibility for Scotland School -- Legislation (SB 910) that would expand the eligibility guidelines for admission to the Scotland School for Veterans' Children in Franklin County passed the Senate, 49-0.

The south-central Pennsylvania school provides education, room and board for children of war veterans, orphans and underprivileged children.

The bill would open school admission to children from age 7 to 15. Currently, the maximum age for admittance is 13.

The measure would also lessen from 5 to 3 years the amount of time a custodial parent or legal guardian of a child applying for admission must have resided in the state. Eligibility for admission would also be extended to children who had family members, other than their parents, serve in the armed forces.

The bill is in the House Appropriations Committee.

*** Insurance for Children at Scotland School -- Children at the Scotland School for Veterans' Children will be eligible for coverage by the State Insurance Fund under legislation signed into law as Act 33 of 1994.

House Bill 464 makes the estate or funds of children attending the school property of the state. The superintendent of the school will be the trustee for every student.

TRANSPORTATION

*** Tougher Child Passenger Restraint Law -- Legislation which strengthens Pennsylvania's motor vehicle child passenger restraint system law was signed into law as Act 22 of 1993.

House Bill 461 extends Pennsylvania's existing child restraint law to children under the age of 4, no matter where they are seated in a motor vehicle.

The bill also applies the child restraint law to all vehicles operated in Pennsylvania. Prior law applied only to vehicles registered in Pennsylvania.

*** Liquid Fuels Money for Curb Ramps -- Municipalities and counties could use state Liquid Fuels allocations to build curb ramps under legislation (SB 1214 and HB 1080) signed into law as Act 42 of 1994 and Act 57 of 1994, respectively. The ramps are required under the federal Americans with Disabilities Act.

Senate Bill 1214 applies to municipalities. House Bill 1080 applies to counties. House Bill 1080 also permits the use of liquid fuels funds for vehicle insurance and utilities and the transfer of liquid fuels taxes generated by off-highway recreational to the Department of Environmental Resources for trail construction.

*** Penalties for Lack of Car Insurance -- Legislation which would clarify penalties for vehicle owners who don't have valid insurance was signed into law as Act 2 of 1994.

House Bill 299 authorizes PennDOT to suspend vehicle registrations for up to 90 days in cases where there has been a lapse in insurance coverage of more than 30 days. The bill was prompted by recent court decisions which had made it difficult for PennDOT to enforce the state's insurance requirements.

The legislation also contains a "trigger" mechanism which would let Pennsylvania react to future changes in federal laws which govern the state's decentralized enhanced emission inspection program.

Other provisions of the bill require that portable scales be certified every 30 days by the state Department of General Services, define vehicles such as boat transporters to comply with federal law, expand the definition of the "Miscellaneous Motor Vehicle Business" registration plate and waive school bus driver recertification driving tests until Nov. 30, 1994.

*** Drug Users to Lose Drivers' Licenses -- Pennsylvanians who are convicted of federal or state drug offenses would lose their driver's licenses under legislation signed into law as Act 3 of 1994.

House Bill 878 brings Pennsylvania into compliance with a 1992 federal law which requires that states revoke or suspend operating privileges when people are convicted of violating federal or state drug laws. Pennsylvania had previously suspended the operating privileges of people convicted of violating the state's Controlled Substance, Drug, Device and Cosmetic Act.

The bill also revises SEPTA's governance statute, guarantees that bonds issued by the Pennsylvania Turnpike are backed by the Turnpike's portion of the oil franchise fee and provides that funds for county mass transit programs will not lapse.

*** Vehicle Code Changes -- Two bills (SB 970 and HB 986) which made a variety of changes to the state Vehicle Code were signed into law as Acts 33 and 58 of 1993, respectively.

The bills will:

-- establish a range of penalties for the late submission of vehicle titlework, and differentiate between fraudulent and

non-fraudulent conduct;

-- designate Route 476 (the Blue Route) as a scenic byway and restrict the advertising which may be erected along it;

-- make it illegal to leave small children unattended in cars parked at malls, shopping centers or other private lots (similar legislation signed into law in 1992 did not contain specific language applying to parking lots);

-- extend the expiration date for transfers by the governor between the Workers Compensation Security Fund and the Catastrophic Loss Benefits Continuation Fund;

-- let PennDOT use documentation received by electronic transmission as evidence admissible in a court of law;

-- require the inclusion of Social Security numbers on applications for drivers licenses;

-- provide for fee exemptions for volunteer emergency service personnel who require a certified driving record;

-- suspend the driving privileges of people convicted of a drug offense in state or federal court;

-- let mechanics road test vehicles on private property without obtaining a commercial drivers license;

-- require nonresident ATV or snowmobile owners to obtain registration to operate their vehicles in Pennsylvania (an exemption is included for states which recognize Pennsylvania registrations);

-- include station wagons, multi-purpose vehicles and vans which have easily removable seats under the definition of "passenger car;"

-- authorize the construction of tourist oriented directional signs on state highways; and,

-- let the Pennsylvania Turnpike Commission use a dedicated funding source (the oil company franchise tax) for highway maintenance and construction.

*** Mass Transit Fund Allocation -- Local transportation organizations and transportation companies will have more freedom to spend state funds on asset maintenance under legislation signed into law as Act 81 on Dec. 22, 1993.

Senate Bill 315 amends a 1991 law which created a dedicated funding source for mass transit and for highway construction projects. The law assumed that \$200 million would be available for mass transit; actual annual revenues have totaled about \$130 million.

Senate Bill 315 modifies formulas which specify how the mass transit funds can be spent to reflect the money actually available. The bill also lets funds for community transportation programs carry over from one fiscal year to another.

An unrelated section of the legislation includes a railroad or street railway police officer as an authorized person who must be obeyed in an emergency situation.

*** License Plate Reissue -- Legislation which would let the Department of Transportation reissue personal license plates which have been inactive for five years was signed into law as Act 25 of 1994. The plates were previously reserved indefinitely, even if they were no longer used on a vehicle.

House Bill 1488 also authorizes PennDOT to issue handicapped access decals and disabled veterans decals for motorcycles. It allows the use of motorcycles in high occupancy vehicle lanes and allows the issuance of antique motorcycle plates.

Other provisions of the bill let the transportation secretary and the Turnpike Commission enter into multi-jurisdictional agreements and allow the use of driver-visible television equipment and electronic navigation equipment in safety and law enforcement vehicles.

*** Exemption for Live Tree Transporters -- Vehicles which transport live trees were exempted from state regulations pertaining to projecting loads under legislation signed into law as Act 10 of 1993.

Senate Bill 295 applies to nursery vehicles designed to dig up live trees and transport them for transplanting. The bill will also let school chartered buses transport school children to special school-related events. The provision will let schools provide for the transportation of special needs children as necessary under the Americans With Disabilities Act of 1990.

The bill will also extend the window for school districts to apply for omnibus license plates for vehicles which carry 11 to 15 students, modify regulations governing farm equipment and implements of husbandry, specify when reconstructed vehicle titles are needed, permit increases in the cost of accident reports and let drivers of fire vehicles use communication equipment.

*** Delaware River Pilotage Rates -- Legislation (SBs 502 and 503) signed into law as Acts 26 and 27 of 1993, respectively, will increase pilotage fees for vessels on the Delaware River, provide for two new classes of pilots, establish civil penalties for unlicensed practice and provide for disciplinary action.

Senate Bill 502 will phase in pilotage increases beginning in January 1994. The ship communication charge for vessels transiting the Delaware River will increase effective Jan. 1, 1993.

Senate Bill 503 will increase the number of classes of pilots from four to six and require pilots on ships over 100 tons. A civil penalty of up to twice the amount of pilotage may be assessed for operating a vessel without a license or with an expired license.

*** Legislative Access to PennDOT Records -- Members of the General Assembly and Congress (or their employees) and messenger services will continue to have access to PennDOT records under legislation (SB 383) signed into law as Act 3 of 1993.

PennDOT had traditionally allowed such access, but announced plans to change its policy because it was not specifically permitted under prior law.

*** I-279 Dedication -- A portion of I-279 in Pittsburgh was dedicated to people and businesses who were displaced during the road's construction under legislation (SB 60) signed into law as Act 9 of 1993.

A monument was to be erected to mark a section of I-279 between the Veterans' Bridge and Pittsburgh's border with Ross Township.

* Vehicle Code Amendments -- The Senate has approved (49-1) legislation which would make a number of changes to the state Vehicle Code.

House Bill 1313 would:

- Let the Wild Resource Conservation Fund License Plate be used on motor homes, trailers and Class I pickup trucks.
- Let qualified employees of PennDOT, the state Revenue Department and Public Utility Commission issue citations for vehicle registration and motor carrier decals.
- Expand the permissible width of motor homes and recreational trailers to 8 feet, 6 inches.
- Amend state regulations governing farm vehicles.
- Revise the decentralized vehicle and drivers' license system now being developed.

The bill is in the House Rules Committee.

* Fines for Sale of Traffic Control Devices -- Businesses or individuals that buy or sell traffic control devices or bridge parts for scrap would face \$100 fines under legislation unanimously approved by the Senate.

Senate Bill 395 would make it a summary offense for any individual or business to purchase, sell or offer for sale as scrap an official traffic control device or parts from a public bridge. Violators would be fined \$100 for each item.

The bill is now in the House Transportation Committee.

* Vehicle Code Changes -- The Senate has approved (45-2) legislation (SB 385) which would make sections of Pennsylvania's Vehicle Code consistent with federal law.

The bill contains definitions for "maxi-cube vehicle," "stinger-steered automobile" and "boat transporter." It is now in the House Transportation Committee.

* Liquid Fuels Money OK for Indirect Costs -- Liquid fuels tax revenues could be used to pay for some "indirect" costs related to road maintenance under legislation unanimously approved by the Senate.

Under Senate Bill 428, counties could use up to 10 percent of their annual liquid fuels tax allocation to pay for indirect costs such as vehicle insurance and utilities.

The bill is now in the House Transportation Committee.

* Headsets for Automobile Cellular Phones -- Drivers could use headsets to talk on cellular telephones under legislation unanimously approved by the Senate.

Senate Bill 1096 would require that car phone headsets provide sound only through one ear to help ensure that drivers would still be able to hear surrounding sounds such as emergency vehicle sirens and horns.

The legislation is intended to make the use of cellular phones in cars less dangerous and to make cellular phones more accessible to drivers with disabilities. It is now in the House Appropriations Committee.

* Military License Plate Use -- Surviving spouses of military veterans could continue to use military vanity license plates under legislation unanimously approved by the Senate.

Senate Bill 1101 would apply to plates honoring prisoners of war, Medal of Honor recipients, Purple Heart recipients and Pearl Harbor survivors. It is now in the House Appropriations Committee.

* Owners Must Identify Drivers -- The owner of a vehicle involved in an accident or violation of the law would be required to identify the person driving their vehicle under legislation (SB 12) unanimously approved by the Senate.

Owners who refuse to identify the driver of their vehicle would face a six-month license suspension for the first offense and a one year suspension for subsequent offenses. Senate Bill 12 would also make owners responsible for parking violations involving their vehicle.

The measure is in the House Transportation Committee.

* Stopping for School Buses -- Legislation which would help ensure that motorists stop for school buses was unanimously approved by the Senate.

Senate Bill 13 would clarify a law which requires motorists to stop for buses which are displaying red signal lights and a lowered stop signal arm. Since some buses are not equipped with signal arms, motorists can argue they are not required to stop for those buses.

The bill would amend the law to require motorists to stop for buses which display red signal lights, even if the bus does not have a signal arm. It is in the House Transportation Committee.

* Exemption for Mobile Aviation Museums -- The Senate unanimously approved legislation which would exempt nonprofit mobile aviation museums from normal vehicle registration fees.

Senate Bill 319 would currently apply to only to the Piper Aircraft Mobile Museum, based in Clinton County. Under the bill, the museum would pay a \$10 processing fee rather than the normal vehicle registration fee of approximately \$1,000.

The bill is in the House Transportation Committee.

* Emergency Vehicle Stopping Requirements -- Drivers of emergency vehicles which are involved in an accident while responding to an emergency would not have to stop at the accident scene under legislation unanimously approved by the Senate.

Under Senate Bill 539, the emergency vehicle driver could leave the accident scene if he or she determines it is reasonable and appropriate. The driver, or someone acting on the behalf of the driver, would still be required to provide information to police and other emergency personnel.

The bill is in the House Transportation Committee.

ENVIRONMENTAL RESOURCES & ENERGY

*** Speed DER Permit Review -- Enacted was a measure (HB 1780, Act 52/1994) intended to expedite the permit review process of the Department of Environmental Resources.

The new law requires DER to conclude the administrative completeness review -- the first step of the permit process -- within 20 days of receiving a permit application.

Administrative completeness reviews determine whether all forms and information, including signatures, filing fees, notary seals and maps, have been submitted as required by law. This initial review does not consider the technical merits of the application.

Of the 104 types of permits that DER issues, only six of the most complex permit applications are exempted from the new law: hazardous waste incinerator facilities, low level nuclear facilities, municipal waste landfills, municipal waste incinerators, infectious and chemotherapeutic waste facilities and complex clean air act permits.

The new law, which makes numerous changes to the administrative code, also includes the following:

- makes the U.S. Olympic Committee contribution "check off" permanent on individual state income tax return forms;

- allows the State System of Higher Education to begin to draw down available funding from the Keystone Recreation, Park and Conservation Fund for deferred maintenance at colleges;

- prohibits the Department of Banking from spending self-generated revenues such as fees, fines and assessments without a specific legislative appropriation; and

- makes technical changes in the terms of the executive director and board members of the Pennsylvania Intergovernmental Cooperation Authority, the entity charged with helping Philadelphia recover from financial distress.

* Negotiating Committees -- The Environmental Quality Board and Department of Environmental Resources could use negotiating committees to develop regulations and policy under legislation (SB 1380) unanimously approved by the Senate. The committees could be initiated by DER and the EQB or be created upon petition by citizens.

The negotiating committees would attempt to reach a consensus on regulations or policy. A consensus by a committee would bind DER and the EQB to propose the regulation or policy.

The bill also provides for temporary or permanent advisory committees to help DER and the EQB develop regulations or policy and provide advice on implementing DER programs. It is in the House Conservation Committee.

* Reuse of Abandoned Industrial Sites -- A three-bill legislative package which would encourage the cleanup and reuse of abandoned industrial sites was approved by the Senate.

The package would establish less stringent environmental standards for abandoned industrial sites, limit liability for companies and development organizations which attempt to develop the sites and provide financial aid to encourage site cleanup and reuse.

Under existing state law, potential developers of abandoned industrial sites can be held responsible for cleaning up past pollution which they didn't cause. They are also required to meet cleanup standards which are not based on actual risk or on the proposed use of the site.

Both issues are addressed in the legislation. The primary bill in the package, Senate Bill 972, would create a 13-member Cleanup Standards Scientific Advisory Board to help DER establish remediation standards for

abandoned industrial sites. Developers of the sites would have to comply with one or a combination of three standards: background standard, statewide health standard or a site-specific standard.

Once the standards are met, current and future owners would be relieved of further liability for existing contamination at an industrial site. They would remain liable for contamination while they are using the site.

Senate Bill 650 would provide protection from cleanup liability for financial institutions, local economic development agencies, municipalities and conservancies which did not cause pollution problems.

Financial incentives for industrial site reuse are contained in Senate Bill 972 and in the third bill in the package, Senate Bill 528. Senate Bill 972 would create a Voluntary Cleanup Loan Fund to provide low-interest loans and grants to help pay for environmental studies and for implementing cleanup plans. Senate Bill 528 would establish a grant program to help municipalities, economic development agencies and similar agencies conduct environmental assessments.

Senate Bill 972 was approved, 42-4. The other two bills passed unanimously. All three bills are now in House committees.

*** Environmental Education Program -- A statewide environmental education program was to be created under legislation signed into law as Act 24 of 1993.

The state departments of education and environmental resources are to develop and implement the program. The legislation requires the education department to evaluate school-based environmental education programs, support teachers and education agencies and organizations and recognize exemplary environmental education curricula.

The law also called for the creation of an Advisory Council on Environmental Education and required DER and the education department to issue periodic reports on the achievements and future needs of environmental education programs.

The environmental education effort is to be funded by individuals and companies which violate state environmental regulations. The legislation earmarked 5 percent of the annual collections from DER fines and penalties to a special non-lapsing Environmental Education Fund.

*** Replacement of Mine-Damaged Water Supplies -- Mine operators would have to replace water supplies damaged by underground mining and provide compensation for structure damage caused by mine subsidence under legislation signed into law as Act 54 of 1994.

Senate Bill 955 amends the Bituminous Mine Subsidence and Land Conservation Act to create a presumption that a mine operator is responsible for water supply damage which occurs within a specified area around the mine.

Mine operators will be required to repair damage or compensate owners when underground mining damages any of a number of specified buildings, including dwellings and public buildings such as schools, churches and hospitals.

*** Damages for Illegal Timber Cutting -- People who cut timber they don't own could be forced to pay the owner up to three times the timber's market value under legislation signed into law as Act 10 of 1994.

Senate Bill 1384 establishes a sliding damage scale depending upon the intent of the person who cuts timber illegally. Timber owners can collect three times the market value of the timber if it is cut deliberately, twice the market value if it is cut negligently and the actual market value if it is cut by someone who had a reasonable basis for believing it was his or belonged to the person who had directed that it be cut. People who illegally cut timber must pay the cost of determining the timber's market value.

*** Agricultural Advisory Board -- An Agricultural Advisory Board was created within the state Department of Environmental Resources under legislation signed into law as Act 11 of 1993.

Senate Bill 298 will ensure that the agricultural community is given an opportunity to provide input on environmental policies and regulations. The Agricultural Advisory Board will provide advice and expertise to DER regarding agriculture and comment on new and existing DER policies and regulations which impact on agriculture.

*** Earth Day Designated -- Legislation (HB 907) which designates April 22 of each year as Earth Day was signed into law as Act 1 of 1993.

The General Assembly had previously adopted annual resolutions designating Earth Day. The new law makes such resolutions unnecessary.

* Sinkhole Damage Assistance -- A sinkhole damage assistance program would be created under legislation unanimously approved by the Senate.

Senate Bill 311 would provide grants or loans to the owners of property damaged by sinkholes. Grants would be given to homeowners whose dwellings are unsafe for occupancy. Loans to repair sinkhole-damaged property would be offered at interest rates which could not exceed 3 percent.

The sinkhole damage assistance program would help repair sinkhole damage to dwellings, commercial property and public school buildings. Loans would be made on a priority basis with preference given to dwellings.

The bill is in the House Conservation Committee.

* Storage Tank Testing Reimbursement -- Owners of underground storage tanks would be reimbursed for some routine testing, monitoring and hydrologic studies under legislation approved (49-1) by the Senate.

Under Senate Bill 618, the state Department of Environmental Resources would reimburse tank owners for testing that exceeds minimum federal testing and monitoring requirements. Tank owners could also be reimbursed for tests done to determine responsibility for the release of a regulated substance. Reimbursement in such cases would only be made if the tank owner cooperated with DER and if the tests showed the owner's tank was not the source of contamination.

Money for the reimbursements would come from the Storage Tank Fund.

Senate Bill 618 would also provide an exemption from regulation for tanks which store heating oil for use on the premises. The bill is in the House Conservation Committee.

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

Senate Bill 971 would increase penalties for unsafe blasting activities and respond to changes in explosives technology and establish new licensing requirements for people who conduct blasting activities. The state Department of Environmental Resources would regulate the use, storage, purchase, sale and handling of explosive materials.

DER would also be authorized to set special protective standards when blasting is proposed near populated areas, buildings, underground mines and utility lines.

The bill includes an updated fee schedule. Fees and fines assessed under the new law would be deposited into an Explosives Safety Fund. The fund would pay for the administration and enforcement of the new explosives safety law.

Senate Bill 971 is in the House Conservation Committee.

* Swimming Pool Regulation -- Swimming pools, bathing beaches, water slides and other public bathing places would be subject to revised and modernized state regulations under legislation approved (26-22) by the Senate.

Senate Bill 627 would give the state Department of Environmental Resources clear authority to regulate public bathing places. DER's authority to regulate public bathing places -- including its ability to require lifeguards -- has been challenged by recent state court rulings.

The bill would specifically require lifeguards at public bathing places, while allowing exceptions for places operated for the exclusive use of residents of a condominium or cooperative or members of a property owners association. It would require periodic tests of water quality and require permits before a public bathing place could be built or modified.

The bill is now in the House Conservation Committee.

* Subsidence Act Extension -- The expiration date of the Abandoned Mine Subsidence Assistance Act would be extended to June 30, 1998, under legislation (SB 1241) unanimously approved by the Senate.

The Act authorizes DER to provide grants and loans to homeowners whose dwellings have been damaged by mine subsidence and do not have mine subsidence insurance.

The bill is now in the House Conservation Committee.

JUDICIARY

"V" Assault Weapons -- The Senate concurred (34-16) in House-passed legislation (HB 185) that would prohibit Pennsylvania's municipalities from imposing local bans on firearms.

The measure, subsequently vetoed by the governor, would invalidate existing ordinances in Philadelphia and Pittsburgh that outlaw various types of assault-style, semiautomatic weapons.

Proponents of the bill maintain that local bans could result in varying gun control regulations from one municipality to another. What's more, they argued, only law-abiding citizens would obey the assault weapons prohibition -- not criminals -- and that such bans fly in the face of Pennsylvania's broad constitutional "right to bear arms." Article I, Section 21, of the Pennsylvania state constitution says that "the right of citizens to bear arms in defense of themselves and the State shall not be questioned."

Opponents of the bill disputed the constitutional interpretation and suggested that if the Legislature isn't prepared to outlaw assault weapons, local municipalities should not be prohibited from doing so. Gov. Casey echoed that view in his veto message and reiterated his call for a statewide ban, contending assault weapons "are instruments of death in the hands of assassins, and which serve no purpose other than to promote senseless and random violence which paralyzes neighborhoods and inflicts carnage."

"V" Execution Warrants -- Passed (40-9) by the Senate, but vetoed by the governor, was a bill (HB 2198) that would require the governor to sign execution warrants within 60 days of the date a death penalty sentence is upheld by the state Supreme Court.

Prior to the Legislature's summer recess, the House voted (166-33) to override the veto. The Senate, however, sustained the governor by failing to muster the necessary two-thirds override vote. The Senate vote to override was 32 to 18.

In addition to establishing the time frame for the signing of death warrants, the measure also would require that an execution date be set within 30 days after a warrant is signed. If a governor fails to act on a death warrant as required by the proposal, the state corrections' commissioner would be required to set the date of execution instead.

Proponents said the measure was needed because of what they view as an unnecessary delay in the review and signing of death warrants by the governor's office.

Gov. Casey has signed 16 death warrants since he was elected in 1986 -- most of which have been blocked by subsequent court action.

The last execution in Pennsylvania was in 1962.

House Bill 2198 would also make it easier for juries to impose the death sentence for persons convicted of murdering a pregnant woman. It would be an "aggravating circumstance" for juries to weigh in considering the death penalty if the murdered victim was in the third trimester of pregnancy or if the killer had knowledge of the pregnancy at the time of the murder.

** Protection from Abuse -- Amid national publicity surrounding the O.J. Simpson case and heightened awareness of the problem of domestic violence, the state Senate voted (50-0) to pass legislation (HB 1717) that would strengthen Pennsylvania's protection from abuse law.

The measure, returned to the House for concurrence in Senate amendments, would make it easier for family members threatened by physical violence to obtain court protection orders.

Such orders prohibit or restrict an alleged abuser from coming in contact with family members.

Under the bill, actual physical abuse would not have to occur before such an order is issued. Instead, potential victims of abuse would only have to prove that they are in "reasonable fear" of bodily harm.

Other key provisions of the bill would:

- add stalking as a cause for a protection order;
- require the State Police to establish a statewide directory of protection orders;
- require Pennsylvania enforcement of protection orders issued by other states; and
- require police to establish written domestic violence response policies and to inform victims of the availability of safe shelters, community services and their legal rights to protection.

The courts would also be granted the authority to expand protection orders to prohibit alleged abusers from acquiring or possessing any weapons, and to require defendants to pay for or replace personal property damaged or destroyed in domestic violence disputes.

*** Stalking/Car-Jacking -- Joining some 40 other states, both the Senate and House unanimously approved a Pennsylvania anti-stalking law (HB 3, Act 28/1993). The same legislation also stiffened penalties for car-jacking.

Act 28 of 1993 made stalking another person with the intent of causing fear of bodily injury or substantial emotional distress a misdemeanor of the third degree -- punishable by a jail sentence of up to five years and/or a fine of up to \$10,000.

Second or subsequent offenses are a felony of the third degree, punishable by a jail sentence of up to seven years and/or a fine of up to \$15,000.

The legislation includes provisions that make the stalking of a family member of an earlier stalking victim a subsequent offense and provide that protection of abuse orders issued in domestic relations cases contain directives against stalking or harassment. The measure also makes it a misdemeanor of the second degree, punishable by a jail sentence of up to 2 years and/or a maximum fine of \$5,000, to file a false report of stalking with police.

Under previous law, stalking was considered harassment, a summary offense punishable by only a maximum sentence of 90 days in jail and/or a \$300 fine.

The law also marked an attempt to crack down on car-jackers by making the act of stealing a motor vehicle in the presence of the owner -- or other person in lawful possession of a vehicle -- a felony of the first degree. A first degree felony carries a sentence of up to 20 years in jail and/or a fine of up to \$25,000. The Pennsylvania Sentencing Commission was directed by the legislation to establish an enhanced sentencing guideline for car-jackers.

** TV Testimony From Child Crime Victims -- The General Assembly gave first session approval to a proposed constitutional amendment (SB 218) that would allow for closed-circuit television testimony from children who are the victims of crime.

The measure, if passed again in the next session of the General Assembly and subsequently approved by the voters, would alter existing provisions of the state constitution which grant the accused in criminal prosecutions the right to meet witnesses "face to face."

Proponents of the measure contend that the U.S. Supreme Court has already ruled that the testimony of a child victim behind a screen or on closed-circuit television does not violate the rights of the accused. Pennsylvania's state Supreme Court, however, has held to a more literal interpretation of Pennsylvania's constitutional "face-to-face" guarantee --precluding the use of closed-circuit TV testimony.

* Rape -- In response to a May 27, 1994, state Supreme Court decision, the Senate voted (50-0) to pass a bill (SB 533) eliminating the requirement that prosecutors must prove that force, or the threat of force, was used in conjunction with a rape in order to obtain a rape conviction.

The legislation, which was still pending in the House, would delete from existing law the requirement of "forcible compulsion" or the "threat of forcible compulsion" and make it a felony of the first degree when a person engages in sexual intercourse "without the consent of the other person."

The bill also includes provisions making it a first degree felony crime whenever a person 16 years of age or older engages in sexual intercourse with a child 10 years of age or younger.

*** Anti-Graffiti -- Enacted (Acts 15, 16, 17/1994) was a three-bill package (SBs 609, 611; 612) designed to thwart graffiti vandalism.

The new laws, which became effective June 20, 1994, specifically outlaw the defacing of property with aerosol spray-paint, broad-tipped indelible markers or similar marking devices; and hold both juvenile offenders and their parents responsible for damage caused by such vandalism.

Under the legislation, persons convicted of graffiti vandalism would be guilty of criminal mischief. In addition to other penalties and depending on the extent of damage, graffiti vandals could be sentenced to perform up to 200 days of community service restoring damaged property.

Persons who are caught with spray-paint or indelible markers on church, cemetery, school, municipal or other public property would be guilty of institutional vandalism.

The legislation also permits a direct cause of action against parents for vandalism and other "tortious" acts caused by their children and increases the maximum limit on parental liability from \$300 to \$1,000 for damages suffered by one individual and to \$2,500 for damages suffered by more than one individual. In the past, the process required that the child be sued first; the parents could be sued only if the child failed to pay the judgment.

*** Judicial Discipline -- Both the Senate and House gave swift second-session approval to a proposed constitutional amendment (HB 1) intended to provide for a more open and independent system of judicial discipline.

The amendment won subsequent, overwhelming approval of Pennsylvania voters in the May 18, 1993, primary election.

Under the change, the state Supreme Court's existing nine-member Judicial Inquiry and Review Board was abolished and a two-tiered system of judicial discipline created.

A new 12-member Judicial Conduct Board will investigate complaints of judicial misconduct.

A separate eight-member Court of Judicial Discipline will hear cases, render decisions and issue disciplinary orders

-- including removal from office, suspension, censure or other action. Previously, the Judicial Inquiry and Review Board was only empowered to make recommendations for judicial discipline.

The Judicial Conduct Board's investigations are to be confidential, unless the subject of an investigation waives the right to confidentiality.

Formal charges filed with the Court of Judicial Discipline, however, will be "a matter of public record" and proceedings of the Court of Judicial Discipline will be open to the public.

Half of the members of the 12-member Judicial Conduct Board are appointed by the Supreme Court and the other half by the governor. The members include two judges, one justice of the peace, three lawyers and six non-lawyers.

Appointments to the eight-member Court of Judicial Discipline are also equally divided between the Supreme Court and the governor. Members include three judges, one justice of the peace, two lawyers and two non-lawyers.

*** Amendment Implementation -- Signed into law was legislation (HB 699, Act 56/1993) that implemented the judicial discipline constitutional amendment. The legislation provided for the dismantling of the previous Judicial Inquiry and Review Board and stipulated the transfer of unexpended balances of funds from the abolished panel to the newly authorized Judicial Conduct Board and Court of Judicial Discipline.

All property, files and equipment of the Judicial Inquiry and Review Board were authorized to be transferred to the Judicial Conduct Board. Two thirds of the old panel's funds were appropriated to the Judicial Conduct Board. The Court of Judicial Discipline was allocated the remaining one-third of the monies.

House Bill 699 also directed that fines from weights and measures prosecutions brought by state regulators go to the state treasury. Counties will continue to collect fines from prosecutions by county regulators.

* New Judgeships -- Passed (43-7) by the Senate was a bill (SB 1735) that would provide for 33 additional common pleas court judgeships in 19 counties of Pennsylvania.

The bill provides for five additional judges in Allegheny County, four each in Delaware and Montgomery counties, three in Philadelphia, two each in Lancaster and York counties, and one each in Northumberland, Westmoreland, Chester, Wayne, Washington, Venango, Lehigh, Beaver, Lackawanna, Centre, Butler, Adams and Bedford counties.

If passed by the House and signed by the governor, 28 of the new judgeship positions would be up for election next year, with terms commencing in January, 1996. The remaining five would be up for election in 1997, with terms of office commencing January, 1998.

*** Judicial Age Requirement -- The Legislature approved

and the governor signed a measure (HB 1525, Act 37/1994) designed to require that all judges and district justices be at least 21 years of age. The law stipulates that a candidate for judge or district justice cannot be placed on the ballot unless they will have reached the age of 21 by the beginning of the term of office they seek.

** Sentencing/Parole Reform -- Awaiting Senate action on concurrence in House amendments is a two-bill package (SBs 683, 684) of sentencing and parole reforms intended to help reduce both prison overcrowding and escalating prison costs.

While providing for the timely release of most non-violent offenders upon the conclusion of their minimum sentences, the measures are also designed to identify and keep dangerous criminals behind bars.

The two bills would:

- allow inmates to automatically be released on parole after serving their minimum sentences unless classified as high-risk dangerous offenders or unless their release is opposed by corrections' officials, district attorneys or the victims of crime;

- allow judges to provide for longer minimum jail terms

for high risk offenders (current law requires that the minimum be no more than one half of the maximum);

- require, by January, 1996, that all offenders sentenced to more than two years in jail be incarcerated at a state prison unless incarceration at a county jail is approved by the county pursuant to uniform guidelines (current law allows some offenders with sentences of two to five years to be incarcerated at county jails); and

- require the Pennsylvania Commission on Sentencing to establish guidelines for the identification of high-risk, dangerous offenders at the time of sentencing.

As amended by the House, a provision allowing inmates to accrue up to five days per month in so-called "earned time" -- if they participated in designated educational, vocational and treatment programs -- was deleted from the bill. The removed feature would have allowed such earned time to be subtracted from an inmate's minimum jail sentence.

A House amendment would also expand provisions of current law allowing victims of crime to receive monetary awards from profits gained by criminals who sell the story of their crime for books, television or movies. The amendment expands the time period that victims of crime may seek to recover such profits from crime.

** Antitrust -- Awaiting Senate action on concurrence in House amendments was antitrust legislation (SB 307) intended to protect consumers and legitimate businesses from restraint of trade conspiracies.

Pennsylvania is the only state without its own antitrust law.

Restraint of trade would be a specific state crime. The bill would give the state attorney general's office the specific authority to investigate and prosecute antitrust violations.

Businesses convicted of violations would be guilty of a third degree felony and face a fine of up to \$1 million. Individuals convicted of antitrust violations would face up to three years in jail, a fine of up to \$100,000, or both.

When the bill was first passed (34-15) by the Senate -- then under Democratic control -- on May 5, 1993, it was the first time in the Senate's history that such legislation was brought to a vote.

* Good Samaritan Immunity -- Passed (47-0) by the Senate was a bill (SB 1664) that would grant "good Samaritan" civil immunity to individuals who come to the aid of victims of violent crime.

The immunity from civil liability would extend to anyone who helps a victim at the scene of an attempted criminal act involving physical injury, robbery, burglary, kidnapping or forced sexual intercourse. Such immunity, however, would not extend to gross negligence or reckless conduct. The bill was awaiting House action.

*** Drug Offender License Suspension -- Health care providers convicted of misdemeanor drug offenses would have their professional licenses automatically suspended under legislation (HB 213) signed into law (Act 53/1993). The measure allows for a license suspension of up to one year following a practitioner's criminal conviction on charges of illegal drug possession and/or use.

The license suspension can occur without a hearing before the appropriate licensing board. However, the respective board has the discretion to determine the exact length of a license suspension and/or to stay the suspension based on the specific circumstances of an individual case.

*** Contempt Powers -- Passed (43-6) by the Senate and signed into law (Act 45/1994) by the governor was a bill (HB 1933) granting district justices, judges of the Pittsburgh Magistrates Court and judges of the Philadelphia Traffic Court contempt powers.

Individuals could be fined or sent to jail for misbehavior in the presence of the court, failure to obey a subpoena and/or failure to comply with certain other orders.

*** Testimony from Perjurers -- Signed into law as Act 2 of 1993 was legislation (HB 115) lifting a 106-year-old state ban on criminal trial testimony from individuals previously convicted of perjury.

The measure brought Pennsylvania law in line with federal rules and with what most other states permit.

The new law expressly removed the prior prohibition to testimony from convicted perjurers. However, it also allows prior perjury convictions to be used for the purpose of attacking the credibility of the witness.

Efforts to secure enactment of the legislation followed a 1992 state Supreme Court ruling which overturned the 1988 convictions of two former Westmoreland County men who were charged with conspiracy to commit homicide in an attempted murder plot against an official of the state Department of Environmental Resources.

The state's high court ruled that the convictions could not stand, and ordered a new trial, because part of the criminal prosecution was based on the indirect testimony of a convicted perjurer.

* Prospective Jurors -- Sent to the House was a bill (SB 135) that would prohibit the sole use of voter registration lists for obtaining names of individuals to serve as jurors.

The measure, passed (46-1) by the Senate, allows the use of voter registration lists in combination with other lists from telephone directories, local tax records, school census data and government programs.

* Firearm Retail Theft -- The retail theft of a gun would be a felony offense in Pennsylvania under legislation (SB 331) passed (49-0) by the Senate and under consideration in the House.

Under current law, a person convicted of stealing a firearm from a gun shop or other retail outlet is treated no different than a shoplifter of any other item. Depending on the sale price of the firearm, the retail theft of a gun might only be a summary offense -- punishable by a maximum jail term of 90 days and/or a fine of up to \$300.

Senate Bill 331 would make the retail theft of a firearm a third degree felony which, depending on the circumstances of the case, would allow the courts to sentence an offender to up to seven years in jail and/or impose a fine of up to \$15,000.

* School Truancy -- Noting that it's hard for kids to learn if they're not in school, the Senate voted (48-0) to pass legislation (SB 334) designed to deter school truancy by cracking down on individuals who would encourage students to skip class.

The measure, awaiting final House action, strengthens existing law which already provides for fines for parents of truant children. The new bill is actually aimed at other adults, anyone over the age of 18, who may assist students in skipping school without the knowledge of parents.

The bill's provisions make it a summary offense to aid, abet, entice, encourage or harbor a truant. Violators would face a fine of up to \$300 and/or a jail term of up to 90 days. A second offense within a year of a first conviction would be a third degree misdemeanor, punishable by a fine of up to \$2,500 and/or a jail term of up to one year.

The measure would not apply to individuals conducting authorized home education programs.

* Parental Notification -- Passing (49-0) the Senate was a bill (SB 1416) requiring police departments to immediately attempt to notify the parents or guardian of a minor child who is taken into custody.

The bill would require that "all reasonable efforts" be made to notify the parents or guardian of a child's apprehension and whereabouts before a child detained for questioning, chemical testing or other reason is transported to another location. The bill awaits House consideration.

* Cross-Burning -- Passed (49-0) by the Senate was a bill (SB 1461) intended to close a loophole in current law that has allowed individuals arrested for committing the despicable act of cross-burning the ability to escape prosecution, conviction and sentencing under the state's ethnic intimidation law.

Under current law, simple trespass on another person's property is not a crime. Further, another crime must be committed in order for someone to be convicted of violating the state's ethnic intimidation statute.

As a result, some courts have thrown out cases of ethnic intimidation when simple trespass is the only other act involved.

Senate Bill 1461 would correct the situation by making simple trespass a crime when it is connected with ethnic intimidation, such as someone going onto another person's property for the purpose of setting a cross on fire.

Such acts of ethnic intimidation are a misdemeanor of the third degree, punishable by a jail sentence of up to one year and/or a fine of up to \$2,500. Final House action is still pending.

*** Marriage Licenses -- Enacted was a bill (HB 1432, Act 79/1993) eliminating the requirement of disclosure of a person's race on an application for a marriage license. Disclosure of occupation, birthplace, residence and age is still required. The new law also requires the permission of the "custodial" parent or guardian of applicants under the age of 18 for the issuance of a marriage license to a minor.

* Grandparents' Rights -- Passing the Senate (46-0) was a bill (SB 247) that would allow courts to award full physical and legal custody of children to grandparents in cases where a parent or parents are guilty of child abuse or neglect, or suffer a "parental dysfunction" caused by such things as drug or alcohol abuse and/or emotional or mental illness.

Under current law, courts are only empowered to award partial custody and visitation to grandparents.

An award of sole custody to grandparents, under Senate Bill 247, could not be made unless found to be in the best interest of the child. Grandparents must demonstrate a genuine concern for the child in assuming, and/or deeming it necessary to assume, the parental role of providing for a child's physical, emotional and social needs. The bill awaits House action.

* Birth Expense Info -- Pending in the House is a Senate-passed bill (SB 1418) that would require the Department of Public Welfare, upon the request of a county court domestic relations' section, to release information on the expense it has paid for a child's birth. Release of the information is intended to enable the court to seek reimbursement of those expenses as part of court-ordered child support.

*** Inmate Drug Testing -- In an effort to increase the randomness of required drug testing of inmates prior to their release on parole, the Legislature passed a measure (SB 1025, Act 25/1993) changing the time frame for the performance of such tests.

Instead of being performed within seven days prior to an inmate's parole, the legislation calls for the testing to be done between 15 and 45 days prior to release.

Inmates nearing parole are required to pass the drug screening test in order to be paroled.

* Crime Information Profiteering -- Passed (48-0) by the Senate was a bill (SB 740) prohibiting law enforcement officials from receiving compensation or anything of value in exchange for disclosing information on a criminal matter.

The bill, still pending in the House, would make such disclosure for profit a specific crime, classified as a first degree misdemeanor and subject to a jail sentence of up to five years and/or a fine of up to \$10,000.

* Police Chases -- Concern over accidents and deaths caused by high-speed police chases prompted the Senate's passage (43-3) of a bill (SB 313) that would stiffen penalties for drivers trying to elude police, and provide for established guidelines for police to follow in engaging in such pursuits.

Persons who willfully fail or refuse to stop their car for a pursuing police officer would be guilty of 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. The current penalty is a summary offense which carries a fine of \$200.

The bill also requires local police to implement written policies governing such pursuits. Further, it stipulates that the state's driver's manual include a section on the risk of penalty of fleeing a police officer. Final House action was still pending.

* Drive-by Shootings -- The Senate passed (44-3) a bill (SB 500) that would make all occupants of a motor vehicle from which a person intentionally discharges a firearm potentially culpable for the crime. Under the proposal, now pending in the House, any passenger of a motor vehicle who "knowingly or recklessly encourages, permits or acquiesces" in the intentional discharge of a weapon resulting in the killing of a person would be guilty of third degree murder. When no one is killed, all occupants of a vehicle from which shots are fired could still be found guilty of attempted criminal homicide with a mandatory minimum five-year jail sentence.

*** Crime Commission Abolished -- The Senate voted (44-3) to pass the House version of legislation (HB 2091, Act 84/1993) that provided for the abolishment of the controversial Pennsylvania Crime Commission effective June 30, 1994, and transferred its duties and powers to the Pennsylvania State Police.

First created by the General Assembly in 1968 to investigate organized crime and public corruption, the commission had come under intense criticism for its publication of an annual report that named individuals as having purported links to organized crime even though many of those identified had never been charged with a crime.

Over the years, the commission had also been accused of promoting a bias against citizens of Italian descent and, in 1993, had come under fire for the length of an investigation of the state attorney general's political campaign finances and alleged link to illegal video-poker machine operators.

The commission never had the power to bring charges or prosecute and was immune from libel lawsuits.

Under House Bill 2091, the Commissioner of the Pennsylvania State Police became chairman of the crime commission until its termination on June 30, 1994. As of June 30, 1994, the legislation required the commission to transfer all ongoing investigations to the Pennsylvania State Police and federal law enforcement authorities.

* Code of Evidence -- Passed (29-18) by the Senate was a bill (SB 176) that would establish a "Code of Evidence" for use by Pennsylvania courts. The measure is patterned after federal rules of evidence, but incorporates a number of provisions that reflect current Pennsylvania common-law rules. Final House action was still pending.

* Old Laws -- Awaiting House consideration is a Senate-passed bill (SB 1089) intended to clean up the state's law books by repealing obsolete statutes. In effect, the measure does away with all laws enacted prior to January 1, 1801 that no longer have any practical application.

*** Animal Prizes Prohibited -- Enacted was a bill (HB 1420, Act 24/1994) prohibiting the use of live animals, except for fish, as prizes in any drawing, lottery, contest of sweepstakes. Violations are a summary offense punishable by a fine of up to \$250.

*** College Police -- Enacted was legislation (HB 6, Act 35/1993) requiring college and university police departments to meet the same training requirements as municipal police officers. Pennsylvania's state-owned universities, members of the State System of Higher Education, are exempt from the requirement.

*** Constable Education -- Both houses passed and the governor signed legislation (HB 1003, Act 44/1994) providing for the education, training and certification of constables and deputy constables.

In addition to an 80 hour training program for new constables, the bill calls for the establishment of an annual continuing education program -- of up to 40 hours -- for existing constables.

A newly established 7-member Constables' Education and Training Board would be charged with setting training guidelines and for stipulating standards for the qualification of constables to carry or use firearms in the performance of their duties.

The law also requires constables to maintain professional liability insurance, establishes a revised constable fee schedule and creates a special account to fund the constable training and education program.

*** Deputy Sheriff Education -- Enacted was a bill (HB 411, Act 43/1994) providing for a special surcharge to be collected by prothonotaries in Philadelphia and Allegheny counties to fund deputy sheriff training and education programs. The \$2.25 surcharge would be collected for each defendant named in a document filed to commence an action. The new law also requires that all persons employed or appointed as deputy sheriffs be high school graduates or possess general education development (GED) certificates.

* Sheriff Fees -- Pending in the House is a Senate-passed bill (SB 839) providing for an increase in fees for various services performed by county sheriffs. The majority of the fees, which haven't been increased for nine years, would be boosted by less than \$3.00.

* DRPA Police -- The Senate passed (50-0) a bill (SB 1751) that would require Delaware River Port Authority Police to successfully complete a training course approved by the attorneys general of Pennsylvania and New Jersey. Each officer would also be required to comply with annual firearms standards set by the Pennsylvania attorney general. House action was still pending.

*** Funeral Expenses -- Passed by both the House and Senate was legislation (HB 838, Act 38/1993) increasing from \$1,500 to \$3,500 the amount financial institutions may pay out of a decedent's deposit account to cover funeral expenses. Such payments may be made independent of probate or letters of administration.

*** Allegheny County Computerization -- Enacted (Acts 18, 28/1994) were two bills (SBs 846; 867) that would allow the Allegheny County Clerk of the Orphans' Court and Prothonotary to impose additional fees on the initiation of legal actions, subject to the approval of the county's president judge, to finance the computerization of their respective offices.

* Attacks on Officers of Public Order -- Passing the Senate (49-0) was a bill (SB 335) to stiffen penalties against persons who physically attack various officers of "public order."

In addition to police officers, other law enforcement officials and firefighters, the new term of "officer of public order" would include corrections officers, prosecutors, judges, emergency medical services personnel and youth development center staff members.

An assault causing serious bodily harm against any officer of public order would automatically be categorized as an aggravated assault, which is a felony crime punishable by a jail term of up to 20 years. Generally, a physical attack on an individual is considered a simple assault -- punishable by a jail term of up to two years -- unless the assault was proved to have been life threatening. Final House action on the bill was still pending.

* Mediation Programs -- Approved (46-0) by the Senate was a bill (SB 246) providing for mediation programs to help settle certain divorce and child custody cases out of court.

Courts would be authorized to impose an additional \$20 filing fee on all divorce and custody complaints to fund mediation programs.

Such mediation could not be ordered in cases involving domestic violence or child abuse.

* Mediation Communications -- The Senate passed (44-2) a bill (SB 917) that would bar disclosure of mediation communications and documents in judicial, administrative or arbitration actions except in certain cases where it was relevant in a criminal matter or in cases involving a threat of bodily injury or felony property damage.

* Pittsburgh Protection Order Violations -- Awaiting final House action was a Senate-passed bill (SB 710) that would allow persons arrested in Pittsburgh for violations of protection from abuse orders to be brought before a judge of the Pittsburgh magistrates court when a common pleas court judge is unavailable.

* Medical Facility Fees -- Passed (46-3) by the Senate was a bill (SB 1581) that would allow health care facilities to charge a \$10 fee for the reproduction of medical charts or records requested by individuals for the purpose of filing claims for Social Security or other federal and state needs-based benefit programs.

* Fingerprints -- Passing the Senate (50-0) was a bill (SB 1151) providing that the fingerprints of persons who are arrested by federal authorities as a result of joint federal and state investigations in Pennsylvania be obtained for the state's central fingerprint repository.

BANKING & INSURANCE

*** Out-of-State Insurance Companies -- A five-bill legislative package has given the state Insurance Department specific authority to regulate out-of-state insurance companies that do business in Pennsylvania. The bills also change the types of group life insurance policies permitted in Pennsylvania.

The Insurance Department's authority to regulate rates charged by out-of-state insurers to Pennsylvania policyholders was not successfully challenged, but the department requested specific statutory authority on the point to ensure that it can determine that rates are not excessive, inadequate or unfairly discriminatory.

The following bills are included in the package:

Senate Bill 701 provides for exemptions from the requirement that insurers obtain a certificate of authority to do business in Pennsylvania. The bill was signed into law as Act 8 of 1994.

House Bills 297 and 298 require that every insurer's rates be filed with the insurance commissioner, regardless of whether the coverage is individual or group, or whether the group policy is issued here or in another state. They have been signed into law as Acts 31 and 32 of 1994.

Senate Bill 704 modernizes the types of organizations qualifying as group policy issuers. The bill also establishes regulations for out-of-state group life insurance policies. It was signed into law as Act 1 of 1994.

Senate Bill 705 provides for prior approval of group property and casualty insurance and group accident and health insurance written in another state and marketed in Pennsylvania. It also modernizes the permissible entities writing such insurance. It was signed into law as Act 9 of 1994.

*** Insurance for Pap Smears, Exams -- Health insurance policies will be required to cover annual gynecological examinations and routine pap smears under legislation signed into law as Act 20 of 1994.

Senate Bill 1103 applies to any policy in effect in Pennsylvania.

*** Interest Rate Cap -- Pennsylvania's 18 percent cap on retail installment contract interest rates was extended to July 1, 1998 under legislation signed into law as Act 39 of 1994.

Without the legislation, the interest rate cap would have reverted to 15 percent on June 1, 1994.

House Bill 2219 also permits the assessment of a late fee of up to \$12 for each minimum payment on a retail installment account which is not paid within 59 days of the billing date.

*** Mergers of State-Chartered Banks -- The state Department of Banking can approve mergers of state-chartered stock savings banks with federally-chartered commercial banks under legislation signed into Law as Act 51 of 1994.

House Bill 2650 also addresses issues raised by the state's seizure of Marian State Bank and Knoblauch State Bank. The bill would indemnify directors of the banks, let the Banking Department procure liability insurance for the directors and classify the directors as Commonwealth employees.

*** Open-Ended Home Improvement Contracts -- Open-ended home improvement contracts will be permitted under legislation (SB 1229) signed into law as Act 68 of 1994.

The contracts may carry a maximum finance charge of 1.23 percent per month. They must include all disclosure items contained in the federal Truth in Lending Act. The bill permits add-ons to contracts; current law requires a new contract for every aspect of a job.

*** Credit Unemployment Insurance -- Banks may sell credit unemployment insurance as a result of legislation (SB 1014) signed into law as Act 41 of 1994.

The insurance will make monthly payments on consumer loans, mortgages and other credit transactions when borrowers involuntarily lose their employment.

*** Security Dealer License Fee Increase -- Legislation (HB 473) signed into law as Act 4 of 1993 increases license renewal fees charged security dealers by the Pennsylvania Securities Commission. The new fees, estimated to generate \$1.3 million in fiscal 1993-94, will supplement state funds to operate the commission.

*** Direct Reimbursement for Audiologists -- Audiologists, speech pathologists and teachers of the hearing impaired will be directly reimbursed by insurers under legislation (SB 515) signed into law as Act 14 of 1994.

Under prior law, audiologists, speech pathologists and teachers of the hearing impaired were paid indirectly if their services were covered by an insurance contract. The payment went to the supervising doctor, who in turn paid the audiological employee. Senate Bill 515 allows direct payments, but does not mandate the provision of audiological services.

*** Fraudulent Asset Transfers -- Legislation which rewrites Pennsylvania law governing fraudulent transfers of assets was signed into law as Act 70 of 1993.

Senate Bill 1015 presumes that debtors are insolvent when their debts are not paid when due. It defines a fraudulent transaction, specifies situations when a transfer is made or an obligation incurred and specifies creditors' remedies.

*** Preferred Provider Organizations -- Fraternal benefit societies can become preferred provider organizations as a result of legislation signed into law as Act 34 of 1994.

House Bill 991 lets the societies enter into agreements with providers or physicians for health care services and fees.

* Banking Deregulation -- Legislation which would loosen state banking regulations on consumer lending was approved (29-19) by the Senate.

Senate Bill 863 was hotly debated. Supporters said it would make Pennsylvania banks more competitive and credit more available. Opponents said it would harm consumers by eliminating state ceilings on loan interest rates and reducing or eliminating state control of bank lending practices.

While deregulating what banks can charge in loan interest, the measure also phases out the "Rule of 78s" which required borrowers to pay more interest up front when paying off a loan early.

Senate Bill 863 is now on the House calendar.

* Pawnbroker Regulation -- The Secretary of Banking would be given additional power to regulate pawnbrokers under legislation approved by the Senate, 37-10.

Senate Bill 926 would triple the annual license fee for pawnbrokers to \$300. It would require that notices of license applications be posted for 30 days at the premises of the new location and be published in a newspaper. Nearby residents could testify at a hearing on the proposed license. The Banking Secretary could reject licenses based on community opposition, the number of licenses in a given area or an applicant's inability to meet minimum capital requirements.

The bill is in the House Professional Licensure Committee.

* Notice of Premium Increases -- The Senate has approved legislation which would reduce the notice insurers must give to commercial property and casualty risks before increasing premiums.

Senate Bill 1528 would require insurers to give at least 30 day notice of the estimated renewal premium. Under current law, 60 day notice must be given.

The bill was approved, 44-2. It is in the House Insurance Committee.

* Standards for Insurance Marketing -- The Senate has unanimously approved legislation which would establish minimum standards for the marketing and sale of life insurance products.

Senate Bill 1632 responds to actions taken against Metropolitan Life Insurance Company for misleading marketing and sales practices. The bill would prohibit misrepresentation by Pennsylvania licensed life insurance companies and fraternal benefit societies, and by agents and brokers. It would require prior written agreement of fees charged for financial planning services and establish minimum standards for illustrations used to market or sell life insurance or annuities. The state Insurance Department would review records of agents' sales activity.

The bill is in the House Insurance Committee.

* Medigap Insurance Rates -- Insurers could use an issuance age rate structure or a community-rated rate structure for Medicare supplement (Medigap) policies under legislation approved by the Senate, 49-1.

Senate Bill 1738 would require that issuers of Medigap policies maintain an open enrollment period for applicants enrolled under Medicare. Exemptions would be permitted for issuers with a market share of less than 2 percent, for Fraternal Benefit Societies and for group policies.

The bill is in the House Insurance Committee.

LABOR & INDUSTRY

*** Workers Compensation Reform -- Legislation which reformed Pennsylvania's Workers' Compensation Insurance system was signed into law as Act 44 of 1993.

Final passage of Senate Bill 1 came via a conference committee report. The Senate approved the report, 34-14, on a vote which crossed party lines.

Based on provisions of the new law, the state Insurance Commissioner ordered an across-the-board 2 percent reduction in employer-paid workers' compensation premiums, effective December 1, 1993, and set an adjustment figure that was expected to further reduce rates by an approximate 4.7 percent.

The rate directives were projected to save Pennsylvania's businesses \$300 million in annual premiums over previous rates.

Key provisions of the new law did the following:

- provided for a more competitive rate setting system whereby individual insurers will file individual rate requests;

- established stiff penalties against employee, business, insurer and/or health care provider workers' compensation fraud, including jail terms and fines of up to \$50,000 or more;

- capped medical payments to doctors, hospitals and other health care providers at 113 percent of the prevailing Medicare reimbursement rate through December 1994, with future increases tied to increases in the average wage of Pennsylvania workers;

- eliminated so-called employee double dipping by requiring an offset of unemployment compensation against workers' compensation;

- let injured workers receive automatic, temporary compensation for at least six weeks without an employer admitting liability;

- required injured workers to visit one of six company-designated health care providers for the first 30 days;

- changed the minimum compensation rate so that part-time injured employees will not receive more in workers' compensation than they were paid on the job;

- required insurers to offer accident prevention services to employers;

- granted businesses a one year, 5 percent, workers' compensation insurance discount if they establish certified workplace safety committees;

-- created a system of health care provider peer review to resolve disputes regarding the necessity and/or frequency of medical treatment covered by workers' compensation insurance;

-- eliminated benefits for injuries caused by alcohol abuse, illegal drug use or for jailed convicts;

-- let small businesses band together in self-insurance pools;

-- provided for a Small Business Advocate to represent small firms in workers' compensation insurance rate cases; and

-- required contractors to provide municipalities with proof of workers' compensation insurance coverage before issuance of building permits.

* Hearing Loss Compensation -- Passed (33-17) by the Senate was a bill (SB 855) creating formulas for determining workers' compensation for hearing loss. Formulas specified in the bill would determine compensation for hearing loss caused by long term exposure, and loss caused by acoustic trauma or head injury.

Employers could require employees to undergo periodic audiometric testing. Employees would lose the right to pursue any claim unless they submit to the tests.

The bill is in the House Labor Relations Committee.

*** Conservation Corps Expanded -- Legislation which expands the scope of projects which can be performed by the Pennsylvania Conservation Corps was signed into law as Act 49 of 1993.

House Bill 41 will also permit more state agencies to sponsor corps activities, authorize fee-for-service projects, let the state leverage more federal monies and authorize increases and bonuses for corps members.

Under prior law, corps activities could be sponsored by the Fish Commission, Game Commission, Historical and Museum Commission and Department of Environmental Resources. New sponsoring agencies include the Departments of Labor and Industry, Public Welfare, Corrections, Military Affairs, Aging, Education and Community Affairs, and the Pennsylvania Emergency Management Agency.

*** Local Government "Fair Share" Fees -- Local government unions may negotiate "fair share" fees as part of their collective bargaining agreements under legislation (SB 399) signed into law as Act 15 of 1993.

The fair share fees would be paid by non-union members who are part of a union-represented bargaining unit and would reimburse unions for services provided to non-members. Those services include representation in grievances and contract negotiations. Non-members would not be required to pay portions of union dues used for lobbying or political activity.

Fair share fees could be assessed only if they are included in collective bargaining agreements.

*** Contractor Payments -- Enacted was a measure (HB 906, Act 7/1994) providing for the timely payment of construction contractors and subcontractors for work performed. In the absence of a contract or agreed payment schedule, contractors are now entitled to be paid for their completed work within 20 days of delivery of an invoice. Contractors are required to pay subcontractors within 7 days of their receipt of payment. Interest at the rate of 1 percent per month could be charged for delinquent payments. Provisions of the new law do not apply to improvements to real property which consist of six or fewer residential units simultaneously under construction.

*** Boiler Regulation Law Revisions -- Pennsylvania's Boiler Regulation Law was revised by legislation signed into law as

Act 5 of 1993.

Senate Bill 719 provides for the certification of inspectors and inspection requirements associated with power and process boilers. It also specifies the types of inspection which may be completed and filing requirements as a result of in-house inspections.

*** Lawsuits OK'd Against Bidders -- Businesses or individuals that knowingly violate the Workers' Compensation Act or Unemployment Compensation Act when bidding on construction projects may face civil lawsuits from competitors under legislation signed into law as Act 42 of 1993.

Senate Bill 864 will let competitors seek damages if they are underbid by an individual, business or corporation that violated the workers' or unemployment compensation laws in order to submit a lower bid.

* Employment Agency Disclosure -- The Senate unanimously approved legislation which would require that employment agencies disclose in their advertisements that they charge a fee for their services.

Senate Bill 653 is now in the House Labor Relations Committee.

* Tougher Bleacher Regulations -- New bleachers would have to comply with strict new national safety standards under legislation approved (45-3) by the Senate.

The new standards are designed to protect small children, who can fall through gaps in bleachers constructed according to existing Pennsylvania law.

Senate Bill 1008 would require grandstands and bleachers to meet standards at least as strict as those established by the National Fire Protection Association. The bill would affect newly constructed or renovated bleachers and grandstands. It would not require changes in existing bleachers.

The bill is now in the House Labor Relations Committee.

COMMUNICATIONS & HIGH TECHNOLOGY

*** Fiber-Optic Telecommunications Network -- Legislation (HB 84) designed to speed the statewide deployment of a sophisticated broadband telecommunications "highway of the future" was signed into law (Act 67/1993).

The measure was the product of months of negotiations between telephone and cable companies, newspapers, legislators, utility regulators and consumer advocates. The final compromise passed the Senate on a vote of 39 to 9 and the House on a vote of 146 to 52.

The legislation provided incentives to Pennsylvania telephone companies to build a statewide fiber-optic network capable of producing high quality audio and video images and of carrying immense volumes of data in rapid-fire fashion.

The incentives in the final bill did not include automatic rate increases as had been included in early versions.

The primary incentive for telephone companies was an alternative form of regulation which they could seek by petitioning the state Public Utility Commission. As part of their petition, telephone companies were required to commit to 100 percent deployment of a universally available broadband telecommunications network by Dec. 31, 2015. Deployment must be equally balanced among rural, urban and suburban areas.

The PUC can approve petitions for alternative regulation only if they ensure the continued affordability of protected telephone services such as dial tone, touch tone, switched access, special access, ordering, installation, restoration and disconnection. The petitions will have to assure that rates for noncompetitive services are just and reasonable.

The PUC can approve an index or formula which lets revenues from noncompetitive services increase or decrease by the rate of inflation (the Gross Domestic Product Price Index, minus 2.25 percent), but the increase would not be automatic.

Telephone companies could enter joint ventures with other entities such as cable operators and power companies to implement network modernization plans. Companies which don't submit a petition for alternative regulation and a plan for network modernization within five years will be required by the PUC to show cause why they have not done so. The law allowed telephone companies to petition the PUC for deregulation of competitive services. For Bell of PA only, the PUC can require that a competitive service be offered through a fully separated subsidiary.

Small telephone companies can petition the PUC for a streamlined form of rate-making.

The law also caps long distance access charges at 12 cents per minute for five years after the implementation of a telephone company petition and modernization plan, unless a company could justify higher rates. It deregulated most rates for services provided by long distance carriers effective Jan. 1, 1994.

House Bill 84 originally came to the Senate as a measure which would give "whistleblower" protection to public utility employees. That provision remained in the legislation that was signed.

*** Ben Franklin/IRC Partnership -- Legislation (HB 1709) creating an alliance between the state's successful Ben Franklin Partnership and Industrial Resource Center technology development programs was unanimously approved by both the Senate and House and became law (Act 64/1993).

Combination of the two programs into an integrated system --under the direction of a single, business-dominated board chaired by the secretary of commerce -- was intended to promote coordination and effective use of technological advances by Pennsylvania's businesses.

The Ben Franklin Partnership, which consists of four regional centers, was first created 12 years ago to link the private sector with the state's universities to stimulate new technologies, products and businesses. Just since 1987, the Ben Franklin centers have helped with the start-up of more than 400 advanced technology firms that have created 12,000 jobs.

Pennsylvania's eight Industrial Resource Centers, established by Gov. Casey in 1988, are designed to help small and medium-sized businesses remain competitive through utilization of modern technologies. Since its inception, the IRC program has assisted approximately 2,000 companies.

The combination of the two programs into a partnership was expected to better serve business customers and make Pennsylvania will be a stronger candidate for federal technology development funding.

*** "911" Logo Misuse Prevention -- The Senate and House unanimously approved legislation which would prevent misuse of the "911" logo.

Senate Bill 441 (Act 66/1994) amends the Fictitious Name Act to prohibit a fictitious name from including the number "911" unless the entity registering the name is a Pennsylvania public agency authorized to provide emergency telephone service.

The law is intended to prevent for-profit emergency responders from using the "911" logo since people generally associate the number with volunteer emergency responders.

AGRICULTURE & RURAL AFFAIRS

*** Nutrient Management Program -- One of the first bills to become law in the two-year session was House Bill 100, which establishes and implements a nutrient management program to reduce farm-related pollution from entering streams and rivers.

A Nutrient Management Advisory Board was given two years to establish criteria for plans to prevent manure and soil nutrients from causing pollution in the water. Assistance will be provided to farmers required to implement plans.

The legislation was signed as Act 6 of 1993.

*** Amusement Ride Safety -- Enacted was legislation (HB 1777, Act 58/1994) designed the thwart "horseplay" on amusement park rides.

The legislation makes riders 14 years of age and older responsible for obeying all posted rules and oral instructions. The law sets forth a list of 11 specific rider responsibilities and safety precautions to be posted at rides at all permanent amusement parks in the state.

Among others, riders are prohibited from engaging in any reckless act that might cause injury, from throwing any objects from a ride, from disconnecting safety devices during the course of a ride, and from boarding a ride while under the influence of alcohol or drugs.

Amusement park operators would be permitted a statutory defense of comparative negligence in any injury lawsuit brought by a rider who violated the safety rules.

*** Food Regulation -- Patterned after a model food law enacted in 43 other states, the Legislature enacted a bill (HB 24, Act 70/1994) prohibiting the sale of adulterated, misbranded or deleterious foods. The new law, which also codified previous state law regulating food, provides for the registration of food establishments and inspection procedures, among other provisions.

** Organically Produced Foods -- Awaiting Senate action on concurrence in House amendments was a bill (SB 729) providing for the certification of organic food products.

Senate Bill 729 would assure consumers that organically grown crops and livestock have passed a specific set of standards that prohibit the use of certain inorganic methods or materials. Violation of the standards would result in fines and enforcement actions.

*** Farmland Preservation Process -- Legislation (SB 1193) clarifying an administrative aspect of the state's farmland preservation program to prevent counties from losing funding allocations became law (Act 75/1993).

The measure gives counties until the end of any given year to submit applications for state funding for the purchase of development rights to protect agriculture land from development. Previously restrictive rules required that all such applications not only be submitted but be finally approved by the state Agriculture Land Preservation Board before the end of the year.

The measure won final legislative approval as the Senate voted (46-4) to concur in House amendments.

* Easement Purchase Programs -- Passed (50-0) by the Senate was a bill (SB 1629) that would further provide for the purchase of agricultural conservation easements.

Under the bill, annual allocations would be made only to counties whose easement purchase programs have been approved by the State Agricultural Land Preservation Board. Landowners would be permitted to construct or use structures as a principle residence on land protected by an easement.

The bill is in the House Appropriations Committee.

*** Loan Forgiveness Program Extension -- Senate Bill 871 extends the expiration date of the Agricultural Education Loan Forgiveness Act, which was set to expire.

As Act 32/1993, the new law extends the act to July 1, 1998. The program applies to Pennsylvania residents who graduate from college and apply their degrees in agriculture or family farms. A portion or all of a student loan may be forgiven under the program.

*** Fuel Oil Deliveries -- Marking an attempt to discourage fraud and create an audit trail for weights and measures regulators, legislation was enacted (HB 696, Act 55/1993) requiring specific information on all fuel delivery tickets.

Among the information required is the time of day, vendor's name and address, product identification, driver's signature or employee number, vehicle number, price per gallon and volume of delivery to nearest 1/10 gallon.

*** Disease Control -- Legislation (SB 1047) which strengthens the state Department of Agriculture's authority to control the spread of disease among domestic animals was signed into law as Act 66 of 1993.

The bill expands the definition of domestic animal to include birds, fowl or any wild or semi-wild animal held in captivity, including bison, deer, elk, llamas or any other species of foreign or domestic cattle.

* Compensation for Destroyed Animals -- Passed (48-0) by the Senate, but awaiting House action, was a bill (SB 1046) that would broaden the scope of a state law requiring state compensation to the owners of animals that are ordered destroyed to prevent the spread of disease. The definition of animals covered by the law is

expanded to include wild or semiwild animals held in captivity as well as cows, horses, sheep, goats, pigs, dogs, cats and poultry. The bill establishes various compensation amounts for different animals. In no case would the commonwealth be required to pay a sum in excess of \$100,000 for any herd or animals condemned. This bill is now in the House Agriculture and Rural Affairs Committee.

*** Agricultural Fairs -- A measure to protect county fairs was signed into law. Senate Bill 1651 (Act 73/1994) outlines the qualifications for grants from the Department of Agriculture. To qualify for grants, a fair must operate with a minimum of 12 of the 22 departments as outlined in the State Premium Guidebook and must operate with at least five exhibitors in each department. Any existing fair not meeting these requirements will have three years to comply. The legislation is intended to prevent "fly-by-night" carnivals from taking state funding from legitimate agricultural fairs.

The bill also gives the State Harness Racing Commission authority to regulate horse racing conducted at agricultural fairs.

*** Noxious Weed Control Law -- Legislation which amends Pennsylvania's Noxious Weed Control Law has been unanimously approved by the Senate and signed into law.

House Bill 1011 (Act 72/1994) would give the Noxious Weed Control Committee the authority to add or delete plants from the Noxious Weed Control list. It would also give the Secretary of Agriculture the power to issue a control order against an individual landowner if noxious weeds are growing on the landowner's property.

* Agricultural Association Audits -- Cooperative agriculture associations with annual gross sales of less than \$500,000 would not be required to conduct annual audits under legislation (SB 1024) approved (49-0) by the Senate. Previously, only those associations with gross sales of less than \$100,000 were excluded from the audit requirement.

Senate Bill 1024 is now in the House Agriculture and Rural Affairs Committee.

LOCAL GOVERNMENT

* Funding of Mandates on Local Government -- Still awaiting action by the House was a proposed constitutional amendment (SB 4) that would require the state to provide adequate funding, or a funding mechanism, when imposing new or expanded mandates on the backs of local governments.

Under the proposal, passed (48-0) by the Senate, local municipalities and school districts would not be required to implement new services or programs mandated by the state when they lacked proper funding or an adequate revenue-generating source.

Specific exceptions to the funding mandate would require a two-thirds vote of approval by the General Assembly.

The measure, intended to promote a new degree of fiscal responsibility and accountability, must pass both houses of the Legislature in two consecutive legislative sessions before it can go to the voters for final approval. In the prior two-year session (1991-92), a similar proposal (SB 401) passed the Senate but died in the House.

*** Municipal Capital Loan Program Reauthorized -- Enacted was legislation (HB 1979, Act 59/1994) extending the life of the state's local government capital project loan program. The program, extended through June 30, 1997, provides state assistance to small municipalities for the purchase of necessary facilities and equipment.

*** Firefighters' Relief Funds -- Enacted was a bill

(HB 675, Act 78/1993) allowing Volunteer Firefighters' Relief Association funds to be spent on the purchase of fire hose and nozzles, fire prevention materials for distribution to the public, and on health and physical fitness training programs and equipment for firefighters.

*** Severe Hardship Tax Claim Grace Period -- Signed into law was a measure (HB 437, Act 76/1993) giving counties the authority to grant taxpayers facing severe financial hardships an extension of time for payment of a tax claim entered against their real estate.

The measure grants counties the option of passing legislation that would allow an additional grace period of up to 12 months on the discharge of a tax claim, or sale of the property for collection of back taxes, when the tax claim has not been paid because of "extenuating circumstances beyond the taxpayer's control."

Taxpayers granted a severe hardship extension would be required to enter into a payment schedule as deemed appropriate by the county commissioners.

** Municipal Mergers -- Legislation (HB 162) to establish procedures for the merger or consolidation of contiguous municipalities, including the allocation of assets and liabilities, was unanimously passed by the Senate and returned to the House for concurrence in amendments.

The bill defines merger as two or more municipalities combining together but keeping the name of one of the municipalities, and consolidation as the combining of two or more municipalities in which an entirely new municipality is formed.

Two methods are proposed: a joint agreement, which must set forth whether the new municipality will be governed by the Pennsylvania Code or a home rule charter; or by initiative of the voters, in which petitions signed by at least 5 percent of voters who voted in the last gubernatorial general election in each municipality must be filed with the county board of elections.

The municipalities may be in two different counties but must be contiguous.

** Reserve Funds Proposed for Allegheny County -- Passed by the Senate was a bill (SB 820) that would allow Allegheny County to establish an operating reserve fund to protect taxpayers from sudden and/or unexpected downturns in the economy. Similar to the state's Rainy Day fund, the measure would permit Allegheny County to deposit excess revenues from one year to the next in a special account to reduce or eliminate the need for tax increases during recessionary periods. The bill now awaits Senate action on concurrence in House amendments.

*** Register of Wills Fees -- Enacted was a measure (SB 845, Act 69/1993) allowing register of wills fees to be set by the individual counties rather than by state law. The law also allows the register of wills of Allegheny County to charge additional fees, with the approval of the county's president judge, to pay for computerization and document reproduction in the office of register of wills.

*** Border Dispute Ended; Tax Collection Prohibited -- The governor signed into law measures (SB 421, Act 12/1993 and HB 318, Act 7/1993) ending a border dispute between Allegheny and Westmoreland counties.

Senate Bill 421 placed into state law Allegheny County's boundaries as they appeared in official tax maps as of 1973 -- boundaries which do not include any portion of Westmoreland County.

House Bill 318 prohibits Allegheny County from trying to collect taxes on property previously taxed by Westmoreland County.

The legislation was intended to address lingering concerns of Westmoreland County citizens following an abandoned court petition by Allegheny County to acquire a parcel of land, consisting of some 250 properties, in North Huntingdon Township, Westmoreland County.

*** Third Class City Code Amended -- The governor signed into law (HB 853, Act 21/1993) legislation that amends the Third Class City Code by adding provisions for the sale of real and personal property, providing for appointments to the board of health and providing for limited pension benefits for firefighters who served full-time for 12 years.

* Masonic Temple in Scranton -- The Senate passed Senate Bill 1066, which would authorize the Pennsylvania Historical and Museum Commission to acquire the Masonic Temple for operation as a cultural center for the City of Scranton.

The measure would result in an infusion of \$8 million in state funds into the restoration and renovation of the neo-Gothic structure. Final action by the House was still pending.

** Borough Code Changes -- The Senate has unanimously approved legislation which would make several changes to the Borough Code.

House Bill 1135 would allow the adoption of property maintenance regulations and standards, authorize the formation of boards of code appeals, eliminate milk inspection provisions from the Borough Code and require voter approval for the purchase of an electric plant or company which involves incurring debt.

The measure returns to the House for concurrence.

*** Bloomsburg Taxes and Fines -- A two-bill package (SBs 184; 185) that would enable Bloomsburg, Pennsylvania's only incorporated "town," to enact special service taxes and increase fines for violations of local ordinances was signed into law. Senate Bill 184 (Act 63/1994) would allow Bloomsburg to enact a special

service tax of up to five mills each for police services, solid waste disposal and liability insurance with the caveat that general purpose real estate taxes must be reduced by an equal amount. Senate Bill 185 (Act 64/1994) would permit Bloomsburg to boost fines and penalties to up to \$1,000 for violations of public safety and property maintenance codes and up to \$600 for other ordinance violations.

*** Notice of Public Hearings Posted --House Bill 1760

(Act 38/1994) was signed into law by the governor following Senate passage (46-0). The law requires municipalities to post notice of public hearings on proposed zoning map changes throughout the area where the changes are proposed.

*** Nonprofit Property Purchases -- Nonprofit agencies could purchase real and personal property from third class cities without going through a bidding process under House Bill 194

(Act 55/1994).

Nonprofit agencies affected by House Bill 194 would include home rule municipalities, housing authorities, urban redevelopment authorities, parking authorities and port authorities.

The law also permits the demotion, without cause, of fire chiefs and deputy fire chiefs of third class cities. They can not be demoted to a rank lower than their original designation.

*** Early Retirement Incentives for County Employees --Counties could offer special early retirement incentives to their employees under House Bill 358 (Act 71/1994).

The incentives would be available to employees who are at least 55 years old with 10 years of service, and to any employee with at least 30 years of service. The legislation prohibits more than one early retirement window within a five-year period.

VETERANS AFFAIRS & EMERGENCY PREPAREDNESS

*** POW/MIA Flag -- Unanimously approved was legislation (HB 1827, Act 5/1994) authorizing the governor to permit the display of the official POW/MIA flag from the flagpoles of any public building or ground in the commonwealth.

*** Southwest PA Veterans Home -- Legislation (HB 2235) signed into law as Act 6/1994 accepts the federal government's donation of 10.5 acres of property in Pittsburgh for the location of Pennsylvania's fifth state veterans home.

The site, in the East Liberty section, is adjacent to the Highland Drive Veterans Medical Center off Washington Boulevard.

Once complete, the new Southwestern Pennsylvania State Veterans Home will contain approximately 225 nursing care beds and 10 domiciliary care beds. The facility is expected to employ approximately 290 staff members.

The Legislature previously approved \$8.9 million in state capital budget funds to help pay for the new \$26 million facility. The federal government is expected to pay the remainder.

*** Vietnam Veterans Health Unit Extended-- With no dissenting votes, the House and Senate passed Senate Bill 1018, which extends the operations of the Vietnam Veterans Health Initiative Commission to June 30, 1996.

The Commission serves as an advisory board to the Department of Health, studying and disseminating information related to health issues affecting Pennsylvania's Vietnam War veterans. The bill was signed into law as Act 43/1993.

*** Timber and Mineral Rights Opened on Military Land --Legislation (HB 2066) signed as Act 47/1994 will allow the state Armory Board to sell or lease timber and mineral rights at Fort Indiantown Gap, state armories or other military lands or facilities.

Proceeds from the transactions will be paid into the State Treasury Armory Fund and there will be no cost to the Department of Military Affairs.

*** Veterans Commission Expanded-- Legislation (HB 163), signed into law as Act 36/1993, expands the membership of the State Veteran's Commission to include a representative of the Vietnam Veterans of America, Inc. and the American Ex-Prisoners of War.

The State Adjutants of the American Legion, Veterans of Foreign Wars and Disabled American Veterans will serve as non-voting members.

LAW & JUSTICE

*** Special Occasion Liquor Permits-- Legislation (HB 1281) signed into law as Act 61/1993 extends the special occasion permit provisions of the Liquor Code to include nationally chartered veteran's organizations, fraternal benefit societies and their affiliated lodges or subdivisions.

The bill also lets the Liquor Control Board or its counsel, upon written request, issue legal opinions to licensees which would be binding on the Bureau of Liquor Control of the State Police.

*** More Changes to Liquor Code -- Legislation (SB 1011), signed into law as Act 30/1994, contains various changes to LCB operations. The bill extends the exemption from local licensing quotas to units of nonprofit nationally chartered clubs such as American Legion and Veterans of Foreign Wars. Exemptions are already on the books for hotels, golf courses and airport restaurants.

Other provisions of the bill:

- create a Director of Consumer Relations to manage the existing Bureau of Consumer Relations;
- provide for multiple year licensing periods;
- authorize the LCB to approve the transfer of a restaurant license to a nonprofit corporation operating a theater in a borough;
- allow the issuance of Special Occasion Permits to nonprofit agricultural associations in existence for at least ten years;
- allow the issuance of one Seasonal Outdoor Cafe License in Philadelphia;
- allow the issuance of a club liquor or a club catering license to privately owned golf courses;
- remove the prohibition limiting the display of the trade name of a manufacturer, distributor or importing distributor;
- let licensees display more than one sign per manufacturer;
- establish additional fines and penalties for speakeasies;
- allow the issuance of Special Wine Permits; and,
- require notification of the Appropriations' Chairmen when funds are transferred from the State Stores Fund.

* Back to One Year LCB License -- Passing the Senate without opposition was Senate Bill 1444, a bill to return liquor license and permit fees to an annual process.

Liquor license fees, and more recently permit fees, were made biennial on the argument the every two year renewal would save time and money. The LCB now supports a return to the original process of annual renewal.

The bill was referred to the House Liquor Control Committee.

** LCB Police Powers -- House Bill 553 would strengthen the role of liquor enforcement officers by giving them police powers to make arrests for numerous violations of the Crimes Code in addition to their Liquor Code powers.

The bill, which passed the Senate unanimously, would also allow, but not require, manufacturers of malt or brewed beverages (beer) to display alcohol content on the label as a percentage of volume.

A Senate amendment would also authorize a local option vote in dry municipalities to grant a club liquor license or club beer license to national veterans' organizations which have been incorporated at least ten years.

The bill was returned to the House for concurrence in Senate amendments.

*** Secondary Service Areas and Wine Auctions -- Legislation (HB 2467), signed into law as Act 61 of 1994, provides for secondary service areas for LCB licensed establishments. The service areas will not be required to be in the same municipality as the original licensed premises but still must be located on land that is immediate, abutting, adjacent or contiguous to the same.

House Bill 2467 also provides for a special "wine auction" permit to be issued to public television stations, orchestras and museums located in first and second class counties and operated by nonprofit corporations. The four-day permit may only be used for fund raisers.

The bill also clarifies that an established liquor licensee may remain open from 2 to 7 a.m. for the purpose of serving food.

* Philadelphia Nuisance Bars -- Passed (50-0) by the Senate, but awaiting House action on Senate amendments, was legislation (HB 103) granting the LCB new authority to refuse application for new licenses or transfers of licenses in Philadelphia.

The provision was aimed at the problem of nuisance bars.

Among other provisions, the legislation would permit liquor licensees to dispose of liquor containers through municipal recycling programs. Currently, licensees are required to break empty liquor containers. The bill also clarifies that take-out beer must be purchased before 2 a.m. and removed from the premises by 2:30 a.m.

CONSUMER PROTECTION & PROFESSIONAL LICENSURE

*** Plain Language Contracts -- Concluding a 10 year effort, both the House and Senate have taken final action on a measure (HB 110, Act 29/1993) requiring certain consumer contracts to be written in plain, easily understood language. The new law was aimed primarily at contracts written for personal, family and household purposes. Many areas are exempted, including deeds and mortgages, marital agreements, insurance policies and bank documents already regulated.

*** "Caller ID" -- Enacted was a measure (SB 860, Act 83/1993) granting telephone companies the legal authority to offer "Caller ID" services to Pennsylvania customers who wish to identify the telephone number of incoming calls.

To protect privacy interests of the caller, which had previously stalled implementation of the new service, telephone companies must offer free blocking, on a per-call basis, to anyone who doesn't want their telephone number revealed to people with the Caller ID device.

Customers who wish blanket blockage of the disclosure of their telephone number when making a call will be able to receive such blocking free of charge if they notify the utility within 60 days of the service's availability. Such blocking will always be offered free of charge to domestic violence shelters and other related social services agencies.

In order to protect the privacy concerns of the receiving party, the PUC must permit a new service known as "anonymous call rejection" which allows a customer with Caller ID to block any incoming calls from people who withhold their telephone numbers.

The cost of this service will be subject to PUC review and approval.

*** PUC Pay Raise -- Passing both houses was House Bill 958, which provides the first salary increase in many years for members of the Public Utility Commission. The commissioners' salaries are now the same as the Secretary of Commerce, currently \$76,000. The chairman receives an additional \$2,500 per year. The bill was signed into law as Act 30/1993.

*** Tenant Protection -- Legislation to protect tenants from termination of utility service was signed into law as Act 54/1993.

House Bill 678 requires at least 37 days notice to tenants before termination of utility service of landlord ratepayers. Landlords are required to furnish tenant lists to utilities within seven days of such a request.

* Dating Service Contracts -- Passed (46-0) by the Senate

was a bill (SB 448) to protect consumers who enter into contracts with dating services. Among its provisions, the legislation would require that dating service contracts specify fees, the number of introductions or referrals a purchaser will receive, and the distance a purchaser is willing to travel to meet a referral. Purchasers would have three business days to cancel a signed contract. The measure also provides for refunds for canceled contracts and for contract services not performed.

* Racial Restraints' Ban -- The Senate unanimously approved legislation (SB 1051) which would prohibit racially-based restraints being placed upon deeds or other instruments in writing for conveying or releasing land.

The bill is in the House Judiciary Committee.

*** Cemetery Care -- Enacted was legislation (SB 1099, Act 71/1993) that would increase required cemetery company deposits for permanent care of cemetery lots. Initial deposits for permanent lot care are increased from \$25,000 to \$50,000. Additional periodic deposits are also required.

*** Chiropractic Students Protected -- The Senate unanimously approved House Bill 1416, which lets students take the Chiropractic Licensing Examination if they had been studying at a college prior to the college losing its recognition by the U.S. Department of Education. Students must graduate by December 31, 1996 to be eligible.

The bill was signed into law as Act 63/1993.

*** Commissioner to Issue Subpoenas-- The Senate unanimously approved a measure (HB 27) which authorizes the Commissioner of Professional and Occupational Affairs, in consultation with the licensing boards and commissions, to issue subpoenas and appoint hearing examiners.

The bill was signed into law as Act 48/1993.

*** Respiratory Care Regulations-- Respiratory care practitioners will be regulated under House Bill 1009, which was signed into law as Act 59/1993.

The bill defines respiratory practice and requires anyone wishing to practice this vocation to have a temporary permit or certificate from the State Board of Osteopathic Medicine within 18 months.

*** Unprofessional Conduct Targeted -- Immoral or unprofessional conduct may now be grounds for suspension or revocation of nursing licenses under House Bill 1303, which was signed as Act 35/1994.

Previously, there was no mechanism for suspension or revocation of nursing licenses for unprofessional conduct by registered nurses, although there was such a provision for licensed practical nurses.

* Vacant Land Sales -- A bill (SB 1248) to ease the procedures for the sale of vacant and unimproved public lands was passed unanimously by the Senate.

Among its provisions, the measure would make the Pennsylvania Historical and Museum Commission responsible for keeping records on public lands and conveyances.

The bill provides that vacant, unappropriated public lands be appraised by a three-member board of appraisers, whose fees would be negotiated with the commission. Currently, a restrictive fee of \$25 for members of the board of appraisers has made it difficult to attract professionals to the job.

The bill also provides a three-month period in which the purchaser of vacant land must pay for the land and submit all relevant documents. If the purchase is not consummated within that time, the land would go up for sale again.

The bill was sent to the House Conservation Committee.

* Landscape Architects -- The Senate unanimously passed a bill (SB 1400) which would require landscape architects to successfully complete at least 30 hours of continuing education biennially.

The bill would establish a five member "Professional Development Review Committee," appointed by the State Board of Landscape Architects for two year terms, to administer the program.

The bill was sent to the House Professional Licensure Committee.

STATE GOVERNMENT

*** Pension COLA for Retired State & School Employees -- Following a full year of debate on provisions of the proposal, the Legislature finally approved a measure (SB 974, Act 29/1994) granting a pension cost-of-living adjustment to retired state and school employees.

Final enactment of the measure had been repeatedly delayed by Senate Republican refusal to provide an equity formula for the reimbursement of school districts for the state's share of school employee retirement benefits.

The final bill contained an equity provision, stipulating that poorer school districts receive a larger reimbursement above the previous 50 percent share paid by the state. However, the final compromise also stipulated that wealthier districts not be reimbursed any less than 50 percent of their employee retirement benefit costs.

Under the law, former state and school employees who retired prior to June 30, 1989, were to receive a 7.9 percent pension cost-of-living adjustment, with smaller increases for more recent retirees. The measure also provided an additional two-tier longevity supplement for older retirees, those who retired before June 30, 1969, and those who retired between July 1, 1969 and July 1, 1984.

Other features provided for "prudent person" investments by the state and school employees' retirement systems and re-enacted provisions permitting school and state employees who have at least 30 years service to retire without a reduction of benefits and regardless of age.

The new law also expanded health insurance coverage for retired school employees, allowing coverage assistance to persons who retired at the age of 62 or older with at least 15 years service. Previously, a retiree needed 24.5 years of service to be eligible for similar coverage.

The law also retroactively changed the beginning date of the previous "Mellow Window" early retirement incentive for school employees from July 1, 1992 back to May 15, 1992.

*** More Sunshine at Public Meetings -- Legislation (HB 65) which assures public participation at local government meetings was signed into law as Act 20 of 1993.

The new law requires local governments and school boards to provide a reasonable opportunity for public comment at each advertised regular or special meeting.

*** Pennsylvania Horse Racing on Track -- Legislation enabling the Pennsylvania race horse industry to better compete with neighboring states was signed into law as Act 18/1993.

Senate Bill 507 permits "full card" simulcasting from out-of-state tracks to Pennsylvania tracks and off-track betting parlors. The law also protects live racing in Pennsylvania by requiring eight live races per race date and does not increase the number of gambling outlets within the commonwealth.

* Election Code Amendments -- Passing the Senate (48-0) was a bill (SB 606) changing the election code to give political candidates the same rights and privileges as poll watchers on election day. The bill would also authorize overnight mail or facsimiles for notification of contributions over \$500 after the final pre-election report has been filed. Nomination petitions would also have the circulator's affidavit printed on each sheet instead of attached.

The bill is in the House State Government Committee.

*** Grave Site Preservation -- Historical burial places are protected by legislation (HB 290) enacted as Act 22/1994.

The measure defines a "historical burial place" as a cemetery which has been in use for more than 100 years, yet has had no burials for at least 50 years and will continue to have no burials, or is listed in or eligible for the national register of historic places.

The new law makes it a second degree misdemeanor to deface, destroy or mutilate a gravestone, monument or tomb in a historical burial place, or to attempt to sell or possess any such monument or gravestone with the knowledge it has been removed from such a burial place.

Also, municipalities are prohibited from condemning burial places for any other use and from condemning for any use without approval of the Pennsylvania Historical and Museum Commission.

In the event gravestones, monuments or tombs are legally removed, records shall be kept and transmitted to the recorder of deeds and the Historical and Museum Commission.

* Alternate Security for Performance Contracts -- Passed (47-0) by the Senate and sent to the House was a bill (SB 1482) to provide alternate security for performance on contracts.

In addition to a bond, bidders could provide the following alternate forms of security: an assignment of time certificates of deposit at state-licensed banks; securities of or guaranteed by the United States of America, the state of Pennsylvania and its political subdivisions; or an irrevocable letter of credit from a financial institution licensed to do business in Pennsylvania.

If alternate security is accepted, the bidder is entitled to the interest and income accrued. The security would be returned to the bidder in its entirety within 60 days after performance.

The bill is in the House State Government Committee.

* Philadelphia Land Transfer -- Passing the Senate unanimously was a non-typical land transfer bill affecting the City of Philadelphia.

Senate Bill 1639 grants riparian rights and the lease of certain lands to the city. The bill would authorize the Department of General Services, with the approval of the Department of Environmental Resources, to grant riparian rights (land underneath the water) within the bed of the Delaware River.

The lease would be for 99 years and the terms of the lease would allow the city to sublease these sites for the purpose of development for residential, commercial, office, condominium, hotel, marina and other uses subject to certain conditions specified in the legislation.

All lease revenues generated would be divided equally between the city and the commonwealth.

The bill went to the House State Government Committee on June 6, 1994.

URBAN AFFAIRS & HOUSING

* Philadelphia Fines -- The Senate unanimously approved legislation which would raise the maximum dollar amount of fines and penalties imposed for violation of ordinances, rules and regulations in Philadelphia.

Senate Bill 607 would raise the maximum amount (set in 1949) from \$300 to \$1,800.

The bill is in the House Urban Affairs Committee.

AGING & YOUTH

*** Support for Child Education Expenses -- Enacted was a bill (HB 1340, Act 62/1993) granting courts the power to order divorced or separated parents to pay post-secondary education expenses of their children.

Act 62/1993 would apply to children between the ages of 18 and 23 who attend college or pursue other post-secondary education. In deciding whether to order support for educational expenses, courts are to consider the financial resources of both parents and the child; available scholarships; the ability, willingness and desire of the child and other factors.

The legislation was prompted by a Pennsylvania Supreme Court ruling in *Blue v. Blue* which found that divorced or separated parents were not required to provide support for their children's college education.

The law also contains additional features cracking down on persons who continually fail to make child support payments. The measure permits the denial or suspension of professional or trade licenses of individuals who are more than three months late in making support payments. County domestic relations offices would be required to file reports with consumer credit bureaus on individuals who owe more than \$1,000 in child support.

INTERGOVERNMENTAL AFFAIRS

*** Volunteerism Encouraged through "PennServe" -- The governor signed into law (SB 474, Act 19/1993) legislation which makes the state's "PennServe" community service program a permanent fixture. PennServe encourages volunteerism on the part of citizens, especially young people.

Act 19 of 1993 established the Governor's Office of Citizen Service within the state Department of Labor and Industry, created a Community Service Advisory Board to assist in the development of citizen service policy and was designed to promote an expansion of community service programs and initiatives.

Among its provisions, the PennServe law also provided for the development of a plan to enable college students to obtain tuition reimbursement and/or academic course credits for community service. It also sought to encourage community service as a key component of sentencing for non-violent youthful offenders and was intended to assist in the movement of individuals caught in the web of welfare dependency to independence and productive lives.

*** Children's Trust Fund -- Signed by the governor was a bill (SB 300, Act 13/1994) expanding the ability of the state's Children's Trust Fund to qualify for additional federal dollars and private contributions.

The legislation provided for the formation of a nonprofit subsidiary corporation of the trust fund as a conduit to receive dollars from new sources.

The Children's Trust Fund, which receives its primary funding from fees on marriage licenses and divorce filings, provides grants for community-based programs aimed at protecting children from abuse and neglect.

*** Interstate Commission on the Potomac River -- Signed into law was a bill (SB 333, Act 40/1994) intended to enhance Pennsylvania's representation on the Interstate Commission on the Potomac River Basin. In addition to designating the secretary of the Department of Environmental Resources as a member, the measure requires the appointment of a member of the public "knowledgeable in matters of water pollution."

COMMUNITY & ECONOMIC DEVELOPMENT

*** Economic Activity Financing -- Signed into law (Act 74/1993) was a 56-page measure (SB 1126) expanding the scope of the Pennsylvania Economic Development Financing Authority (PEDFA) law.

Instead of being limited to industrial bond projects or special projects such as airports, the new law expands eligibility for PEDFA financing to include a wide-range of job-producing retail, commercial and community projects.

It also enables PEDFA funds to be used for working capital and expands the finance options available through PEDFA to include loans, stand-by loan commitments, guarantees, letters of credit and grants.

First created in 1987, PEDFA was established to pool economic development projects statewide into a single, cost-saving bond issue.

*** Site Development Act Extended -- Signed into law was legislation (HB 1548, Act 40/1993) extending the sunset provision in the Site Development Act, granting the authority to approve grants through June 30, 1996.

GAME & FISHERIES

*** Junior Hunting Licenses -- The governor signed into law legislation (HB 887, Act 23/1993) which permits any youth who will be 12 years old during the calendar year to purchase a junior hunting or furtaker license as long as all other requirements of the Game and Wildlife Code have been met.

*** Disabled Persons Permitted to Hunt with Crossbow -- The governor has signed legislation (HB 718, Act 37/1993) which gives disabled persons the previously denied opportunity to hunt with a crossbow. The measure also restricts the use of spotlights or lights of any kind on livestock, private property or game which is in season at the time. It authorized the Game Commission to issue up to 200 complimentary nonresident licenses in a given year and permit an increase in dog trial fees to \$25 per day with a new category for retrievers.

*** Limited Sunday Hunting -- Signed into law by the governor was a bill (HB 2638, Act 53/1994) which allows Sunday hunting for coyotes, and Sunday hunting on certain non-commercial regulated hunting grounds where the landowner holds a valid permit. A regulated hunting ground must cover at least 100 acres.

* Wildlife Propagation-- Passed by the Senate was a bill (SB 1067) that would designate all monies received by the state Game Commission from the sale of oil, gas, minerals or right-of-way easements on land under its control to a special fund to be used for game and wildlife propagation and habitat improvement. House action is still pending.

*** Pymatuning Lake Motorboats-- Signed into law (Act 82/1993) was legislation (SB 570) which modifies regulations for motorboats operated on Pymatuning Lake. Under Senate Bill 570, a boat with a motor of less than 10 horsepower can operate on Pymatuning Lake while at the same time having an additional motor in excess of 10 horsepower -- as long as the more powerful motor is not used. The state of Ohio must also enact an identical law amending the interstate compact.

* Motor Boat Titles-- Unanimously passed by the Senate was legislation which would require the issuance of certificates of title for motorboats.

Senate Bill 800 would require the Fish and Boat Commission to issue titles for all new motor boats as a condition of registration. Current motorboat owners would have the option of obtaining a title at any time. The bill is now in the House Game and Fisheries Committee.

** Gill Net Prohibition -- Returned to the House for concurrence in Senate amendments was a bill (HB 490) that would prohibit the use of gill nets in Pennsylvania's boundary lakes after January 1, 1995. The measure also would establish a buy-out for commercial fishermen who currently use gill nets. The amount of payment would be based upon the average of a licensee's two highest years of catches taken with gill nets over the years 1990, 1991 and 1992.

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