

## Senate of Pennsylvania

### SENATE DEMOCRATIC WRAP-UP FOR THE 1977- 1978 LEGISLATIVE SESSION

A year ago anyone looking at the legislative record of the General Assembly could have summed it up in a word: Budget

The 1977 budget fight so consumed the time, attention, energies and patience of the state lawmakers that precious little else was accomplished.

But that was a year ago.

Today you look at the record and you are persuaded of the wisdom of biennial legislating.

Items that had to be deferred in 1977 were at least in a position to be considered in 1978 without starting from scratch.

Putting a value judgment on the work product of the 1977-78 session is a responsibility better left to others. The agenda, particularly these last 12 months, was considerable.

Here we try to review it in capsule form.

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## BUDGET AND EDUCATION

**State Budget For Fiscal Year 1977-78** (SB 782 levied the 4.5 percent gross receipts tax on out-of-state utilities signed by the governor December 21, 1977; H 247 increased personal and corporate taxes signed by the governor December 21, 1977; H 1349 signed by the governor August 20, 1977.)

The legislature resolved a bitter 10-month budget impasse in mid- December of 1977. It was, perhaps, one of the most intensely contested budget fights in state history. It started in February and didn't end until shortly before Christmas.

When the governor submitted his fiscal request in February 1977, he asked for general fund expenditures of about \$5.4 billion. The Legislature finally approved \$5.3 billion, after months of bruising in-fighting.

The revenue-raising package included restoring the state income tax from 2.0 to 2.2 percent and the corporate net income (CNI) tax from 9.5 to 10.5 percent, their 1973 levels. The state also levied a gross receipts tax on power produced in Pennsylvania but used in other states. The fiscal package included a "self-destruct" clause--increases in the state income and corporate net income taxes will be automatically repealed effective January 1, 1980, unless re-enacted by the General Assembly.

The budget also included prepayment reform for Pennsylvania corporations.

Currently, corporations pay 90 percent of their CNI in advance.

The legislation that increased the personal income and corporate net income taxes included a provision to phase out the prepayment requirement over the next five years. The prepayment reform however, was included in the provision destined to expire in January 1980 unless re-enacted.

**State Budget For Fiscal Year 1978-79** - The state budget for 1978-79 was resolved in June when the Senate and House overrode the governor's veto of some \$72 million in the proposed spending plan for 1978-79. The vote restored appropriations the governor had cut from a \$5.4 billion general fund budget. Expenditures removed by the governor and restored by the Legislature included \$50 million in public school subsidies. Also restored in the budget was about \$22 million in local programs for the blind, drug and alcohol treatment, water and sewer construction, gypsy moth spraying and other projects.

Both chambers overrode a veto of the \$25 million to reimburse counties for court costs earlier in the year.

The governor approved nearly \$300 million in assistance for state-related and private colleges and institutions. The largest of the non-preferred appropriations was \$111.9 million for Pennsylvania State University. Temple received \$71.3 million and the University of Pittsburgh \$63.1 million. The Legislature approved another major budget bill (S 1471) which appropriated \$834.5 million from the Motor License Fund.

Highway maintenance and repair was allocated \$388 million, debt amortization received \$168.5 million and no new money was appropriated for new projects. The remaining appropriated monies go to municipal governments for road and street work, and the Pennsylvania State Police.

The state budget for fiscal year 1978-79 calls for a 7.8 percent increase in spending, but no increased taxes.

**Increased School Subsidies** (H 67 signed by the governor Aug. 24, 1977)

The measure revised the school subsidy formula, and for the 1977-78 school year, it provided an

additional \$100 million in school reimbursements and a \$150 million increase for the 1978-79 school year. It changed the process used to determine school subsidies in two important areas:

1. including for the first time the earned income of a school district's residents;
2. and, allowing increased subsidies to districts making an improved effort to raise education revenues through a local tax effort.

**Wage Garnishing To Collect Delinquent College Loans** (H 1655 signed by the governor Dec. 21, 1977)

The law permits the Pennsylvania Higher Education Assistance Agency to attach wages of persons in default on loans made to attend college.

**State Employees & PHEAA Loans** (H 2181 approved by the governor Nov. 26, 1978)

This legislation is intended to assure repayment of school loans received by state workers. The measure stipulates that any person who has received a loan from the Pennsylvania Higher Education Assistance Agency must agree to repay the loan as condition of employment. Any state employee who defaults more than once on a school loan would be dismissed.

## GOVERNMENT REFORM

**Elected Attorney General** (H 84 passed session of 1976 and 1977 and approved by the electorate May 16, 1978)

When the referendum was approved on the May primary ballot, it authorized the direct popular election of the state's attorney general beginning in 1980. Previously, the office was filled by executive appointment and subject to Senate confirmation as a member of the governor's cabinet.

Once the vote was certified, the appointive cabinet officer of the attorney general was terminated. To fill the position until the first election of attorney general, legislation was enacted providing for an interim appointment by both the incumbent governor and his successor. A bipartisan, legislative task force then developed legislation outlining the powers and duties of the elected post.

The constitutional amendment requires the election of attorney general in conjunction with the state treasurer and auditor general, the two other independently elected officials aside from the governor.

**Duties and Powers of the Elected Attorney General** (S 1595 in Senate committee)

The legislation, which is the work of a special Joint State Government Commission Task Force, would establish the powers and duties of the soon to be elected, rather than appointed attorney general. The following three general concepts served as the inherent framework for the legislation:

1. Legislation enacted by the General Assembly is the exclusive source of the powers and duties of the elected attorney general.
2. Each of the present statutorily-created duties of the Department of Justice should be assigned to the elected attorney general or transferred to another administrative office in the executive branch.
3. The elected attorney general must serve as the independent chief law-enforcement officer with the appropriate checks and balances between a vigorous statewide chief law-enforcement officers and the county-elected district attorneys.

The bill died. It will have to be re-introduced in 1979.

**Budget Reform** (S 645 approved by the governor Sept. 27, 1978)

The proposal outlined in this bill is the result of a Pennsylvania Economy League study of the state's budgeting system. The legislation is aimed at clarifying the rights and duties of the

executive and legislative branches, and to guarantee that each branch is capable of an independent and thorough analysis of the state's fiscal policy. Major features of the bill include a more rigid time schedule for preparation and passage of the budget; requirements for program auditing and providing more complete program measures with financial information; fiscal notes to accompany regulatory and administrative policy changes; guarantees of necessary information being made available to the General Assembly; codification of existing statute, case law and tradition into a budget for the first time; and, improved revenue forecasting techniques made open to legislative oversight.

The bill would put into statute for the first time the procedures and requirements for the revenue estimates of the state.

The bill is written so the final estimate of the governor still is the official estimate. This is done to protect the constitutional requirements for a balanced budget in Pennsylvania. It would require that all funding sources be included in the revenue estimate and that all data used to develop the forecasts be supplied to the majority and minority appropriations committees of the House and the Senate.

#### **Phase-Out 18 Non-Preferred Appropriations (S 1550 in Senate committee)**

This bill would phase out, at an annual rate of 25 percent each year, state appropriations to 18 different private colleges across the state. The state aid to the private institutions, ranging from colleges to trade schools, would be reduced until the aid was terminated in fiscal 1984-85. The proposal would not affect the state-owned colleges and the state-related universities, Penn State, Pitt and Temple.

The bill died.

#### **Zero Based Budgeting (S 1055 in Senate committee)**

Under the budgeting procedures proposed in the legislation, each agency would have to supply a description of all objectives and justification for each dollar requested in its budget. Current practice generally focuses the justification on the increase a department requests from one year to the next.

In addition to zero-based budgeting, the bill calls for a joint review by the standing committees of the Senate and House of budget requests submitted by departments which fall into their legislative jurisdiction. Currently, only the appropriations committees of both chambers formally review and act on the governor's annual budget request before it reaches the floor.

The bill also would require each appropriation to various departments and agencies to be submitted and considered separately rather than lumped together in a single appropriation bill. This bill also died.

#### **Change In Senate Confirmation Process (S 1295 in Senate committee)**

Gubernatorial appointees to six state regulatory agencies and vacancies in the offices of the state's two fiscal officers are now confirmed with a 34-vote majority (or two-thirds) of the 50-member Senate. This legislation would reduce the number of votes necessary for a gubernatorial confirmation from a two-thirds to a simple majority or 26 votes. The positions affected include membership on the Milk Marketing Board, Fish Commission, Game Commission, Liquor Control Board, Public Utility Commission and the Turnpike Commission, and nominees for vacancies in the offices of auditor general and state treasurer.

The bill died.

#### **Conflict of Interest (H 198 approved by the governor Oct. 4, 1978)**

The original draft of this ethics bill was aimed at preventing some borough employees from engaging in conflict-of-interest activities. After massive revision, the legislation that became law is intended to impede conflict of interest among state or local, appointed or elected officials, public employees

in decision-making positions and candidates for public office.

Persons covered by the law will be required to file annual reports beginning in January 1979 that list every source, but not the amount of income exceeding \$500 a year for themselves, their spouses and children. Gifts exceeding \$200 in value and debts of more than \$5,000, excluding mortgages, also must be reported. The disclosure reports are subject to public inspection.

Under the new law, public officials and employees would be prohibited from using confidential information gained through their public employment for financial gains.

A seven-member Ethics Commission to enforce the provisions of the new law is to be appointed by legislative leadership and the governor. The money to establish the new office has not been appropriated as of this writing.

Opponents of the new state ethics law claim it was drafted hastily and puts up a roadblock to public service--especially for those who serve without pay. Supporters of the code contend the intent is good because it allows the people to know when there might be a conflict of interest between the personal finances of a public official or employee and how that person carries out the duties of his or her office.

#### **Sunset (H 1989 passed House in Senate committee)**

Several sunset proposals aimed at institutionalizing legislative oversight were introduced during the two-year session.

**House Bill 1989** embodies the recommendation of a Senate subcommittee charged with the study of several sunset proposals. Sunset bills outline procedure to systematically examine the linkage between legislative intent, government spending and program performance.

The House-passed version of this bill targeted 78 boards and commissions for expiration within four years unless justifiably reinstated by the Legislature. Under amendments adopted by a

Senate committee, the termination schedule was narrowed to review 22 licensing boards destined for expiration over a period of two years. These amendments, drafted by the Senate subcommittee, were aimed at making the review process more manageable.

The bill died.

#### **Oversight Committee (S 315 in Senate committee)**

This would establish a 10-member oversight committee to supervise the General Assembly's effort to curb a growing state bureaucracy and arbitrary government regulation. Under the proposal, when regulations are proposed by state agencies -- except the Fish and Game Commissions -- they would have to be filed with the committee 120 days before taking effect. The panel would have 60 days to recommend, approve, reject or modify the regulations.

The panel also would be empowered to expedite the treatment of emergency regulations. Current law requires proposed regulations to be published in the Pennsylvania Bulletin 30 days before the effective date.

The bill died. **Public Financing of Elections (S 548 in Senate committee)**

The bill would establish a system of public financing for statewide and legislative elections in Pennsylvania. It would establish a seven-member Fair Political Practices Commission to enforce the administer the act; set limitations on expenditures for statewide office and legislative office; limit the use of a candidate's personal funds; provide for matching public and private funds in primary and general elections; provide for voluntary check off on state income tax payments; require public disclosure of campaign receipts, expenditures,

contributions and contributors before and after elections; and, contributions greater than \$20 would have to be made in a form other than cash.

**Election Reform (H 404 approved by the governor Oct. 4, 1978)**

A strengthened campaign-finance law emerged from a much-amended product encompassing years of differing proposals to tighten Pennsylvania's ineffective election code.

Currently, the state's election law does not specify enforcement provisions, does not require pre election reports, does not require detailed identification of contributors and there is no central location to file reports.

The new law addresses these deficiencies by requiring the filing of election reports before and after election day. The financial reports must include names and addresses; and if a contributor donates \$250 or more, the occupation of the contributor also must be identified. The law forbids anonymous contributions and election bureaus must keep the financial reports for five years instead of two years as now required. All candidates must file reports at their county courthouses and also with the secretary of the commonwealth. The law also forbids cast contributions exceeding \$100. Under existing law, there is no limit on cash contributions.

The new law takes effect in January.

**New Senate Ethics Committee (SR 68 adopted by Senate March 6, 1978)**

The Senate established a standing committee on ethics when it approved **Senate Resolution 68**. The six-member bipartisan committee is empowered to investigate, either on formal complaint or its own initiative, allegations of unethical or illegal conduct on the part of a senator, or potential violations involving the use of Senate funds.

**Ethics Resolutions (SR III Senate adopted June 26, 1978)**

(SR 115 Senate adopted Sept. 26, 1978)

In an ethics matter, the Senate approved a resolution which would withhold any pension benefits due former Sen. Henry C. Cianfrani pending recovery of some \$30,200 in defrauded funds.

The measure attempts to recover state money improperly paid two employees in the Cianfrani case by permitting the state to pursue all options to recover damages permissible under federal law.

In another ethics matter, the Senate adopted a resolution dictating action in the event a Senate member is indicted or convicted by laying a foundation for disciplinary action.

The resolution provides that any member convicted of a crime is to be immediately subjected to an expulsion resolution introduced by the chairman and vice chairman of the Senate Ethics Committee.

If indicted, the member would be required to step down from his leadership position, committee chairmanship or ranking minority membership if the allegation were related directly to his conduct in that capacity.

The member could, however, retain his position as a rank-and file member of the standing committee he is assigned to and would retain his privilege as a voting member of the Senate.

Should the indictment be quashed, or an innocent verdict returned, the member who stood accused would have his full leadership or committee privileges restored retroactively.

**Pensions Denied to Convicted State Employees (S 578 became law without the governor's signature**

July 8, 1978)

The new law denies tax-paid pension benefits to public employees convicted of crimes relating to their duties in government service. Elected and appointed public officials, and public employees at all levels of government are covered under the recently-passed law. If a public official or employee is convicted of or pleads guilty or no defense to misconduct in office, he will be denied his pension and be reimbursed only for his contributions into the fund, minus interest. The courts are required to order restitution for any monetary loss to the state or political subdivision.

The bill was made retroactive to Dec. 1, 1972, a provision some contend is unconstitutional.

**Senatorial Scholarships** (SR 96 adopted September 25, 1978)

This resolution abolished the senatorial scholarship program and meant that no more scholarships will be awarded and existing ones will expire in September 1979. The program had been in effect for 97 years and was a source of scholarship assistance to students attending Penn State, Temple, Pennsylvania, Pittsburgh and Lincoln universities.

**Pay Raise Vote** (H 406 House non-concurred in Senate amendments Nov. 15, 1978)

This bill would have required the General Assembly to vote on the salary and expense-related recommendations issued by the Commonwealth Compensation Commission. The three -member commission studies and recommends the salaries and expense-related compensation for the executive, judicial and legislative branches of state government.

Presently, the commission's recommendations go into effect automatically if the legislature fails, by a joint vote, to act on them within 30 days. As cleared by the House, the bill would have required the legislature to vote within 15 days on the report.

Under a Senate amendment, if members of one house voted to adopt the commission recommendations, and members of the other chamber voted to reject, only the former would receive the raise. This amendment did not apply to the recommendations concerning the executive and judicial branches.

The bill died without a conference committee report.

**Gubernatorial Candidate and Running Mate** (S 1480 in Senate committee May 23, 1978)

The measure would require the gubernatorial and lieutenant gubernatorial candidates of both political parties to be nominated jointly in state primary elections. Currently, candidates for governor and lieutenant governor are selected individually in the spring primary election. Under the bill, each candidate for governor would designate a running mate for lieutenant governor and run as a team in the primary. In effect, the voters would cast a joint primary ballot for both offices similar to the joint ballot they cast in the November general election.

The bill died.

**Liquor Board Inquiry** (SR 101 adopted June 19, 1978)

This called for an investigation of management practices of the state's Liquor Control Board.

The investigation was the result of a state Office of the Budget study which said that the LCB's profits had decreased to \$27 million in 1977 after being consistently above \$50 million annually from 1968 to 1973.

A preliminary report issued in November called for a complete revision of the state's liquor code and

recommended a freeze on hiring as the General Assembly considers corrective legislation.

In addition, further study of LCB practices should be listed as a priority item in the next session, according to the committee.

**D.C. Amendment (S 1596 defeated on final passage and reconsidered in the House Nov. 14, 1978)**

This was a joint resolution to ratify an amendment to the U. S. Constitution granting full congressional representation to the residents of the federal District of Columbia. Currently, the 700,000 residents of the District of Columbia have one, nonvoting delegate in Congress. The constitutional amendment would give it two senators and one House member. In order to amend the U. S. Constitution, 38 states must ratify the proposed change.

This can be re-introduced in 1979 for new consideration.

**Change in State Holiday's (H 163 signed by the governor Nov. 26, 1978)**

This adds Jan. 15 as a state legal holiday, to be known as Dr. Martin Luther King Jr. Day. It also would eliminate Washington and Lincoln's birthdays as separate state holidays, but designate Presidents Day to be held on Washington's Birthday.

## ENERGY

**Energy Facility Siting (S 781 passed the Senate, in House committee)**

The first measure would establish an 11-member Energy Facility Siting Interagency Commission with sole authority over the location of sites for bulk energy-producing facilities. The bill died in House Committee.

**Energy Council (H 191 House approved, Senate defeated on final passage)**

This legislation would replace the existing Governor's Energy Council with a 20-member Pennsylvania Energy Council. The new council would be grounded in statutory law, while the existing council exists under executive order only. The bill was amended extensively in the Senate to give far-ranging powers to the council. The council would be empowered to allocate fuel in emergency situations and would have subpoena power to require information from utilities.

**Energy Department (S 1196 in Senate committee)**

The legislation would create a state Department of Energy and abolish the existing Public Utility Commission. The new department would have the powers to establish and implement energy policy, in addition to far-reaching emergency powers. A new three-member Commission for Regulatory Affairs would be created within the department to replace the five-member PUC. The commission would have exclusive rate-making authority over electric, gas, steam, sewer, water telephone and telegraph utilities.

The bill remained in Senate committee.

**Energy Park Regulation (S 1222 passed the Senate in House committee)**

The legislation would regulate public utilities in the construction of energy parks (a bulk power-producing facility). A utility would be required to submit a referendum to the voters in the municipality where it intends to construct an energy park. (This does not affect allowing utilities to take options to purchase pending voter approval.) This bill died in House committee.



**Energy Construction Standards (S 583** vetoed by the governor Nov. 26, 1978

The bill would have established energy conservation regulations for most new home, commercial and industrial construction in the state.

It proposed a Building Energy Conservation Committee to help write conservation standards for new construction projects. The state would have regulated the design and construction and the selection of heating, ventilating, air conditioning, water heating, electrical distribution and lighting systems for energy-saving purposes.

The bill was vetoed by the governor.

## **AGING AND YOUTH**

**Department of Aging (S 74** governor signed June 20, 1978)

The legislation created a cabinet-level state Department on Aging.

Beginning in January 1979, the new department will coordinate the social, health and financial aid programs now provided by seven state agencies. According to the governor, Pennsylvania is the sixth state to establish a department for the aging.

**Regulating Nursing and Boarding Homes** (several proposals, none of which have become law)

Newspapers, special grand jury investigations and government committee probes frequently report on patient abuse in nursing and personal-care boarding homes. There have been several legislative attempts to strengthen the state's regulatory powers -- none of the measures became law. The proposals are designed to assure quality care for residents of nursing homes, adult, child or family care centers, maternity homes, halfway houses, establishments for ex-mental patients, the physically handicapped or others in personal-care homes.

The abuses occurring in some personal-care boarding homes have been labeled "the new national dilemma~ by journalists, lawmakers, judges and many others. Most claim the abuses started a decade ago, shortly after the U. S. Supreme Court sanctioned de-institutionalization. As state after state (including Pennsylvania) established de-institutionalization policies, the boarding industry became a growth industry.

The problem, however, is not easily resolved. Some fear big, centralized institutions as the answer; others fear that government regulation could lead to creation of another bureaucratic boondoggle, and lastly, there's an economic question tied to providing quality care. The Legislature probably will address this problem again in its next session.

**Lottery Rebate Boost (H 222** approved by the governor Nov. 22, 1978)

The legislation increased the maximum eligible income level for a senior citizens' property tax and rent rebate from \$7,500 to \$9,000 annually. The bill also increased the amount of the maximum rebate from \$200 to \$400. The rebate boost will be funded from a \$74-million surplus in the state lottery.

**Age Discriminate in Employment (S 678** in Senate committee)

This would forbid discrimination based on age if the job applicant is over the age of 40. provisions in the legislation are aimed at eliminating mandatory retirement. This would be accomplished through the provisions now in effect in the Human Relations Commission Act that prohibit discrimination against persons between the ages of 40 and 62.

Under the bill, the existing provisions would apply to all persons over the age of 40, eliminating the upper age limit. The bill died in the Senate.

**Juvenile Justice Reform (S 757 signed by the governor Aug. 3, 1977)**

The measure made a number of changes in the state's juvenile law, including a ban on housing juvenile offenders in adult prisons. The new law helped keep Pennsylvania in compliance with federal law and maintain eligibility for federal juvenile justice funds.

**Office for Children (S 589 in Senate committee)**

The measure would create an Office for Children within the Governor's Office. The bill, similar to one introduced in 1976, would coordinate and evaluate programs and regulations now spread throughout 11 different state agencies. The legislation also would establish a Child Development Coordinating Council, made up of representatives of various child care and related agencies, and a state Advisory Council, consisting of representatives of the state's departments, the General Assembly, private agencies and parents of minor children in order to receive local input.

**Lower Drinking Age (S 252, 253 passed the Senate, in House committee)**

The legislation proposed to lower the legal age for drinking or purchasing alcoholic beverages from 21 to 19 years.

The bill died in House committee.

## ENVIRONMENT

**Flood Plan Management (S 743 and 744 signed into law Oct. 4, 1978)**

After a six-year effort, legislation aimed at reducing the loss of life, property damage and unnecessary expenditure of tax dollars due to flooding, became law. Pennsylvanians have lost their lives and property in serious floods in 1977, 1975, 1972, 1936 and 1889. Many people proceeded to rebuild in flood-plain zones after each flood, but with the passage of this two-bill package, the state has taken steps to minimize future damage.

One bill (**S 743**) requires municipalities in flood-prone areas to participate in the national flood insurance program and gives them six months to comply. If necessary, the state can withhold funds from municipalities which do not comply. The new law also prohibits construction or substantial improvement of properties where human life may be endangered as determined by federal flood insurance rate maps.

The other bill provides for management of storm-water runoff.

Specifically, the legislation requires developers to ensure that no more water runs off after development as did before.

**Office of Emergency Preparedness (S 1104 approved by the governor Nov. 26, 1978)**

This created a statewide Office of Emergency Preparedness to deal with man-made or natural disasters such as floods, severe snowstorms or hurricanes. The measure revamped the Civil Defense Council. The changes in the law shift the emphasis from defense from foreign attack to relief from natural disaster. The law now defines and coordinates the powers and duties of state and local government bodies and agencies under disaster conditions. The legislation was drafted in conjunction with a federal project for reorganizing emergency preparedness, and when signed into law, it became the first of its kind in the nation.

**Dam Safety (S 1145 approved by the governor Nov. 26, 1978)**

The new law empowers the Environmental Quality Board in the Department of Environmental Resources to regulate dams and reservoirs. The legislation was designed to fill a gap in the regulation of dams and reservoirs in the state. According to the U. S. Army Corps of Engineers, more than 700 of the state's estimated 3,000 dams would constitute a danger to life and property if they were destroyed.

**Environment--Economic Impact and Regulations (H 1880 vetoed by the governor Nov. 26, 1978)**

This originally was an amendment to the state Clean streams Act requiring the state Department of Environmental Resources (DER) to provide an economic impact statement on any construction of new sewer plants and lines.

An amendment to the bill prohibited the state Environmental Quality Board from proposing or adopting any state regulations on air, water or any other environmental subject any more stringent than federal regulations.

In addition, another amendment made the bill retroactive to January 1977. This would have held up more than \$200 million in construction grants already awarded to municipalities while DER did an economic analysis which already had been made by the federal government.

**Appalachian Trail Maintenance (H 3 governor signed April 28, 1978)**

The new law authorized the Department of Environmental Resources, independent of zoning action by municipalities, to acquire rights-of-ways and easements to maintain and preserve the Appalachian Trail.

Local jurisdictions are allowed to use their zoning and planning powers under the Municipalities Planning Code to protect, preserve and enhance the trail.

**Pennsylvania Trails System (S 182, 580, 703 in Senate committee)**

The legislation would establish a scenic and recreational trails system for hikers, bicyclists, canoeists, snowmobiles and other sports enthusiasts. The proposed Pennsylvania Trails System would be maintained and administered through the Department of Environmental Resources and several other state agencies.

None of the bills passed.

## **LOCAL GOVERNMENT/TAX REFORM**

**Proposal to Shift School Costs (S 889, 890, 891 considered and re-committed to Senate committee)**

This three-bill package would have eliminated property taxes period. To replace the lost revenue, localities could increase wage taxes and the state's share of school subsidy costs would be increased from 50 to 80 percent over the same period. In addition to increasing the state share of equalized reimbursable school costs, the measure also would have allowed districts to levy a surtax on the state income tax. New or increased business and personal state taxes would be imposed to finance the increased school subsidy. The proposed changes would have generated replacement funds for the real estate tax being discontinued.

**Elimination of Local Nuisance Taxes (S 943 in Senate committee)**

The measure proposed to eliminate local nuisance taxes by shifting the foundation of the local tax structure to a broadened income tax on earned and unearned income. The legislation attempted to freeze, if not actually reduce, existing property taxes as a primary source of local revenue, particularly for school purposes.

The nuisance taxes targeted for elimination would have included the occupation, occupational privilege, per capita and other taxes.

The proposal was aimed at gradually reducing property taxes as revenue is raised through the new taxing power of local authorities.

The bill died.

**Property Taxes (S 1438 passed Senate; in House committee)**

This was a proposed constitutional amendment to change the tax uniformity clause. Essentially, it would have allowed school districts and local governments to classify tax property according to use. The classifications were to be industrial, commercial, agricultural and residential. Currently, the constitution requires taxes to be uniform on the same class of subjects. Constitutional amendments need the approval of two separately elected legislatures plus ratification by the voters. Supporters of the measure contended this proposal would aid the elderly who own property in the state.

Opponents projected that business and industry might suffer and possibly firms would move out of the state. The measure passed the Senate but died in the House.

**Real Estate Assessment Reform (S 494 and seven companion bills defeated in the Senate, then re-considered and re-committed to committee)**

The eight-bill package was the product of some three years of work and statewide public hearings. The package would have required counties to reassess real estate at 100 percent of actual value. Under existing statutes, counties assess real estate from 20 to 50 percent of value. The legislation also calls for each county to create a building permit system to help assessors in fixing real estate levies. The state would serve in a watchdog role over real estate assessment system.

## URBAN AFFAIRS AND HOUSING

**Urban Blight Program (S 69 signed by the governor Aug. 5, 1977; S 305 signed by the governor Dec. 1, 1977)**

Both bills dealt with problems affecting Pennsylvania's metropolitan areas. **Senate Bill 69** permitted local taxing authorities to grant 100 percent exemptions on newly-constructed dwellings for a period of three years. Under a 1971 law, local authorities were allowed to offer similar exemptions on improvements on business properties in specified deteriorated areas.

**Senate Bill 305** allowed municipal governments to grant tax exemptions on improvements on business properties in specified deteriorated areas.

The affected industrial, commercial or other business property can be taxed on the property's existing assessment base at the time of improvements instead of taxing the assessed valuation of improvements to the property.

**Curbing Urban Blight (H 1964 governor signed Jan. 23, 1978)**

This bill allowed redevelopment authorities to acquire and improve vacant properties in blighted areas outside urban renewal districts.

The properties can be acquired by eminent domain, purchase or gift.

Once a property is certified as blighted, the owners or agents are to be notified and given reasonable time

to change existing conditions or until appeals are completed. Redevelopment authorities are prohibited from acquiring land if it is inconsistent with municipal comprehensive planning.

**Curb Redlining (S 778 in Senate committee)**

The measure was aimed at curbing "redlining" by financial institutions which make or arrange mortgage and home improvement loans. It would have created a Home Mortgage and Deposit Disclosure Act to require lending institutions to disclose all mortgage activity and deposits by neighborhood. The public disclosure reports would have informed consumers and local governments of disinvestment by a financial institution in a specific neighborhood. The bill died.

**Landlord-Tenant Codes (S 944 in Senate committee; H 1335 in House committee)**

Both bills would have created a statewide Landlord and Tenant Act to revise the 1951 law governing the rental of dwelling units and the rights and obligations of the landlord, tenant and managing agent.

The legislation was intended to modernize and clarify the law in areas such as rent withholding, the security deposit and the defined obligations of the tenant and landlord.

They failed to pass.

**Pennsylvania Housing Finance Bill (S 984 conference report adopted by Senate and rejected by House on Nov. 15, 1978)**

This legislation would have authorized the Pennsylvania Housing and Finance Agency to finance single homes. Currently, the agency is limited to financing programs dealing with multi-family dwellings.

Under the program the PHFA would have lent money to mortgage lending institutions, which in turn, loaned to individual borrowers at below market interest rates for single residential housing. PHFA would raise the revenue through the sale of bonds. Another proposed amendment to current law would have established a Home Improvement Loan Program. The House amended the bill to limit the PHFA's borrowing power to \$50 million for financing new or existing single home purchases or improvements at low interest rates. The Senate disagreed with the \$50 million cap and the bill went to a conference committee. It died when the House defeated the conference report.

**Alternative Mortgage Financing (H 2392 and 2393 approved by the governor Oct. 5, 1978)**

The two-bill package provided alternative methods for residential mortgage financing. It proposed four alternatives to a fixed-rate, fixed-term mortgage, including:

1. A graduated payment plan with lower monthly payments during the first years of a mortgage term, rising in later years with an expected higher income.
2. A reverse annuity plan for retirees needing the income from the increased value of fully-paid property. In effect, this becomes a mortgage in reverse, and monthly payments are made to the senior citizen who owns his home and needs additional income.
3. A variable rate mortgage with interest rates that fluctuate up and down, depending on the prevailing interest rate.
4. A skip-a-payment mortgage allowing the buyer to withhold one payment annually up to a total of five for the life of the mortgage. The skipped payments would be added to the term of the mortgage and would be paid at the end of the term.

**TRANSPORTATION**

### **Gas Tax Hike (H 1450 in House committee)**

This measure proposed an increase in the gasoline tax from nine cents per gallon to 12 cents per gallon immediately on the effective date of the legislation. The cents-per-gallon tax would have been adjusted annually each July 1, so the tax would have increased consistent with increases in the U. S. Government cost indices. The Pennsylvania Department of Transportation would have been required to report to the General Assembly by May 1 of each year to demonstrate the effectiveness of the revenue-producing formula and the manner in which the monies were spent for highway maintenance and construction.

The insolvency of the Motor License Fund developed into a freeze.

In 1977 on all construction of new highways, and the freeze is still in effect. According to PennDOT, the Motor License Fund was troubled because of expensive debt service payments on bonds authorized in the 1960s to fund construction projects. PennDOT's critics blame the financial crisis or poor management.

The issue became an issue in the 1978 gubernatorial campaign and never moved to the floor of the General Assembly. It is a matter awaiting the new state administration.

### **Motor Vehicle Code Revision (H 1171 conference report rejected by the Senate Nov. 15, 1978)**

Initially, this bill was intended to make the necessary technical changes and to correct the typographical mistakes in the new Motor Vehicle Code which took effect July 1, 1977. A number of provisions in the new Vehicle Code are not being enforced at this time -- for example, the inspection of "mopeds". The Department of Transportation, through an agreement with the attorney general, has not been enforcing certain provisions pending the passage of a revision of the Vehicle Code .

The revision legislation, however, was amended substantially, and became bogged down in politically-charged issues -- helmets for motorcyclists and studded snow tires.

Under existing statute, studded snow tires are illegal. One amendment inserted in this bill would have permitted studded tires on all vehicles between Nov. 1 and April 30, and another amendment would have permitted the studded tires on emergency vehicles and school buses.

Another controversial amendment would have removed the requirement of helmets for motorcyclists, regardless of age, and another would have required helmets for those operators under the age of 18.

Because the conference report on this legislation was rejected, the technical corrections to the Motor Vehicle Code have to be reintroduced next year. The existing Vehicle Code is in effect. Thus, studded snow tires are illegal in Pennsylvania and all motorcyclists must wear helmets.

## **UTILITY REGULATION**

**Office of the Consumer Advocate (S 513 signed by the governor June 21, 1977; S 1268 signed by the governor July 1, 1978; H 2200 signed by the governor Oct. 4, 1978)**

The first measure (**S 513**) instituted an assessment system applied to utilities for financing the Office of Consumer Advocate. The system permits assessments of up to seven percent on the funds paid by utilities toward operations of the Public Utility Commission.

The second proposal (**S 1268**) increased the budget ceiling for the Office of Consumer Advocate. The office now is funded with revenues from up to .05 percent of the gross in-state operating monies on all utilities governed by the Public Utility Commission. The prior law allowed the advocate to tap utilities up to seven percent of their PUC assessments for operating funds.

Finally, the third measure (**H 2200**) extended the life of the Office of the Consumer Advocate. The office

was created in July 1976 to represent consumer interests in utility rate cases before the Public Utility Commission. The legislation that created the office contained a "sunset" feature -- the General Assembly was required to review its creation and re-establish it by March 31, 1979, or the office expired automatically.

**Fuel Cost Revision (S 995 passed Senate; in House committee)**

The measure would eliminate the fuel cost adjustment regulation from monthly electric bills. Producers would be required to recoup added costs through the usual rate procedure.

Since the introduction of this legislation, the PUC has acted to abolish the adjustment regulation and substitute a net energy clause.

This will not reduce customer billings, but, according to the PUC, it is a more stable mechanism than adjustment regulation. The PUC plan now is undergoing a six-months trial; therefore, there was no final action on the bills.

**Lifeline (H 367, 380 in House committee)**

The bills would have authorized the Public Utility Commission to require energy-producing utilities to incorporate so-called "lifeline rates" in their tariff structures. The PUC would be allowed to order utilities to grant low block rates for minimum usage of gas, electric or steam heat. Lifeline has been proposed in the last two sessions to no avail and is likely to be introduced again in the future.

**Tenants Utility Service (H 1785 and 1834 approved by the governor Nov. 26, 1978)**

The new law allows a tenant to continue to receive utility services when services have been discontinued for the landlord. It allows the tenant who pays for the continuation of utility service to recoup his payments by deducting them from his rent or by obtaining reimbursement from the landlord. A landlord cannot retaliate against a tenant who exercises his right under the law.

## LABOR

**Unemployment Compensation Wage Base Hike (S 560 signed by the governor July 6, 1977)**

This new law brought Pennsylvania in line with requirements for continued federal assistance to the jobless pay program. It provided that the base on which unemployment compensation taxes are paid be increased from \$4200 of a worker's salary to \$6000. It also extended the unemployment compensation program to municipal and school board employees and certain farm workers.

**Minimum Wage Schedule (H 2302 governor signed July 1, 1978)**

The measure increased the minimum wage from \$2.30 an hour to \$2.65 an hour. Ultimately, the rate will reach \$3.35 an hour beginning in 1981. The bill was designed to bring the Pennsylvania law into conformity with recent changes in federal law.

**Workmen's Compensation For Asbestos-Related Disease (S 1022 in Senate committee )**

This would have redefined asbestos-related ailments for claimants of workmen's compensation. The current definition of asbestos-related disease covers direct contact, handling and exposure. This measure would have expanded the definition to include the ingestion or inhalation of fibers as well as dust. Additionally, death benefits would be extended to claims dating back 700 weeks instead of 300 weeks.

**Migrant Labor (S 967 approved by the governor June 23, 1978)**

After years of legislative wrangling, a bill designed to help protect migrant workers from abuse, became law. The legislation established standards for the wages, hours, working conditions and housing of seasonal farm workers. The new law prohibited unsanitary living conditions and the employment of minors under age 14. The bill created a Seasonal Farm Labor Committee in the Department of Environmental Resources to oversee regulations pertaining to housing, sanitation and safety of seasonal workers.

## HEALTH AND WELFARE

### **Group Homes** (S 94 House rejected the conference report Nov. 15, 1978)

This proposal would halt local zoning efforts aimed at excluding group homes from a neighborhood. The measure would allow the group homes in all residential communities if they house three to eight mentally retarded, elderly, dependent children and physically handicapped residents. Supporters of the proposal contend the bill would fill a vacuum created by a state policy promoting community living arrangements for persons released from institutions and a community imposing zoning restrictions against group homes.

A conference committee report was approved in the Senate but defeated in the House.

### **Physicians Assistants** (S 586 governor signed June 23, 1978)

The bill amended the Medical Practice Act to permit physicians' assistants to render services. No existing law governed these medical personnel. The state Board of Medical Education and Licensure now will certify and monitor physicians' assistants.

**Abortion Ban** (H 71 governor vetoed April 4, 1978; HR 211 adopted by the House and Senate and sent notification to the U. S. Congress and the state capitals explaining the Pennsylvania General Assembly had approved the call for a constitutional convention)

**House Bill 71** was a joint resolution calling on the United States to convene a constitutional convention for the purpose of adding an anti-abortion amendment to the U. S. Constitution. It would be the first such convention since 1789. The General Assembly did not attempt to override the governor's veto, but passed **House Resolution 211** and notified Congress that the legislature had approved the call for a constitutional convention. According to the governor, the legislature's action is invalid because it ignored his veto and forwarded endorsement of the measure. Supporters of the action contend the language in the U. S. Constitution does not provide for a governor's concurrence.

### **State Funding of Medicaid Abortions I** (an amendment to the general appropriations bill for 1978-79)

The General Assembly inserted an amendment in the general appropriations bill for 1978-79 to ban Medicaid-funded abortions beginning July 1, 1978. The bill passed, was signed by the governor, but the governor issued a directive ordering state officials to ignore the anti-abortion language. The attorney general ruled that the antiabortion section of the budget was not germane to a general appropriations bill and therefore is unconstitutional. The state treasurer ignored the governor's directive and said he was bound by law to obey the language inserted in the state budget. That action was promptly challenged in the courts.

**State Funding of Abortions II** (S 1254 governor vetoed June 28, 1978, then both chambers adopted the motion to override the governor's veto in September 1978)

The legislation amended the Abortion Control Act to permanently halt state payment of Medicaid-funded abortions, except those necessary to save the life of the mother. Both this bill and the budget restriction developed after the U. S. Supreme Court ruled in 1977 that states may decide whether to pay for elective abortions. Federal law already has curtailed many welfare abortions.



### **Health Care and Education (SR 70 adopted March 7, 1978)**

**Senate Resolution 70** instructed a special committee to investigate three issues: what to do with surplus state buildings, the torture of medical and veterinary training in the state, and the shortage areas of physicians and veterinarians.

Norristown State Hospital in Montgomery County was used as a pilot site for the project.

The committee made a series of recommendations for future use of surplus buildings at state institutions. One would place an embargo on destroying vacant buildings until a plan was formulated for their future use.

At Norristown State Hospital, the committee recommended a variety of alternate uses be studied by the appropriate health agencies for its vacant buildings. A new medical or veterinary school was not among the options.

The committee concluded Pennsylvania has no comprehensive attack to address the state's worsening health care and has no plan addressing the needs and future of health care and health education.

At the same time, the state is faced with an increase in the maldistribution of primary care physicians, particularly in rural and inner-city areas.

The committee urged the state to combine the services offered by more than one state department into one uniform group. It recommended one major special committee on medical and veterinary training, consisting of members of the Appropriation, Health and Welfare, Education and Agriculture committees of each House.

In addition, the Joint State Government Commission would be directed to develop a plan to determine that health care and education is regulated more adequately than it is now.

### **Blood Bank Disputes (H 46 approved by the governor Oct. 4, 1978)**

The legislation was aimed at resolving a feud between the American Red Cross and the American Association of Blood Banks. Under the new law, the AABB hospital must accept replacement blood or credits from a Red Cross chapter in another jurisdiction, in effect, restoring a reciprocal agreement terminated in October, 1976. Hospitals in Adams, Cumberland, Perry, Dauphin, Lebanon, Lancaster, Berks, Lehigh, Washington and parts of Northampton counties are affiliated with AABB.

The rest of the state is covered by the Red Cross.

### **Welfare Liens (H 757 passed the House; in Senate committee)**

This said a welfare recipient could collect \$5,000 in public assistance benefits before a lien is placed on his home. Presently, Pennsylvania is one of two states nationwide that imposes a lien on the real estate used as a home by a public assistance recipient.

The measure would have prohibited all future liens not exceeding \$5,000 and would have cancelled all liens \$5,000 or less held under the program. However, liens already paid off would not have been reimbursed. The bill passed the House but not the Senate.

## **INSURANCE**

### **Insurance Cancellation Ban (S 736 approved by the governor Oct. 5, 1978)**

This is the first major revision of the state's insurance law since it was enacted 10 years ago. The new

law, going into effect Jan. 2, 1979, places several restrictions on auto insurance companies which previously could refuse coverage for reasons not related to a person's driving skills. The revised insurance law now prohibits an insurer from refusing coverage on the basis of sex, marital status, age, occupation, color, race, place of residence or other factors unrelated to an applicant's driving record.

**Termination of Auto Insurance Agent Contract (S 1200** approved by the governor Sept. 22, 1978)

The legislation took aim at the practice of redlining agents who write policies in particular areas and gives agents a means of appeal.

It requires companies to give 90 days notice prior to terminating most insurance agents' contracts and the terminated agents' policies will continue for 12 additional months.

**Limit on Medical Liability Claims (H 1980** vetoed by the governor Nov. 26, 1978)

The measure would have limited medical liability in no-fault auto insurance cases to \$100,000. Proponents of the bill maintained the \$100,000 limit would have saved Pennsylvanians more than \$54 million annually on their automobile insurance premiums. Presently, the state's no-fault law requires insurers to provide unlimited payments for injuries.

Gov. Shapp vetoed the bill contending the \$100,000 limit on no-fault medical claims would force motorists to either file lawsuits when expenses are extremely high, or else pay higher premiums to get additional coverage. The governor also found unacceptable a provision of the bill which would have allowed senior citizens to designate their auto carrier as their primary insurer. He contended this provision would have resulted in pressure on senior citizens to buy more insurance duplicating coverage they already have through Medicare.

## PORNOGRAPHY

**Anti-Smut Law (S 199** became law without the governor's signature on Nov. 5, 1977)

The new anti-obscenity law makes it illegal to sell, lend, distribute, exhibit, give away or show any obscene materials, as well as design or advertise pornography. District attorneys are required to enforce the law through civil, rather than criminal procedures.

This is the first anti-obscenity statute since 1975, when the Pennsylvania Supreme Court declared the old law unconstitutional.

**Child Pornography Law (S 717** signed by the governor Oct. 26, 1977)

The new law bans the use of children under 16 in pornographic films, books and other publications. It prohibits certain sexual conduct involving children and makes it a second-degree felony for anyone found guilty of causing or knowingly allowing a child to engage in these prohibited acts.

## DISASTER RELIEF

**Flood Aid to Johnstown and Surrounding Communities (H 304** an emergency constitutional amendment approved by the electorate Nov. 8, 1977 and **H 450** signed by the governor Aug. 18, 1977)

**House Bill 450** appropriated monies from the general fund to be allocated by the governor to appropriate disaster relief activities.

**House Bill 304** was a joint resolution proposing an emergency constitutional amendment to permit the enactment of emergency legislation when federal emergency or disaster assistance is available. Under

emergency procedures, it passed in the 1977 session and was approved by the electorate on Nov. 8, 1977.

**Flood Aid for Johnstown (H 2371 approved by the governor Oct. 4, 1978)**

This provided the city of Johnstown with up to \$50 million in capital-improvement money to help restore the damage done by the flood of July 1977.

**Grants for Flood Victims (S 1106 became effective without the governor's signature April 28, 1978)**

The legislation provides assistance to victims of the 1977 Johnstown flood who incurred financial losses beyond the amount of insurance and other help available. Flood victims in an eight-county area can apply for the state disaster relief at county public assistance offices.

The program to provide up to \$4,000 in an individual payment now is in the midst of a legal controversy. According to the state's Justice Department, the legislation violates a constitutional provision that bans direct state grants to an individual. Because of the constitutional question, the Department of Public Welfare was not accepting grant applications until June 12, 1978, and the deadline for filing applications for the program was Aug. 28, 1978. (See following measure extending the deadline.) Under the program, the amount of the grant is based on the adjusted loss of the applicant.

The adjusted loss is the total loss less the amount the applicant received from insurance and from the individual and family grant program through the Federal Disaster Relief Act.

**Grants for Flood Victims Extension (H 2518 governor signed July 1, 1978)**

The bill extended the deadline for grant applications for Johnstown flood victims. The appropriation will not lapse until June 30, 1979.

Applications will be taken and processed up to the point of payment, which will not be made pending the resolution of the legal problems surrounding the legislation.

## **LAW AND JUSTICE**

**Death Penalty (S 1233 vetoed by the governor July 1, 1978, then the motion to override adopted by both chambers in Sept. 1978)**

When the Legislature overrode the governor's veto of the death penalty bill, the law reinstating the death penalty for homicide took effect immediately. Opponents of the new capital punishment law however, are expected to challenge its constitutionality in the state Supreme Court as soon as a death sentence is handed down by a judge or jury. Death penalty supporters contend the bill is constitutional and meets court objections.

The state Supreme Court nullified a 1974 death penalty law last December. The state's high court overturned the 1974 law because it did not offer a jury a sufficiently wide range of mitigating circumstances to escape execution.

The new death penalty law is designed to conform to rulings by appellate courts on both the federal and state levels. The new law applies to specified first-degree murders such as killing a policeman, prison guard, kidnap victim, hostage, witness -- but, juries are allowed to consider the entire character and record of a defendant.

## **FIVE-PART ANTI-CRIME PACKAGE**

### **Part 1 -- Special Grand Juries (S 1319 approved by the governor Nov. 22, 1978)**

The new Pennsylvania Grand Jury statute gives local district attorneys and the state attorney general broader powers to empanel investigative grand juries and subpoena witnesses. Supporters of the new law claim it is the heart of the legislative package designed to combat organized crime, government corruption and police brutality.

Previously, only courts could convene investigative grand juries when the prosecution had demonstrated extraordinary circumstances to warrant a grand jury. County district attorneys and the state attorney general now have easier access to subpoena power. Traditionally, a district attorney could petition the Court of Common Pleas to empanel an investigating grand jury which has subpoena power, but very difficult criterion had to be met. Essentially, this changes the role of district attorney -- instead of simply reacting to complicated crimes, he now has the tools to actively seek it out.

The role of the attorney general also has been broadened substantially.

The attorney general is allowed to activate multi-county grand juries, which can go statewide. The attorney general also can conduct the prosecution of anyone indicted by a multi-county, grand jury investigation.

### **Part 2 -- Witness Immunity (S 767 approved by the governor Oct. 4, 1978)**

Under former state law, immunity granted to a witness was of such a nature that the individual could not be prosecuted for any matter about which he testified. This bill established in law the concept of use immunity which allows the individual to be free from prosecution based on his testimony but leaves the individual liable for prosecutions based on evidence that was not secured through the use of his testimony.

For instance, a state prosecutor may accept testimony under a grant of immunity but the individual could still be prosecuted by federal authorities if their case is not based on the testimony given under the grant of immunity. Judicial approval is required before immunity may be granted.

This legislation also extended the statute of limitations from two to five years (after leaving office or employment) for any offense committed by a public officer or employee in connection with performance of his duties.

### **Part 3 -- Wiretapping and Other Forms Of Electronic Eavesdropping - (S 191 approved by the governor Oct. 4, 1978)**

The legislation restored wiretapping and other forms of electronic eavesdropping in Pennsylvania. The Legislature outlawed wiretapping in 1957 and most other types of electronic eavesdropping in 1974.

The new law, which is patterned after the federal statute, allows state and local law enforcement personnel to intercept wire and oral communications under the following circumstances.

1. When neither party consents, a court must authorize the interception.
2. When one party consents, no court order is required.
3. When immediate necessity exists, the law provides procedures for an emergency order.

### **Part 4 -- Confidential Information (S 224 approved by the governor Oct. 4, 1978)**

The legislation provided access to otherwise confidential information for investigative purposes. Those allowed to petition the court for confidential information related to an ongoing criminal investigation include the attorney general, a district attorney, the executive director of the Crime Commission, or a committee or subcommittee of the General Assembly holding subpoena power. Improper disclosure of the information is punishable by a third-degree felony, and the violator is subject to a civil suit for invasion of privacy.

### **Part 5 -- Crime Commission (S 1320 approved by the governor Oct. 4, 1978)**

This measure restructured the Pennsylvania Crime Commission and limited its scope of activities to the investigation of organized crime.

The reconstituted Crime Commission is patterned after the New Jersey Commission of Investigation. The duties of the five-member commission outlined in the new law include investigating organized crime and public corruption, making legislative or administrative recommendations, submitting an annual report on organized crime in the state and requiring (by subpoena) the attendance and testimony of witnesses.

### **Criminal Sentencing (S 195 approved by the governor Nov. 26, 1978)**

This legislative effort is designed to thwart disparity in criminal sentencing. The law establishes an 11-member Sentencing Commission with an 18-month mandate to recommend minimum and maximum sentencing guidelines.

Until the commission makes its recommendations, the law sets minimum four-year sentences for repeat offenders convicted of violent crimes.

If a judge sentences outside the guidelines, he is required to supply a written report explaining his actions. If a sentence is less than the minimum guideline, the prosecution may appeal.

Finally, the bill attacked the problem of the increasing traffic and fencing of stolen goods. Under the revised law, it is a summary offense to knowingly buy or sell goods from which the serial number or other identification marks have been defaced or removed. If a person alters any identification with the intent to deceive or injure anyone, it now is punishable as a first-degree misdemeanor.

### **Drug Law Reform (S 1425 approved by the governor Nov. 26, 1978)**

This legislation substantially increased penalties on the illegal manufacture and sale of the drugs phencyclidine (PCP or angel dust) and methamphetamine (speed). The new law also attempts to assist prosecutors seeking conviction in cases involving the manufacture and sale of these drugs. The measure also reclassified phencyclidine, indicating it has a greater potential for abuse and making the use and abuse of the drug a priority among enforcement officials. This bill was one of the products evolving from a special Senate investigation into drug law enforcement.

### **Sovereign Immunity (H 2437 approved by the governor Sept. 28, 1978)**

This legislation is intended to limit the impact of a July 14, 1978 state Supreme Court decision which nullified the state's doctrine of sovereign immunity.

The measure statutorily reinstated sovereign immunity in some areas, but citizens would have the right to sue the state when negligence is involved under eight specific categories.

Additionally, the measure sets a limit of \$250,000 on damages an individual may be awarded. In cases involving more than one plaintiff, the aggregate would be limited to \$1 million.

### **Equal Rights Amendment Implementation (H 2214 to 2239 the bulk of the 26-bill package became law)**

The legislative package was designed to bring Pennsylvania statutes into conformance with the Equal Rights Amendment to the Pennsylvania Constitution. The constitutional amendment was adopted by the voters in May of 1971. The legislation amended, revised or repealed acts or sections of acts which contained sex-based discrimination in conflict with the 1971 constitutional guarantee of equal rights regardless of sex.

**New Judgeships (H 1863 approved by the governor Nov. 26, 1978)**

This created 10 new judgeships in Pennsylvania. The additional judgeships are divided among eight counties: two apiece in Lancaster and Montgomery counties, and one each in Berks, Cumberland, Northampton, Blair, Westmoreland and Centre counties. The newly-created judgeships will be filled through elections in 1979. The offices will come into existence in January 1980.

**Profit from Crime (S 1094 passed Senate, in House committee)**

This would mandate that the monies received by convicted criminals as a result of commission of a crime be paid to the state treasurer for distribution to the victim of the crime. The measure is designed to eliminate the profit from crime resulting from convicted criminals entering into an agreement with publishing companies or film producers for the stories of their misdeeds. The bill passed the Senate but not the House.

## **BUSINESS AND ECONOMY**

**Product Liability (S 585 passed the Senate, in House Committee)**

This bill would have established statutory guidelines governing product liability. In essence, the measure was intended to establish ground rules for the responsibility of the manufacturer/seller, and the rights of the consumer/user for injuries caused by products.

The bill imposed a 12-year statute of limitations on consumer civil actions against manufacturers for defective products which may have resulted in injury to the consumer. However, during the last hours of debate on the Senate floor an amendment was adopted which would have eliminated the statute of limitations provision if it was determined the product has a useful life of more than 12 years.

The bill further defined strict liability and limited strict liability of a product only to the manufacturer, and not to the wholesaler or retailer of that product.

The bill also provided that in any product liability action, a company could defend itself if it could prove the person was injured because he modified the product.

Proponents of the bill maintained it would allow insurers to better rate the product liability exposure of business and would help reduce escalating costs caused by the claims and legal costs of product liability.

Opponents labeled it as "anti-consumer" legislation.

**Interest Rates (S 1147 in Senate committee)**

This bill would have increased the maximum retail credit interest rates. It would have boosted the current 15 percent annual rate to 18 percent. According to bankers and retailers, increasing the rates encourage more businesses to extend credit to more people. Some retailers contend the present credit rates are extended at a loss made up by all customers. Opponents of the proposed increase claim consumers cannot afford the increased interest and would rather see retailers give discounts on cash purchases.

**Use of Domestic Steel (S 1068 governor signed March 3, 1978)**

This requires the use of American-made steel in all state and locally-financed construction projects. All public agencies, including school districts and authorities, are required to specify the use of domestic steel in construction projects. Foreign steel can be used if the agency certifies that needed steel products are not

available from American manufacturers.

**Economic Council** (S 1432 governor signed July 1, 1978)

This creates a new, independent state economic council. The Make Industry and Labor Right in Today's Economy (MILRITE) Council is designed to promote new growth, new jobs and capital investment in the state.

A major objective of the council will be to create a positive spirit of cooperation and confidence among business, labor and government sectors of the state.

The 15-member council will be appointed by the governor, will not be salaried but will receive an allowance for expenses.

**Grocery Beer Sales** (H 606 in House committee)

The measure would have legalized beer sales by department stores and supermarkets. It would have permitted large grocery outlets and department stores to sell up to two six packs of malt beverage at one time.

The beer would have to be purchased from a local distributor.

**Deposit Insurance** (S 1454, 1455, 1456, 1457 approved by the governor in October and November 1978)

This legislative package requires deposit insurance for all uninsured state-chartered credit unions, savings and loans and the five private banks in Pennsylvania. This is an attempt to give full protection for deposits of Pennsylvania consumers.

**Money Order Regulation** (S 400 governor signed July 9, 1977)

A major money order firm declared bankruptcy in early 1977, leaving many Pennsylvanians holding worthless money orders. This event prompted legislation to beef up the regulations governing money order firms in the state. The new law increased the net worth requirement for companies operating in the state from \$200,000 to \$500,000. The bond posted with the state was increased from \$200,000 to \$1 million.

**Unfair Debt Collection** (S 675 passed the Senate, in House committee)

The bill would have defined unfair debt collection procedures and forbidden harassment and fraudulent or misleading practices. The measure would have authorized the state attorney general or county district attorney to provide injunctive relief. The term "debt collector" would exclude finance companies which are parties to original contracts.

**Pennsylvania Anti-Trust Law** (S 681 in Senate committee)

The state does not have an anti-trust law. Opponents of enacting a state anti-trust law contend the existing federal statutes are adequate.

This legislation would prohibit restraints and monopolies of trade or commerce. The state Justice Department recently formed an anti-trust division to represent the state in federal cases.

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